

STATE OF MAINE

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IN THE YEAR OF OUR LORD
TWO THOUSAND AND SEVENTEEN

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H.P. 149 - L.D. 193

An Act To Protect Retirement Accounts from Creditor Collection

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

Sec. 1. 14 MRSA §4422, sub-§13, ¶D, as amended by PL 2001, c. 306, §3, is further amended to read:

D. Alimony, support or separate maintenance, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor; or

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, profitsharing, 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~~ 1986, 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Sec. 3. 14 MRSA §4422, sub-§13, ¶F, as enacted by PL 2001, c. 306, §5, is repealed.

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

13-A. Retirement funds. Retirement funds to the extent those funds are in a fund or account that is exempt from taxation under the United States Internal Revenue Code of 1986, Section 401, 403, 408, 408A, 414, 457 or 501(a), up to an aggregate value of \$1,000,000. This subsection does not exempt:

A. Amounts contributed to the account or fund within 120 days before:

(1) The debtor files for bankruptcy if this exemption is being applied in a federal bankruptcy proceeding; or

(2) If this exemption is being applied in a proceeding other than a federal bankruptcy proceeding or for child support or spousal support covered by paragraph B, the earlier of the entry of judgment or other ruling against the debtor or the issuance of the levy, attachment, garnishment or other execution or 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.