

MEMO# 8886

May 23, 1997

1997 INSTITUTE SURVEY OF IRA PROTECTION IN BANKRUPTCY

1 See Memorandum to Operations Members No. 48-95, Pension Members No. 46-95, Tax Members No. 50-95, and Transfer Agent Advisory Committee No. 58-95, dated November 16, 1995. May 23, 1997 TO: OPERATIONS MEMBERS No. 11-97 PENSION MEMBERS No. 20-97 TAX MEMBERS No. 17-97 TRANSFER AGENT ADVISORY COMMITTEE No. 23-97 PENSION OPERATIONS ADVISORY COMMITTEE No. 13-97 RE: 1997 INSTITUTE SURVEY OF IRA PROTECTION IN BANKRUPTCY

The Institute is pleased to provide you with its revised survey summarizing the treatment of individual retirement accounts in bankruptcy under state law. Significant developments since the preparation of the first such survey in 1995¹ include the protection of IRAs in bankruptcy under Alabama, Idaho, North Carolina and Utah state laws. The Institute prepared this survey based on research of current state legislation and reported bankruptcy opinions. The survey is, however, only a brief summary of legal principles and standards, and further investigation or consultation with counsel is recommended. Additionally, please be aware that whether and to what extent IRAs are protected from creditors in bankruptcy proceedings is a particularly active issue in both the state legislatures and the courts. We would appreciate any comments regarding the survey and news of any relevant legislation or court decisions. If you have any questions regarding the survey, please call the undersigned at 202-326-5835 or 202-218-3563. Russell G. Galer Assistant Counsel - Pension Kathryn A. Ricard Assistant Counsel - Pension Attachment Note: Not all recipients of this memo will receive an attachment. If you wish to obtain a copy of the attachment referred to in this memo, please call the Institute's Information Resource Center at (202)326-8304, and ask for this memo's attachment number: 8886.