



Ninety-Seventh Legislature - Second Session - 2002
Introducer's Statement of Intent
LB 1146

Chairperson: Senator William R. Wickersham
Committee: Revenue
Date of Hearing: January 31, 2002

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 1146 provides a process to establish medical savings accounts (MSA). Individuals or employers, on behalf of the employee, may contribute to a medical savings account.

Under the Act, a medical savings account program would require the purchase of a qualified higher deductible health plan, contributions to a medical savings account by an individual or an employer, and an account administrator to manage the account. The higher deductible health plan would provide coverage for payments for covered benefits exceeding the higher deductible. An individual may contribute up to \$2000 and up to \$500 a dependent. Amounts contributed to medical savings accounts are tax deductible. An employer may contribute \$3000 for an individual, \$5500 for a family. An account holder may withdraw money from their medical savings accounts for any purpose, but the money withdrawn from their medical savings account would be considered income.

Philip Erdman

Principal Introducer:

Senator Philip Erdman