
By: **Senator Boozer**

Introduced and read first time: February 5, 1998

Assigned to: Judicial Proceedings

A BILL ENTITLED

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; and generally relating to the exemption of
8 certain benefits from, or interests in, a certain retirement plan from claims of
9 creditors.

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

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

17 **Article - Courts and Judicial Proceedings**

18 11-504.

19 (h) (1) In addition to the exemptions provided in subsections (b) and (f) of
20 this section and any other provisions of law, any money or other assets payable to a
21 participant or beneficiary from, or any interest of any participant or beneficiary in, a
22 retirement plan qualified under § 401(a), § 403(a), § 403(b), § 408, § 408A, § 414(d), or
23 § 414(e) of the United States Internal Revenue Code of 1986, as amended, or § 409 (as
24 in effect prior to January 1984) of the United States Internal Revenue Code of 1954,
25 as amended, shall be exempt from any and all claims of the creditors of the
26 beneficiary or participant, other than claims by the Department of Health and Mental
27 Hygiene.

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

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

4 (ii) A retirement plan, qualified under § 401(a) of the United States
5 Internal Revenue Code of 1986, as amended, as a creditor of an individual retirement
6 account qualified under § 408 of the United States Internal Revenue Code of 1986, as
7 amended; or

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

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

12 (4) (I) THIS PARAGRAPH DOES NOT APPLY TO A RETIREMENT PLAN
13 QUALIFIED UNDER § 408A OF THE UNITED STATES INTERNAL REVENUE CODE OF
14 1986.

15 (II) If a contribution to a retirement plan described under
16 paragraph (1) of this subsection exceeds the amount deductible under the applicable
17 provisions of the United States Internal Revenue Code of 1986, as amended, the
18 portion of that contribution that exceeds the amount deductible, and any accrued
19 earnings on such a portion, are not exempt under paragraph (1) of this subsection.

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