

GENERAL ASSEMBLY OF NORTH CAROLINA
1995 SESSION

CHAPTER 250
SENATE BILL 1003

AN ACT TO EXEMPT INDIVIDUAL RETIREMENT ACCOUNTS, INDIVIDUAL RETIREMENT ANNUITIES, AND SIMPLIFIED EMPLOYEES PENSION/INDIVIDUAL RETIREMENT ACCOUNTS FROM THE CLAIMS OF CREDITORS.

The General Assembly of North Carolina enacts:

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

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

- (1) The debtor's aggregate interest, not to exceed ten thousand dollars (\$10,000) in value, in real property or personal property that the debtor or a dependent of the debtor uses as a residence, in a cooperative that owns property that the debtor or a dependent of the debtor uses as a residence, or in a burial plot for the debtor or a dependent of the debtor.
- (2) The debtor's aggregate interest in any property, not to exceed three thousand five hundred dollars (\$3,500) in value less any amount of the exemption used under subdivision (1).
- (3) The debtor's interest, not to exceed one thousand five hundred dollars (\$1,500) in value, in one motor vehicle.
- (4) The debtor's aggregate interest, not to exceed three thousand five hundred dollars (\$3,500) in value for the debtor plus seven hundred fifty dollars (\$750.00) for each dependent of the debtor, not to exceed three thousand dollars (\$3,000) total for dependents, in household furnishings, household goods, wearing apparel, appliances, books, animals, crops, or musical instruments, that are held primarily for the personal, family, or household use of the debtor or a dependent of the debtor.
- (5) The debtor's aggregate interest, not to exceed, seven hundred fifty dollars (\$750.00) in value, in any implements, professional books, or tools of the trade of the debtor or the trade of a dependent of the debtor.
- (6) Life insurance as provided in Article X, Section 5 of the Constitution of North Carolina.
- (7) Professionally prescribed health aids for the debtor or a dependent of the debtor.

- (8) Compensation for personal injury or compensation for the death of a person upon whom the debtor was dependent for support, but such compensation is not exempt from claims for funeral, legal, medical, dental, hospital, and health care charges related to the accident or injury giving rise to the compensation.
- (9) Individual retirement accounts as described in Section 408(a) of the Internal Revenue Code, individual retirement annuities as described in Section 408(b) of the Internal Revenue Code, and accounts established as part of a trust described in Section 408(c) of the Internal Revenue Code. For purposes of this subdivision, 'Internal Revenue Code' means Code as defined in G.S. 105-228.90."

Sec. 2. This act is effective October 1, 1995, and applies to judgments entered on or after that date.

In the General Assembly read three times and ratified this the 14th day of June, 1995.

Dennis A. Wicker
President of the Senate

Harold J. Brubaker
Speaker of the House of Representatives