

ONE HUNDRED SIXTH LEGISLATURE - SECOND SESSION - 2020
COMMITTEE STATEMENT
LB705

Hearing Date: Wednesday February 06, 2019
Committee On: Revenue
Introducer: Murman
One Liner: Provide for distribution of funds upon death from an achieve a better life experience account

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Briese, Crawford, Friesen, Groene, Kolterman, Lindstrom, Linehan, McCollister

Nay:

Absent:

Present Not Voting:

Oral Testimony:

Proponents:

Senator Dave Murman
John Murante
Edison McDonald
Deborah Goodkin
Denise Gehringer

Representing:

Introducer
Nebraska State Treasurer
The ARC of Nebraska
First National Bank of Omaha
Self

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB705 makes changes to the Achieving a Better Life Experience Program ("ABLE").

The bill provides that upon the death of a designated beneficiary of an account under the program, the owner of the account or the beneficiary's personal representative may transfer the account balance to another account under the program, as specified by the owner, the designated beneficiary or the estate of the beneficiary. Before such a transfer the State Treasurer is required to notify the specified parties of the potential tax consequences of such a transfer.

The bill also provides that upon the death of a beneficiary and after the Department of Health and Human Services has received approval from the Centers for Medicare and Medicaid Services of the United States Department of Health and Human Services, the state shall not seek recovery of any amount remaining in the account for any medical assistance received by the beneficiary or their spouse or dependent under the medical assistance program pursuant to the Medical Assistance Act after the account was established.

Finally, the bill provides that the state shall not file a claim for the payment under subdivision (f) of section 529A of the Internal Revenue Code, which provides:

(f)Transfer to State

Subject to any outstanding payments due for qualified disability expenses, upon the death of the designated beneficiary, all amounts remaining in the qualified ABLE account not in excess of the amount equal to the total medical assistance paid for the designated beneficiary after the establishment of the account, net of any premiums paid from the account or paid by or on behalf of the beneficiary to a Medicaid Buy-In program under any State Medicaid plan established under title XIX of the Social Security Act, shall be distributed to such State upon filing of a claim for payment by such State. For purposes of this paragraph, the State shall be a creditor of an ABLE account and not a beneficiary. Subsection (c)(3) shall not apply to a distribution under the preceding sentence.

Explanation of amendments:

The amendment specifically authorizes the transfer of an "ABLE" account during the life of the originally designated beneficiary to a new qualified beneficiary or a qualified sibling of the original beneficiary.

Lou Ann Linehan, Chairperson