

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



122nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2006

Legislative Document

No. 1837

H.P. 1277

House of Representatives, January 3, 2006

An Act To Protect Retirement Funds

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 28, 2005. Referred to the Committee on Judiciary pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative SMITH of Van Buren.
Cosponsored by Senator MARTIN of Aroostook and
Representative: PARADIS of Frenchville.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 14 MRSA §4422, sub-§13, ¶E**, as amended by PL 2001, c.
306, §4, is further amended to read:

6 E. A payment or account under a stock bonus, pension,
8 profitsharing, annuity or similar plan or contract on
10 account of illness, disability, death, age or length of
service, ~~to the extent reasonably necessary for the support
of the debtor and any dependent of the debtor,~~ unless:

12 (1) The plan or contract was established by or under
14 the auspices of an insider that employed the debtor at
the time the debtor's rights under the plan or contract
arose;

16 (2) The payment is on account of age or length of
18 service; and

20 (3) The plan or contract does not qualify under the
22 United States Internal Revenue Code of 1954, Section
401(a), 403(a), 403(b), 408, 408A or 409; or

24 **Sec. 2. 14 MRSA §4422, sub-§13, ¶F**, as enacted by PL 2001, c.
306, §5, is amended to read:

26 F. A payment or account under an individual retirement
28 account or similar plan or contract on account of illness,
disability, death, age or length of service ~~to the sum of
30 \$15,000 or to the extent reasonably necessary for the
support of the debtor and any dependent of the debtor,
32 whichever is greater.~~

34 **SUMMARY**

36 This bill exempts from creditors, including in bankruptcy
38 proceedings, the full value of individual retirement accounts and
"Roth individual retirement accounts" established under Section
40 408A of the United States Internal Revenue Code.