MAINE STATE LEGISLATURE

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1	I.D. 195
2	Date: 5/24/17 (Filing No. H-275)
3	JUDICIARY
4	Reproduced and distributed under the direction of the Clerk of the House.
5	STATE OF MAINE
6	HOUSE OF REPRESENTATIVES
7	128TH LEGISLATURE
8	FIRST REGULAR SESSION
9 10	COMMITTEE AMENDMENT "A" to H.P. 149, L.D. 193, Bill, "An Act To Protect Individual Retirement Accounts from Creditor Collection"
11	Amend the bill by striking out the title and substituting the following:
12	'An Act To Protect Retirement Accounts from Creditor Collection'
13 14	Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:
15 16	'Sec. 1. 14 MRSA §4422, sub-§13, ¶D, as amended by PL 2001, c. 306, §3, if further amended to read:
17 18	D. Alimony, support or separate maintenance, to the extent reasonably necessary fo the support of the debtor and any dependent of the debtor; or
19 20	Sec. 2. 14 MRSA §4422, sub-§13, ¶E, as amended by PL 2001, c. 306, §4, if further amended to read:
21 22 23 24	E. A payment or account under a stock bonus, pension, profitsharing, annuity of similar plan or contract on 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:
25 26 27	(1) The plan or contract was established by or under the auspices of an inside that employed the debtor at the time the debtor's rights under the plan or contract arose;
28	(2) The payment is on account of age or length of service; and
29 30	(3) The plan or contract does not qualify under the United States Internated Revenue Code of 1954 1986, Section 401(a), 403(a), 403(b), 408 or 409; or.
31 32	Sec. 3. 14 MRSA §4422, sub-§13, ¶F, as enacted by PL 2001, c. 306, §5, i repealed.
33	Sec. 4. 14 MRSA §4422, sub-§13-A is enacted to read:

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COMMITTEE AMENDMENT

COMMITTEE AMENDMENT " to H.P. 149, L.D. 193

	, ·
1	13-A. Retirement funds. Retirement funds to the extent those funds are in a fund or
2	account that is exempt from taxation under the United States Internal Revenue Code of
3	1986, Section 401, 403, 408, 408A, 414, 457 or 501(a), up to an aggregate value of
4	\$1,000,000. This subsection does not exempt:
5	A. Amounts contributed to the account or fund within 120 days before:
6	(1) The debtor files for bankruptcy if this exemption is being applied in a federal
7	bankruptcy proceeding; or
8	(2) If this exemption is being applied in a proceeding other than a federal
9	bankruptcy proceeding or for child support or spousal support covered by
10	paragraph B, the earlier of the entry of judgment or other ruling against the
11	debtor or the issuance of the levy, attachment, garnishment or other execution or
12	order against which this exemption is being applied; or

B. Amounts in the account or fund necessary to satisfy child support or spousal support obligations.'

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SUMMARY

This amendment replaces the bill by enacting a separate subsection governing the exemption from attachment of retirement accounts to match the same exemption in the United States Bankruptcy Code. The new subsection caps the exemption at an aggregate value of \$1,000,000 for individual retirement accounts and other tax-deferred arrangements that are exempt under the United States Bankruptcy Code, 11 United States Code, Section 522(d)(12). The amendment provides that amounts contributed within the 120 days before either the bankruptcy action is filed or the judgment against the debtor or the issuance of the levy or other attachment is issued are not exempt. Amounts necessary to satisfy child support or spousal support obligations are also not exempt from attachment or bankruptcy.

The amendment also updates a cross-reference to the United States Internal Revenue Code of 1986, which replaced the United States Internal Revenue Code of 1954.