

AMENDMENTS TO LB 465

(Amendments to Standing Committee amendments, AM0446)

1 1. Insert the following new sections:

2 "Section 1. Section 8-1,131, Revised Statutes
3 Supplement, 2004, is amended to read:

4 8-1,131. (1) All banks chartered under the laws of
5 Nebraska are qualified to act as trustee or custodian within the
6 provisions of the federal Self-Employed Individuals Tax Retirement
7 Act of 1962, as amended, or under the terms and provisions of
8 section 408(a) of the Internal Revenue Code, if the provisions of
9 such retirement plan require the funds of such trust or
10 custodianship to be invested exclusively in shares or accounts in
11 the bank or in other banks. If any such retirement plan, within
12 the judgment of the bank, constitutes a qualified plan under the
13 federal Self-Employed Individuals Tax Retirement Act of 1962, or
14 under the terms and provisions of section 408(a) of the Internal
15 Revenue Code and the regulations promulgated thereunder at the time
16 the trust was established and accepted by the bank, and is
17 subsequently determined not to be such a qualified plan or
18 subsequently ceases to be such a qualified plan, in whole or in
19 part, the bank may continue to act as trustee of any deposits
20 theretofore made under such plan and to dispose of the same in
21 accordance with the directions of the member and beneficiaries
22 thereof. No bank, in respect to savings made under this
23 subsection, shall be required to segregate such savings from other

1 liabilities of the bank. The bank shall keep appropriate records
2 showing in proper detail all transactions engaged in under the
3 authority of this subsection.

4 (2) (a) All banks chartered under the laws of Nebraska are
5 qualified to act as trustee or custodian of a medical savings
6 account created within the provisions of section 220 of the
7 Internal Revenue Code and a health savings account created within
8 the provisions of section 223 of the Internal Revenue Code. If any
9 such medical savings account or health savings account, within the
10 judgment of the bank, constitutes a medical savings account under
11 section 220 of the Internal Revenue Code or a health savings
12 account under section 223 of the Internal Revenue Code and the
13 regulations promulgated thereunder at the time the trust was
14 established and accepted by the bank, and is subsequently
15 determined not to be such a medical savings account or health
16 savings account, in whole or in part, the bank may continue to act
17 as trustee of any deposits theretofore made under such plan and to
18 dispose of the same in accordance with the directions of the
19 account holder. No bank, in respect to savings made under this
20 subsection, shall be required to segregate such savings from other
21 liabilities of the bank. The bank shall keep appropriate records
22 showing in proper detail all transactions engaged in under the
23 authority of this subsection.

24 (b) Except for judgments against the medical savings
25 account holder or health savings account holder or his or her
26 dependents for qualified medical expenses as defined under section
27 223(d)(2) of the Internal Revenue Code, funds credited to a medical

1 savings account or health savings account are not susceptible to
2 levy, execution, judgment, or other operation of law, garnishment,
3 or other judicial enforcement and are not an asset or property of
4 the account holder for purposes of bankruptcy law.

5 Sec. 2. Section 21-1799, Revised Statutes Supplement,
6 2004, is amended to read:

7 21-1799. (1) All credit unions chartered under the laws
8 of Nebraska shall be qualified to act as a trustee or custodian
9 within the provisions of the federal Self-Employed Individuals Tax
10 Retirement Act of 1962 or under the terms and provisions of section
11 408(a) of the Internal Revenue Code if the provisions of such
12 retirement plan require the funds of such trust or custodianship to
13 be invested exclusively in shares or accounts in the credit union
14 or other credit unions.

15 (2) All credit unions chartered under the laws of
16 Nebraska are qualified to act as trustee or custodian of a medical
17 savings account created within the provisions of section 220 of the
18 Internal Revenue Code and a health savings account created within
19 the provisions of section 223 of the Internal Revenue Code. Except
20 for judgments against the medical savings account holder or health
21 savings account holder or his or her dependents for qualified
22 medical expenses as defined under section 223(d)(2) of the Internal
23 Revenue Code, funds credited to a medical savings account or health
24 savings account are not susceptible to levy, execution, judgment,
25 or other operation of law, garnishment, or other judicial
26 enforcement and are not an asset or property of the account holder
27 for purposes of bankruptcy law.

1 (3) All credit unions chartered under the laws of
2 Nebraska are qualified to act as trustee or custodian of an
3 education individual retirement account created within the
4 provisions of section 530 of the Internal Revenue Code.

5 (4) All credit unions chartered under the laws of
6 Nebraska are qualified to act as trustee or custodian of a Roth IRA
7 created within the provisions of section 408A of the Internal
8 Revenue Code.

9 (5) If any such plan, in the judgment of the credit
10 union, constitutes a qualified plan under the federal Self-Employed
11 Individuals Tax Retirement Act of 1962, or under the terms and
12 provisions of section 220, 408(a), 408A, or 530 of the Internal
13 Revenue Code, and the regulations promulgated thereunder at the
14 time the trust was established and accepted by the credit union is
15 subsequently determined not to be such a qualified plan, or
16 subsequently ceases to be such a qualified plan, in whole or in
17 part, the credit union may continue to act as trustee of any
18 deposits which have been made under such plan and to dispose of
19 such deposits in accordance with the directions of the member and
20 beneficiaries thereof.

21 (6) No credit union, with respect to savings made under
22 this section, shall be required to segregate such savings from
23 other assets of the credit union, but the credit union shall keep
24 appropriate records showing in detail all transactions engaged in
25 pursuant to this section."

26 2. On page 6, line 10, after the comma insert "and
27 sections 8-1,131 and 21-1799, Revised Statutes Supplement, 2004,".

AM1700
LB 465
DSH-05-24

AM1700
LB 465
DSH-05-24

- 1
3. Renumber the remaining sections accordingly.