

2018 Regular Session

HOUSE BILL NO. 359

BY REPRESENTATIVE FOIL

SEIZURES/SALES: Provides relative to the exemption from seizure of certain retirement accounts

1 AN ACT

2 To amend and reenact R.S. 13:3881(D)(3), relative to tax-deferred arrangements; to provide
3 for exemption from seizure for retirement accounts; to provide for definitions; and
4 to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 13:3881(D)(3) is hereby amended and reenacted to read as follows:

7 §3881. General exemptions from seizure

8 * * *

9 D.

10 * * *

11 (3) The term "tax-deferred arrangement" includes ~~all individual retirement~~
12 ~~accounts or individual retirement annuities of any variety or name, whether~~
13 ~~authorized now or in the future in the Internal Revenue Code of 1986, or the~~
14 ~~corresponding provisions of any future United States income tax law, including~~
15 ~~balances rolled over from any other tax-deferred arrangement as defined herein,~~
16 ~~money purchase pension plans, defined benefit plans, defined contribution plans,~~
17 ~~Keogh plans, simplified employee pension (SEP) plans, simple retirement account~~
18 ~~(SIMPLE) plans, Roth IRAs, or any other plan of any variety or name, whether~~
19 ~~authorized now or in the future in the Internal Revenue Code of 1986, or the~~
20 ~~corresponding provisions of any future United States income tax law, under which~~

1 ~~United States income tax on the tax-deferred arrangement is deferred.~~ any
2 arrangement in which a person's right to the assets held in or to receive payments,
3 whether vested or not, under any stock bonus plan, money purchase pension plan,
4 defined benefit plan, simplified employee pension (SEP) plans, simple retirement
5 account (SIMPLE) plans, including a retirement plan for self-employed individuals,
6 or a simplified employee pension plan, an individual retirement account or individual
7 retirement annuity, including an inherited individual retirement account, an inherited
8 individual retirement account annuity, Roth individual retirement account, or
9 inherited Roth individual retirement account, a health savings account, and under any
10 annuity or similar contract purchased with assets distributed from that type of plan
11 or account, is exempt from attachment, execution, and seizure for the satisfaction of
12 debts to the extent the plan, contract, annuity, or account is exempt from federal
13 income tax, or to the extent federal income tax on the person's interest is deferred
14 until actual payment of benefits to the person under Section 223, 401(a), 403(a),
15 403(b), 408(a), 408A, 457(b), or 501(a) of the Internal Revenue Code of 1986, as
16 amended, including a government plan or church plan described by Section 414(d)
17 or (e) of the Internal Revenue Code of 1986, as amended. For purposes of this
18 Subsection, the interest of a person in a plan, annuity, account, or contract acquired
19 by reason of the death of another person, whether as owner, participant, beneficiary,
20 survivor, coannuitant, heir, or legatee, is exempt to the same extent that the interest
21 of the person from whom the plan, annuity, account, or contract was acquired was
22 exempt on the date of the person's death. If this Subsection is held invalid or
23 preempted by federal law in whole or in part in certain circumstances, the Subsection
24 remains in effect in all other respects to the maximum extent permitted by law. The
25 term "annuity contract" shall have the same definition as defined in R.S. 22:912(B).

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 359 Original

2018 Regular Session

Foil

Abstract: Updates the definition of tax-deferred arrangement and clarifies certain exemptions from seizure for retirement accounts.

Present law defines the term "tax-deferred arrangement" to include certain accounts, plans, and annuities.

Proposed law expands the definition to include additional accounts, plans, and annuities, and removes certain specifically named plans, such as Keogh plans.

Proposed law provides that when an individual acquires an interest in certain plans, annuities, accounts, or contracts, by reason of death of another person, that plan remains exempt from attachment, execution, or seizure to satisfy a debt to the same extent that the deceased individual would have been able to claim the exemption.

(Amends R.S. 13:3881 (D)(3))