

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 1003
House Committee Substitute Favorable 6/5/95

Short Title: Debtor Protection for IRAs.

(Public)

Sponsors:

Referred to:

May 4, 1995

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT INDIVIDUAL RETIREMENT ACCOUNTS, INDIVIDUAL
3 RETIREMENT ANNUITIES, AND SIMPLIFIED EMPLOYEES
4 PENSION/INDIVIDUAL RETIREMENT ACCOUNTS FROM THE CLAIMS OF
5 CREDITORS.

6 The General Assembly of North Carolina enacts:

7 Section 1. G.S. 1C-1601(a) reads as rewritten:

8 "(a) Exempt property. – Each individual, resident of this State, who is a debtor is
9 entitled to retain free of the enforcement of the claims of his creditors:

10 (1) The debtor's aggregate interest, not to exceed ten thousand dollars
11 (\$10,000) in value, in real property or personal property that the debtor
12 or a dependent of the debtor uses as a residence, in a cooperative that
13 owns property that the debtor or a dependent of the debtor uses as a
14 residence, or in a burial plot for the debtor or a dependent of the debtor.

15 (2) The debtor's aggregate interest in any property, not to exceed three
16 thousand five hundred dollars (\$3,500) in value less any amount of the
17 exemption used under subdivision (1).

18 (3) The debtor's interest, not to exceed one thousand five hundred dollars
19 (\$1,500) in value, in one motor vehicle.

- 1 (4) The debtor's aggregate interest, not to exceed three thousand five
2 hundred dollars (\$3,500) in value for the debtor plus seven hundred fifty
3 dollars (\$750.00) for each dependent of the debtor, not to exceed three
4 thousand dollars (\$3,000) total for dependents, in household
5 furnishings, household goods, wearing apparel, appliances, books,
6 animals, crops, or musical instruments, that are held primarily for the
7 personal, family, or household use of the debtor or a dependent of the
8 debtor.
- 9 (5) The debtor's aggregate interest, not to exceed, seven hundred fifty
10 dollars (\$750.00) in value, in any implements, professional books, or
11 tools of the trade of the debtor or the trade of a dependent of the debtor.
- 12 (6) Life insurance as provided in Article X, Section 5 of the Constitution of
13 North Carolina.
- 14 (7) Professionally prescribed health aids for the debtor or a dependent of the
15 debtor.
- 16 (8) Compensation for personal injury or compensation for the death of a
17 person upon whom the debtor was dependent for support, but such
18 compensation is not exempt from claims for funeral, legal, medical,
19 dental, hospital, and health care charges related to the accident or injury
20 giving rise to the compensation.
- 21 (9) Individual retirement accounts as described in Section 408(a) of the
22 Internal Revenue Code, individual retirement annuities as described in
23 Section 408(b) of the Internal Revenue Code, and accounts established
24 as part of a trust described in Section 408(c) of the Internal Revenue
25 Code. For purposes of this subdivision, 'Internal Revenue Code' means
26 Code as defined in G.S. 105-228.90."

27 Sec. 2. This act is effective upon ratification and applies to judgments entered
28 on or after that date.