

## 2022 PRE-NEED ANNUAL REPORT INSTRUCTIONS – MASTER TRUST ONLY

### FILING REQUIREMENTS

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1. Pursuant to NEB. REV. STAT. § 12-1110 each pre-need seller shall file an Annual Report with the Nebraska Department of Insurance on or before June 1, 2023, on such forms as prescribed by the Nebraska Department of Insurance.
2. **The Department has created an online portal for the submission of these forms. There are formulas embedded within the form for all calculations. Once you enter the appropriate information, all calculations will be done automatically.**
3. **After you submit the form, you will taken to a screen to submit the \$50 filing fee. The system will accept either a credit card or bank information for an ACH transaction.**
4. **If you close out of the form prior to submitting, you will need to start over when you go back in.**
5. **If you have questions or trouble with the submission, please contact either [lisa.pape@nebraska.gov](mailto:lisa.pape@nebraska.gov) or [Kristy.hadden@nebraska.gov](mailto:Kristy.hadden@nebraska.gov)**
6. Any pre-need seller who has discontinued making pre-need sales but who continues to have trust funds on deposit with a trustee(s) shall not be required to obtain a renewal of its pre-need seller license but shall be **required** to continue to file an Annual Report with the Nebraska Department of Insurance, as long as trust funds are being held.
7. Each pre-need seller maintaining branch locations may file a joint Annual Report **only if such branch locations are not separately licensed** and are part of the same licensed entity. All separately licensed pre-need sellers are required by law to file an Annual Report pursuant to NEB. REV. STAT. § 12-1110.
8. The Annual Report shall contain the name and **complete street address** of each trustee with which the pre-need seller has trust funds on deposit, and the amount on deposit with each such trustee as of December 31, 2022. **Schedule IB**
9. The Annual Report shall also include a list of all amounts retained as required by NEB. REV. STAT. § 12-1114, i.e. the cost-of-living-adjustment (CPI). **Schedule IIIB**
10. Each Annual Report, when filed with the Nebraska Department of Insurance, shall be accompanied by a fee of fifty dollars (\$50.00).
11. NEB. REV. STAT. § 12-1101 (23) defines trust principal as, “all deposits, including amounts retained as required by section 12-1114, made to a trust account by a pre-need seller less all withdrawals occasioned by delivery or cancellation..” **Schedule IVB**
12. Pursuant to NEB. REV. STAT. § 12-1114, the amount of current year trust income that will be required to remain in the trust is calculated by computing the total amount of trust principal determined as of December 31 of the immediately preceding year, and ten multiplied by the percentage increase in the National Consumer Price Index for such year. **Schedule IIB**

### VIOLATIONS AND PENALTY

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Pursuant to NEB. REV. STAT. § 12-1118, any person who violates any provision of the Burial Pre-Need Sale Act or who makes a report required under such act which is false or fraudulent shall be guilty of a Class II misdemeanor and his or her license shall be revoked.

### LINE INSTRUCTIONS

#### COVER PAGE

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- Line 1. Enter the name of the pre-need seller (company) as it appears on its Pre-Need Seller's license. Entering the name of the pre-need seller's owner or manager on this line is incorrect and may result in rejection of the Annual Report.
- Line 2. Enter the Federal Employer Identification Number or FEIN.
- Line 3. Enter the pre-need seller's main business address. If there is a mailing address which you prefer to use for correspondence, it can be entered **in addition to** the main business address.
- Line 4. Enter the pre-need seller's main business telephone number.
- Line 5. Enter the pre-need seller's current e-mail address. If none, state "None."
- Line 6. List all locations which are conducting pre-need business under the Pre-Need Seller's license number entered on line 2. These are considered branch locations. If none, state "None." Locations which are conducting pre-need business under a different Pre-Need Seller license number are considered separate pre-need sellers and should report their pre-need activity on a separate Annual Report.

Line 7. Mark "Yes" if pre-need fund activity for more than one pre-need seller location is being included in this Annual Report. If this Annual Report contains activity for only one pre-need seller location, mark "No."

### **Certification**

All lines in this section must be accurately completed by an authorized representative able to certify the truth and accuracy of the information contained in the Annual Report. Incompleteness in this section will result in rejection of the Annual Report.

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### **Letter of Credit/Surety Bond**

Mark "Yes" if the pre-need seller utilized a letter of credit or surety bond during the 2022 calendar year. If all of the pre-need funds received during the year were trusted, this section does not apply and "No" should be marked.

If "Yes" is marked, a copy of the current letter of credit or surety bond must be attached to the Annual Report.

### **Pre-Need Agents Ceasing Employment in 2022**

The Department is requesting the assistance of all pre-need sellers in maintaining accurate and up to date records of the pre-need agents associated with each pre-need seller.

Please use the table to provide the name, pre-need license number and date of the end of employment for each individual who ceased being a pre-need agent for your entity during 2022.

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### **SCHEDULE IB**

– Report all pre-need master trust account balances at their market value as of December 31, 2022, **except** balances from pre-need sales made before January 1, 1987. Only balances from pre-need sales made on or after January 1, 1987, should be reported on Schedule IB.

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### **SCHEDULE IIB**

- Line 1. Enter the principal balance of the master trust account(s) as of December 31, 2021 minus any income withdrawn during 2022. This amount should be the same as the amount on the 2021 Schedule IVB, Line 1.
- Line 2. The percentage increase in the National CPI for 2022 was 8.3% or .083.
- Line 3. Multiply Line 1 by Line 2. Enter the result. This is the amount of income required to be retained in the trust account(s) in accordance with NEB. REV. STAT. § 12-1114. This is also the amount that should be carried over to lines 9 and 18, on Schedule IVB

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### **SCHEDULE IIIB**

A separate Schedule IIIB must be completed for each trustee. Use the lines provided to enter the number of the trust account and the amount to be retained from that account. Duplicates of Schedule IIIB are acceptable if additional space is needed. The total from all Schedule IIIB pages used should equal the amount on Schedule IIB, line 3.

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### **SCHEDULE IVB**

Line 1. Enter the principal balance of the master trust account (s) as of December 31, 2021 (Line 19 from 2019 Schedule IVB minus any income withdrawn during 2021)

### **Master Trust Principal Additions**

- Line 2. Enter the gross total of all pre-need agreement receipts received during 2022. Pre-need receipts should be recorded **net** of the proceeds received for the following items:
- Lot
  - Grave space
  - Crypt or niche located in a mausoleum, columbarium or lawn crypt upon which construction has been substantially completed
  - Interest charged by the pre-need seller on an installment payment plan

- Funds used for the perpetual care, endowed care or continual care and maintenance of item(s) sold in a pre-need sale (NEB. REV. STAT. § 12-1104)

Line 3. If the pre-need seller opts to retain any amount up to 15% of pre-need sales, pursuant to NEB. REV. STAT. § 12-1104, enter the total of all amounts that were not placed into the trust accounts because of this allowable exclusion from trust requirements.

Line 4. Subtract Line 5 from Line 4. Enter result.

### **Master Trust Principal Distributions**

Report only those amounts which were actually disbursed during 2022 pursuant to NEB. REV. STAT. § 12-1113. Amounts which were eligible for disbursement due to the performance of the pre-need agreement, but which had not yet actually been disbursed at December 31, 2022, should be reported in the year in which the actual disbursement is made.

**EXAMPLE:** An agreement was performed on December 31, 2022. Funds from the corresponding trust account were not disbursed until January 1, 2023. This disbursement should not be included in the 2022 Annual Report because as of December 31, 2022, the funds were still in the trust account.

Line 5. Enter the amount disbursed in 2022 due to performance of pre-need agreements. This amount should include all CPI and/or income retained in the trust account while it was active.

Line 6. Enter the amount disbursed in 2022 due to cancellation or transfer of pre-need agreements. This amount should include all CPI and /or income retained in the trust account while it was active.

Line 7. Enter the amount disbursed in 2022 due to partial or complete construction of mausoleums, columbariums, or lawn crypts. This amount should include all CPI and/or income retained in the trust account while it was active.

Line 8. Add lines 7 through 9. Enter result.

### **Master Trust Required Income Retention**

Line 9. Enter the amount of income required to be retained pursuant to 12-1114 – this will be Line 3 from Schedule IIB.

### **MTA Principal Balance as of December 31, 2022**

Line 10. Calculate December 31, 2022 MTA Principal Balance by adding Line 1 plus Line 4 minus Line 8 plus Line 9.

### **Calculation of Trust Income Available for Distribution**

Line 11. Enter the amount of prior year income excess (deficit) – Line 24 from 2021 Schedule IVB

Line 12. Enter 2022 Gross Realized Gains earned by the MTA

Line 13. Enter 2022 Gross Realized Losses earned by the MTA

Line 14. Calculate 2022 MTA Net Gain (loss) which is current year income – Line 12 minus Line 13

Line 15. Enter amount of income withdrawn from the MTA during 2022

Line 16. Enter income distributed for performance, cancellations, or construction during 2022

Line 17. Enter 2022 MTA administrative fees/expenses, including taxes paid from 2022 trust income (this amount cannot exceed the amount entered on Line 14)

Line 18. Enter the amount of 2022 income required to be retained in the trust – Line 3 from Schedule IIB

Line 19. Calculate the amount MTA income available for distribution to the pre-need seller – Line 11 plus Line 14 minus Line 15 minus Line 16 minus Line 17 minus Line 18

- If this amount is a negative no income can be withdrawn during 2023.

### **Total Contract Obligations as of December 31, 2022**

Line 20. Enter the amount of all pre-need agreements outstanding as of December 31, 2022, at cost or book value. This amount should consist of the cost of all pre-need agreements which remain in trust at December 31, 2022, and should include all income retained in the trust and all whole or partial disbursements from the trust made for any reason during 2022.