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## **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**

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

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

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

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

E. A payment or account under a stock bonus, pension, ~~profit-sharing~~profit-sharing, annuity or 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:

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

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

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

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

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

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

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

## **SUMMARY**

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