

# House Study Bill 6

## Bill Text

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1 1 Section 1. Section [627.6](#), subsection 8, paragraph a, Code  
1 2 1999, is amended to read as follows:  
1 3 a. A social security benefit, unemployment compensation,  
1 4 or

~~— a local~~

— any public assistance benefit.

1 5 Sec. 2. Section [627.6](#), subsection 8, Code 1999, is amended  
1 6 by adding the following new paragraph:

1 7 NEW PARAGRAPH. f. All contributions to and assets in the  
1 8 following list of plans or contracts and the accumulated  
1 9 earnings, and market increases in value, therefrom:  
1 10 simplified employee pension plans, self-employed pension  
1 11 plans, Keogh plans, individual retirement accounts, Roth  
1 12 individual retirement accounts, and similar plans for  
1 13 retirement investments in the future authorized under federal  
1 14 law. However, contributions to a plan shall not be exempt to  
1 15 the extent that the contributions for the twenty-four-month  
1 16 period prior to the date the exemption is claimed or execution  
1 17 is issued exceed ten thousand dollars in the aggregate over  
1 18 and above the average contributions that had been made to the  
1 19 plan or plans by the debtor or the debtor's employer or both  
1 20 in the five tax years ending prior to the twenty-four-month  
1 21 period before the date the exemption is claimed or the  
1 22 execution is issued. The exception to the exemption in this  
1 23 paragraph for contributions within the twenty-four-month  
1 24 period prior to the date the exemption is claimed or execution  
1 25 is issued shall not include the interest and any accumulation  
1 26 on that interest in any new plans or contracts that are used  
1 27 to replace prior plans, contracts, or policies that would have  
1 28 been excludable from a bankruptcy estate or that the debtor  
1 29 could have claimed exempt from execution at the time of the  
1 30 transfer. For purposes of this paragraph, market increases in  
1 31 value shall include, but not be limited to, dividends, stock  
1 32 splits, interest, and appreciation.

1 33 EXPLANATION

1 34 Present law provides that a resident debtor may hold exempt  
1 35 from execution the debtor's rights in a local public  
2 1 assistance benefit. The bill amends this exemption to  
2 2 eliminate the adjective "local," thus making exempt the  
2 3 debtor's rights in any public assistance benefit.

2 4 The bill also makes exempt from execution certain  
2 5 retirement benefits. However, the exemption does not include  
2 6 contributions to a plan within the 24 months prior to the date  
2 7 of exemption or execution if such contributions exceed \$10,000  
2 8 in the aggregate over and above average contributions made to  
2 9 the plan in the five tax years prior to the 24-month period.

2 10 LSB 1029YC 78

2 11 jj/jl/8