

STATE TREASURER SHANE OSBORN RELEASES 6 MONTH PROGRESS REPORT

Part 4: Long-Term Care Savings Plan

Lincoln, Neb. – Today, State Treasurer Shane Osborn released his 6-month progress report on the Long-Term Care Savings Plan.

“Sixty percent of Americans who reach age 65 will require long-term care, but 40 percent of long-term care consumers are between the ages of 18 to 65,” said Osborn. “Nebraskans are truly fortunate because our Long-Term Care Savings Plan is the only one of its kind throughout the entire country.

“This program, which was created by LB 965 in 2006, is still in its infancy, but we have been very proactive in educating Nebraskans about how they can take control of their future medical expenses now and reaching out to financial institutions to offer this plan to consumers.

What it does:

The Nebraska Long-Term Care Savings Plan (LTCSP) empowers participants to deduct up to \$1,000 (\$2,000 if filing jointly) from their state income tax for deposits into a long-term care (LTC) account. The money grows tax free and will not be taxed if spent on LTC or LTC insurance.

Accomplishments:

- ◆ Improved the LTCSP by partnering with State Senator Tim Gay and passing LB 304 which:
 - Reduces the age at which taxpayers may make tax deferred payments out of a LTC savings account to pay the premiums of a LTC insurance policy from 62 to 50
 - Allows qualified withdrawals at any age for LTC expenses that have been incurred
 - Allows taxpayers to have LTC accounts for the benefit of any person for whom the owner of the account has an insurable interest.

- ◆ Established an advisory committee in order to foster relations between participating institutions and the Treasurer’s office.

- ◆ By revamping and streamlining the participation agreement with financial institutions, we reduced the tax reporting requirements which kept many financial institutions from participating in the LTCSP.
- ◆ Consulted with numerous LTC industry experts and drafted plan regulations for public hearing.
- ◆ Drafted inter-agency agreement with Department of Revenue to assist Treasurer in deduction implementation.

To create a LTCSP please visit www.treasurer.org or call (402) 471.2455 to learn of a participating financial institution near you.

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