

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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SENATE BILL 1003

Short Title: Debtor Protection for IRA's.

(Public)

Sponsors: Senators Webster, Kerr, Albertson, Martin of Pitt, Cooper, Carrington, Davis, Hartsell, Kincaid, Simpson, East, Forrester, McDaniel, Foxx, Ballantine, Ballance, Page, Shaw, Sherron, and Horton.

Referred to: Judiciary I/Constitution

May 4, 1995

A BILL TO BE ENTITLED

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

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).

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

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