

ARIZONA EXEMPTIONS (3/27/21)

(Use of federal bankruptcy exemptions in 11 U.S.C. 522(d) not permitted in Arizona. See A.R.S. §33-1133, but can use a few federal exemptions.) The IRS can lien most items on these pages. In order to qualify for a homestead, the residence must be your primary residence. Community property liability: A.R.S. §25-214 & 215. With the exception of the single homestead exemption for a married couple, each adult has a separate exemption (A.R.S. §33-1121.01). Therefore, each adult has an exemption for \$6,000 in household furnishings. The dollar amounts listed below are the resale, not retail, value of the items (e.g.: what your couch would sell for at a yard sale). But, if you are filing for bankruptcy and have personal property (not land/house) that has a lien or security interest, then you must use the “replacement value – the price a retail merchant would charge for property of similar kind and condition. §506(a)(2). Items not on this list are not protected from your creditors. Neither are the items protected from secured creditors, such as a deed of trust on the home or security interest in personal property (for instance - charging your refrigerator on Best Buy card). Exemption rights cannot be waived (A.R.S. §33-1132).

TYPE OF PROPERTY	AMOUNT OF EXEMPTION	STATUTE
Homestead, consisting of debtor’s equity in real property used as residence. 1 apartment of horizontal property regime, or mobile home and land upon which located. Homestead not abandoned if title in a revocable trust: ARS. § 33-1104(E); Judgment does not attach, including property later acquired, ARS § 33-964(A)	\$150,000– as against nonconsensual liens. Total \$150,000 for both spouses. Applies to identifiable cash proceeds of homestead sale for 18 months after sale. But in bankruptcy–see 11 §522(p)	A.R.S. § 33-1101(A); Except consensual liens - A.R.S. § 33-1104(D) recording not required - A.R.S. § 33-1102.
Prepaid rent and security deposits for Debtor’s residence	\$2,000	A.R.S. § 33-1126(C)
Household furniture, furnishings, household goods, including consumer electronic devices, and household appliances personally used by the debtor or a dependent of the debtor and not otherwise specifically prescribed in this chapter.	\$6,000 aggregate value	A.R.S. § 33-1123
Motor Vehicle - equity in vehicle	\$6,000 or \$12,000 if Debtor or Debtor’s dependent physically disabled	A.R.S. § 33-1125(8)
Food, fuel and provisions for 6 months used by Debtor & family	100%	A.R.S. § 33-1124
Wearing apparel	\$500	A.R.S. § 33-1125(1)
Library, including published materials & personal documents	\$250	A.R.S. § 33-1125(5)
Computer, typewriter, bicycle, sewing machine, bible, burial lot	\$2,000	A.R.S. § 33-1125(7)
All firearms	\$2,000	A.R.S. § 33-1125(10)
Pre-arranged funeral memorial - deposited in a funeral trust account with the funeral home (e.g. coffin open/close fees)	\$5,000	ARS § 32-1391.05(C)(4)
Musical instruments of Debtor and family	\$400	A.R.S. § 33-1125(2)
Domestic animals & household pets	100%	A.R.S. § 33-1125(11)
Horses, milk cows and poultry	\$1,000	A.R.S. § 33-1125(3)
Engagement and Wedding rings	\$2,000	A.R.S. § 33-1125(4)
Watch	\$250	A.R.S. § 33-1125(6)
Wheel Chair, mobility device and prescribed health aids	100%	A.R.S. § 33-1125(9)
Tools of the Trade: tools, equipment, instruments, marketing tools, web sites, trade names, intangible work product used in profession	\$5,000 (does not include personal motor vehicle)	A.R.S. § 33-1130(1)
Arms, uniforms/acoutrements required by law	100%	A.R.S. § 33-1130(3)
School Equipment used to teach	100%	A.R.S. § 33-1127
Firefighting equipment	100%	A.R.S. § 33-1128
Wages/commission: net disposable earnings (less deductions required by law) includes pension and retirements payment.	75% or 30 X the federal minimum hourly wage, per week, whichever is greater. Except child support.	A.R.S. § 33-1131
Wages: \$50 per week plus \$15 a week for each dependent	100%	A.R.S. § 23-755(D)
One single bank account	\$300	A.R.S. § 33-1126(A)(9)
Earnings of minor child (but don’t co-mingle with debtor)	100% (keep in separate bank account)	A.R.S. § 33-1126(A)(2)
Child support or maintenance	100% (keep in separate bank account)	A.R.S. § 33-1126(A)(3)
Welfare assistance	100% (keep in separate bank account)	A.R.S. § 46-208
Unemployment compensation benefits	100% (keep in separate bank account)	A.R.S. § 23-783
Workmen’s compensation benefits	100% (keep in separate bank account)	A.R.S. § 23-1068(B)
Long Term Disability Program Benefits	100% (keep in separate bank account)	A.R.S. § 38-797.11
Student Loan Proceeds (limited)	100% (keep in separate bank account)	20 USC 1095(a)(d)
*Interest in retirement plan qualified under Internal Revenue Code §§ 401(a), 403(a)(b), 408, 408(a), 409, 457 (deferred comp) (under federal law (522) §§ 401, 403, 408, 408(a), 414, 457, 501(a))	100% (Az only - except contributions within 120 days pre-petition. Includes most inherited retirement plans)	A.R.S. § 33-1126(B) 11 USC § 522(b)(3)(C)
ERISA benefits	100%	29 USC § 1056
Inherited retirement: 401(a), 403(a)(b), 408 (IRA), 408(a), 409, 457	100%	A.R.S. § 33-1126(B)
529 account (college savings plans) under Internal Revenue Code	100% (except contributions within 2 years before filing petition.	A.R.S. § 33-1126(A)(10)
Annuity (owned by DEBTOR for at least 2 years. Bene. must be debtor, debtor’s spouse, child, parent, sibling or “dependent” family member) Warning: some annuity companies list themselves as owner	100% (see statutes for specific requirements)	A.R.S. § 33-1126(A)(7)
Employer health, accident or disability insurance (present & future)	100% (certain debts excepted)	A.R.S. § 33-1126(A)(4)

Money received, including life insurance proceeds, paid or payable to surviving spouse or child, on life of deceased spouse, parent or guardian.	\$20,000	A.R.S. § 33-1126(A)(1) & A.R.S. § 20-1131
Life Insurance – Cash Value	100%	A.R.S. § 20-1131
Group Life Insurance	100% (certain limitations)	A.R.S. § 20-1132
Wrongful Death Benefits	100%	A.R.S. § 12-592
Cash surrender value of life insurance policies <u>must be owned by the debtor</u> (for at least two unexpired continuous years).	100% (beneficiary must be a spouse, sibling, parent, child, or dependent)	A.R.S. § 20-1131(D) A.R.S. § 33-1126(A)(6)
Insurance proceeds for damage or destruction of <u>exempt</u> property	100% of exemption for property.	A.R.S. § 33-1126(A)(5)
Damages for wrongful levy or execution	100%	A.R.S. § 33-1126(A)(8)
Farm Machinery, utensils, fee, grain, seed and animals of farmer.	\$2,500 (primary income from farming)	A.R.S. § 33-1130(2)
Property that belongs to the public	100%	A.R.S. § 33-1129
Social Security (including retirement, death & disability) (protected in bank account if NOT co-mingled) NOTE: garnishment could be 65% once deposited into bank account: (1) enforce child support or alimony-42 USC 65 (2) court-ordered victim restitution-18 USC 3613(3) unpaid federal taxes-26 USC 6334(c)(4) current year federal income tax-26 USC 3402 (P)(5), see also Debt Collection Act - 1996	100% <u>Keep these funds in a separate bank account and never co-mingle with other funds or you could lose the exemption.</u>	42 U.S.C. § 407(a), SEC 207, see 31 C.F.R. Part 212.3 protects 2 months of directly deposited benefits (but, may not override federal exemptions?)
VA Benefits (includes pensions, life insurance & disability)	100%	38 USC §5301(a)(1)
VA group life insurance benefits (group life 38 USC § 1970)	100%	38 USC § 3101
VA Medal of Honor benefits	100%	38 USC § 1562(c)
Military Survivor Benefit Plan annuities/military ret. Annuities	100%	10 USC § 1450(i)/1440
Deposits made by US servicemen to savings institutions while on permanent duty outside US	100%	10 USC § 1035
Servicemen's group life insurance benefits	100%	38 USC § 770(g)
Seaman's wages (at sea)	100%	46 USC § 11109(a)
War Compensation – hazard, death, injury	100%	42 USC § 1717
Longshoremen and harbor workers medical, disability & death	100%	33 USC § 916
Firemen's relief and pension benefits	100%	A.R.S. § 9-968
Police pension benefits	100%	A.R.S. § 9-931
Teacher's retirement benefits	100%	A.R.S. § 43-1201
State employee's retirement benefits	100%	A.R.S. § 38-792
Correction Officer Retirement Plan	100%	A.R.S. §38-897
Elected Officials Retirement Benefits	100%	A.R.S. § 38-809(A)/811
Elected Officials – Survivor Pension Married for 2 years or more	100%	A.R.S. § 38-807
Public Safety Personnel Retirement	100%	A.R.S. §18-850(c)
Public Safety death benefits	100%	42 USC § 3796
Arizona Ranger Benefits	100%	A.R.S. §41-955
Fraternal Benefit Society benefits	100%	A.R.S. § 20-881 or 877
Railroad employee's retirement & disability & death benefits	100%	45 USC § 231
Railroad worker's unemployment insurance benefits	100%	45 USC § 352
Federal civil service disability and death benefits	100%	5 USC § 8130
Federal civil service retirement benefits	100%	5 USC § 8346(a)
Central Intelligence Agency retirement benefit payments	100%	50 USC § 403
Annuities to widows & dependent children of Fed. Judges & justices	100%	28 USC § 376(n)
Foreign Service Employees benefits, annuities, including survivors	100%	22 USC § 4060
FEMA benefits	100%	44 CFR § 206.110
Homesteads purchased by Indians out of trust funds (see restrictions)	Total of 160 acres, or cost of \$5,000??	25 USC § 412
Money from lease/sale of land held in trust for Indians	100%	25 USC § 410

NOTE: IF FILING FOR BANKRUPTCY, ALSO EXEMPT:

*Retirement funds exempt under 401, 403, 408, 408A, 414, 457 or 501(a) IRS Code (includes direct transfers or rollover to exempt account)	100%, but limited to \$1,000,000 USC §522(n)	USC §522(b)(3)(C), 11 USC 522(n)
Wages due masters, seamen & apprentices.	100%, does not apply to maintenance/child support	46 USC § 601

NOTE: IF FILING FOR BANKRUPTCY – NOT PROPERTY OF THE ESTATE:

Education IRA under 530(b)(1) & 529(B)(1) - held for more than 2 years before filing bankruptcy. Beneficiary must be child, stepchild, grand or step grandchild of debtor for the taxable year.	Limited to \$5,000 if contributed between 12 to 24 months before filing bankruptcy.	530: USC §541(b)(5) 529: USC §541(b)(6)
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What state law do you use for your exemptions? If you are filing for bankruptcy protection and resided in Arizona for more than 2 years you must use this list of exemptions and cannot use of federal bankruptcy exemptions in [11 U.S.C. 522\(b\)](#). See [A.R.S. § 33-1133](#).) Otherwise, use the state you lived in for the full 730 days (2 years) before filing; or If you did not live in one single state in the previous 2 years, then use the state where you lived the majority of the 180 period preceding the last 2 year period; or if you ineligible for any exemptions then the debtor is allowed to choose the federal exemptions. There are also additional time periods of 10 years, 1210 days and others that impact the assets you can protect in bankruptcy. Confused? This is why it is important to talk to an experienced bankruptcy attorney about these exceptions.