

MEMO# 7421

November 16, 1995

1995 INSTITUTE SURVEY OF IRA PROTECTION IN BANKRUPTCY

November 16, 1995 TO: OPERATIONS MEMBERS No. 48-95 PENSION MEMBERS No. 46-95
TAX MEMBERS No. 50-95 TRANSFER AGENT ADVISORY COMMITTEE No. 58-95 RE: 1995
INSTITUTE SURVEY OF IRA PROTECTION IN BANKRUPTCY

The Institute is pleased to provide you with its first annual survey summarizing the treatment of individual retirement accounts under state bankruptcy law. This survey is also relevant to the treatment of IRAs in federal bankruptcy actions, as section 522(b) of the federal Bankruptcy Code references state law exemption schemes. The Institute prepared this survey based on information received from the states and other 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. The Institute plans to update this survey on an annual basis, and therefore, 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. We will keep you informed of further developments. Russell G. Galer Assistant Counsel - Pension Attachment

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.