

# 122<sup>nd</sup> MAINE LEGISLATURE

## Second Regular Session

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Legislative Document

No. 1837

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H.P. 1277

### An Act To Protect Retirement Funds

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Referred to the Committee on Judiciary .

Presented by Representative SMITH W of Van Buren.  
Cosponsored by Senator MARTIN of Aroostook and  
Repr

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

**Sec. 1. 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, Section 401(a), 403(a), 403(b), 408, 408A or 409; or

**Sec. 2. 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.~~

#### **SUMMARY**

This bill exempts from creditors, including in bankruptcy proceedings, the full value of individual retirement accounts and "Roth individual retirement accounts" established under Section 408A of the United States Internal Revenue Code.

esentative PARADIS of Frenchville.