

SENATE BILL 333

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1998 Regular Session  
(8lr1220)

**ENROLLED BILL**  
-- Judicial Proceedings/Judiciary --

Introduced by **Senator Boozer**

Read and Examined by Proofreaders:

\_\_\_\_\_  
Proofreader.

\_\_\_\_\_  
Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this  
\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ o'clock, \_\_\_\_ M.

\_\_\_\_\_  
President.

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Judgments - Exemptions from Claims of Creditors - Roth IRA**

3 FOR the purpose of exempting certain benefits from, or interests in, a certain  
4 retirement plan from certain claims of certain creditors; ~~providing that a certain~~  
5 ~~retirement plan is not subject to a provision of law that provides that certain~~  
6 ~~contributions and any accrued earnings on those contributions are not exempt~~  
7 ~~from claims of certain creditors; providing that an exemption does not apply to~~  
8 ~~the portion of a contribution and certain earnings that exceeds the maximum~~  
9 ~~contribution allowed under the United States Internal Revenue Code; and~~  
10 generally relating to the exemption of certain benefits from, or interests in, a  
11 certain retirement plan from claims of creditors.

12 BY repealing and reenacting, with amendments,  
13 Article - Courts and Judicial Proceedings  
14 Section 11-504(h)  
15 Annotated Code of Maryland  
16 (1995 Replacement Volume and 1997 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article - Courts and Judicial Proceedings**

4 11-504.

5 (h) (1) In addition to the exemptions provided in subsections (b) and (f) of  
6 this section and any other provisions of law, any money or other assets payable to a  
7 participant or beneficiary from, or any interest of any participant or beneficiary in, a  
8 retirement plan qualified under § 401(a), § 403(a), § 403(b), § 408, § 408A, § 414(d), or  
9 § 414(e) of the United States Internal Revenue Code of 1986, as amended, or § 409 (as  
10 in effect prior to January 1984) of the United States Internal Revenue Code of 1954,  
11 as amended, shall be exempt from any and all claims of the creditors of the  
12 beneficiary or participant, other than claims by the Department of Health and Mental  
13 Hygiene.

14 (2) Paragraph (1) of this subsection does not apply to:

15 (i) An alternate payee under a qualified domestic relations order,  
16 as defined in § 414(p) of the United States Internal Revenue Code of 1986, as  
17 amended;

18 (ii) A retirement plan, qualified under § 401(a) of the United States  
19 Internal Revenue Code of 1986, as amended, as a creditor of an individual retirement  
20 account qualified under § 408 of the United States Internal Revenue Code of 1986, as  
21 amended; or

22 (iii) The assets of a bankruptcy case filed before January 1, 1988.

23 (3) The interest of an alternate payee in a plan described in subsection  
24 (h)(1) of this section shall be exempt from any and all claims of any creditor of the  
25 alternate payee, except claims by the Department of Health and Mental Hygiene.

26 (4) ~~(H) THIS PARAGRAPH DOES NOT APPLY TO A RETIREMENT PLAN~~  
27 ~~QUALIFIED UNDER § 408A OF THE UNITED STATES INTERNAL REVENUE CODE OF~~  
28 ~~1986.~~

29 ~~(H)~~ If a contribution to a retirement plan described under  
30 paragraph (1) of this subsection exceeds the amount deductible OR, IN THE CASE OF  
31 CONTRIBUTION UNDER § 408A OF THE INTERNAL REVENUE CODE, THE MAXIMUM  
32 CONTRIBUTION ALLOWED under the applicable provisions of the United States  
33 Internal Revenue Code of 1986, as amended, the portion of that contribution that  
34 exceeds the amount deductible OR, IN THE CASE OF CONTRIBUTION UNDER § 408A OF  
35 THE INTERNAL REVENUE CODE, THE MAXIMUM CONTRIBUTION ALLOWED, and any  
36 accrued earnings on such a portion, are not exempt under paragraph (1) of this  
37 subsection.

38 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
39 October 1, 1998.

