

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 1442

S.P. 497

In Senate, April 13, 2017

**An Act To Raise the Debtor's Exemption on Vehicles and To
Exempt Amounts Rolled Over from 401(k) or 403(b) Accounts to
Individual Retirement Accounts**

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in cursive script that reads "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator CARPENTER of Aroostook.

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

2 **Sec. 1. 14 MRSA §4422, sub-§2**, as amended by PL 2001, c. 306, §2, is further
3 amended to read:

4 **2. Motor vehicle.** The debtor's interest, not to exceed ~~\$5,000~~ \$7,500 in value, in one
5 motor vehicle.

6 **Sec. 2. 14 MRSA §4422, sub-§13, ¶E**, as amended by PL 2001, c. 306, §4, is
7 further amended to read:

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

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

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

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

18 **Sec. 3. 14 MRSA §4422, sub-§13, ¶F**, as enacted by PL 2001, c. 306, §5, is
19 amended to read:

20 F. A payment or account under an individual retirement account or similar plan or
21 contract on account of illness, disability, death, age or length of service to the sum of
22 \$15,000 or to the extent reasonably necessary for the support of the debtor and any
23 dependent of the debtor, whichever is greater; or

24 **Sec. 4. 14 MRSA §4422, sub-§13, ¶G** is enacted to read:

25 G. Notwithstanding paragraph F, a payment or account under an individual
26 retirement plan or account that was rolled over from a plan or account under the
27 United States Internal Revenue Code of 1954, Section 401(k) or 403(b) or from a
28 similar, employment-related retirement or pension plan or account.

29 **SUMMARY**

30 This bill increases the exemption from attachment and execution for a motor vehicle
31 from \$5,000 to \$7,500 and provides a full exemption for a payment or account under an
32 individual retirement plan or account that was rolled over from a plan or account under
33 the United States Internal Revenue Code of 1954, Section 401(k) or 403(b) or from a
34 similar, employment-related retirement or pension plan or account.