

California Bankruptcy Exemptions - CA Bankruptcy Exemptions

Federal Exemptions Not Allowed

Exemptions updated to include changes effective April 1, 2007.

**California has 2 'systems' of bankruptcy exemptions.
You must choose one. Each has different exemption
provisions.**

California Bankruptcy Exemptions - System # 1

Real or personal Property you occupy including a mobile home, boat, stock cooperative, community apartment, planned development or condo to \$50,000.00 if single and not disabled; \$75,000.00 for families if no other member has a homestead; \$150,000 if age 65 or older, or physically or mentally disabled; \$100,000 if 55 or older, single and earn under \$15,000 or married and earn under \$20,000 and creditors seek to force the sale of your home; sale proceeds exempt for 6 months after received (husband and wife may not double the amount and may file a homestead declaration. D	\$50,000
Insurance: <ul style="list-style-type: none"> • Disability or health benefits • Fraternal unemployment bonds • Life insurance proceeds or avails if clause prohibits proceeds from being used to pay beneficiary's creditors • Fidelity bonds • Homeowners' insurance proceeds for 6 months after received, to homestead exemption amount • Matured life insurance benefits needed for support • Unmatured life insurance policy loan value to \$10,775 husband and wife may double to \$21,550 	
Pensions <ul style="list-style-type: none"> • County employees • County firefighters • County peace officers • Private retirement benefits, including IRA's and KEOGHS • Public employees • Public Retirement benefits 	
Miscellaneous	

<ul style="list-style-type: none"> • Property of business partnership • Business or professional license, except liquor licenses • Inmates' trust funds to \$1,350 (husband and wife may not double) 	
<p>Personal Property</p> <ul style="list-style-type: none"> • Appliances, furnishings, clothing and food needed • Bank deposits from Social Security Administration to \$2,700 (\$4,050 for husband and wife. <p>Note on Social Security: Bank accounts which receive direct deposits from Social Security are exempt without making a claim if they have \$2,700 or less (if one depositor is designated payee) or \$4,050 (if two or more depositors are designated payees). Balances over the designated amount are completely exempt as long as traceable to Social Security.</p> <ul style="list-style-type: none"> • Building materials to \$2,700 to repair or improve home (husband and wife may not double amount) • Burial Plot • Health aids • Jewelry, heirlooms and art to \$6,750 total (may not be doubled) • Motor vehicles to \$2,550 in auto insurance if vehicle(s) lost, damaged or destroyed (may not be doubled) • Personal injury causes of action • Personal injury recoveries needed for support; if receiving installments at least 75% • Wrongful death causes of action • Wrongful death recoveries needed for support; if receiving installments, at least 75% 	
<p>Public Benefits</p> <ul style="list-style-type: none"> • Aid to blind, aged, disabled, AFDC (Aid to Families with Dependant Children) • Financial Aid to Students • Relocation benefits • Union benefits due to labor dispute • Unemployment benefits • Worker's Compensation 	
<p>Tools of Trade</p> <ul style="list-style-type: none"> • Tools, implements, materials, instruments, uniforms, books, furnishings, equipment, vessel, motor vehicle to \$6,750 total (Motor vehicle limited to \$4,850); to \$13,475 total (Motor vehicle limited to \$9,700) if used by both spouses in same occupation (cannot claim motor vehicle under both tools of trade exemption and motor vehicle exemption. 	
<p>Wages</p> <ul style="list-style-type: none"> • Public employees vacation credits; if receiving installments, at least 75% • 75% of wages paid within 30 days of filing for bankruptcy 	

NOTE: These are the major bankruptcy exemptions.
Check with your bankruptcy lawyer for a full exemptions list.

California Bankruptcy Exemptions - System # 2

Homestead - Unused portion of homestead may be applied to any property. D	\$20,725
Insurance: <ul style="list-style-type: none"> • Disability or health benefits • Life insurance proceeds or avails needed for support • Unmatured life insurance contract accrued avails to \$11,075 • Unmatured life insurance policy other than credit 	
Miscellaneous <ul style="list-style-type: none"> • Alimony, child support needed for support 	
Pensions <ul style="list-style-type: none"> • ERISA qualified benefits needed for support 	
Personal Property <ul style="list-style-type: none"> • Animals, crops, appliances, furnishings, household goods, books, musical instruments and clothing to \$525 per item • Burial plot to \$20,725, in lieu of homestead • Health Aids • Jewelry to \$1,350 • Motor vehicle to \$3,300 • Personal injury recoveries to \$20,775 (not to include pain and suffering or pecuniary loss) • Wrongful death recoveries needed for support 	
Public Benefits <ul style="list-style-type: none"> • Crime victims' compensation • Public Assistance • Social Security • Unemployment benefits • Veterans' benefits 	
Tools of Trade	\$2,075
Wild Card <ul style="list-style-type: none"> • \$1,100 of any property plus unused portion of homestead or burial exemption of any property. Total wildcard = \$21,825 	

NOTE: These are the major bankruptcy exemptions.
Check with your bankruptcy lawyer for a full exemptions list.

Homesteads:

- The exemption for a homestead is limited to \$125,000 if the property was acquired within the previous 1215 day (3.3 years). The cap is not applicable to any interest transferred from a debtor's previous principal residence (which was acquired prior to the beginning of such 1215-day period) ;
- The value of the state homestead exemption is reduced by any addition to the value brought about on account of a disposition of nonexempt property made by the debtor (made with the intent to hinder, delay, or defraud creditors) during the 10 years prior to the bankruptcy filing.
- An absolute \$125,000 homestead cap applies if either:
 - the court determines that the debtor has been convicted of a felony demonstrating that the filing of the case was a abuse of the provision of the Bankruptcy Code; or
 - the debtor owes a debt arising from a violation of federal or state securities laws, fiduciary fraud, racketeering, or crimes or intentional torts that caused serious bodily injury or death in the preceeding 5 years. **NOTE:** This limitation is inapplicable if the homestead property is "reasonably necessary for the support of the debtor and any dependent of the debtor."

The state you use for your exemptions is:

- The state you lived in for the 730 days (2 years) before filing; or
- If you did not live in a single state in the previous 2 years you use the state where you lived the majority of the 180 period preceding the 2 year period; or
- If the preceding renders you ineligible for any exemptions then the debtor is allowed to choose the federal exemptions.

Pension Plans exempt from seizure:

Employee contributions to ERISA qualified retirement plans, deferred compensation plans, tax-deferred annuities, and health insurance plans.

Education Funds exempt from seizure:

Funds placed in an educational retirement account or qualified State tuition programs at least 365 days prior to a bankruptcy filing, within the limits established by the Internal Revenue Code, and for the benefit of a child or grandchild of the debtor, are excluded from the debtor's estate, with a \$5,000 limit on funds contributed between one and two years before the filing.