

Common Exemptions for Judgment Debtors

A. Income

Exemption	Amount	Authority
Wages, commissions, income, rents or profits	\$217.50 after taxes per week or 75%, whichever is greater (court may increase up to 90% if good cause shown)	I. C. 24-4.5-5-105
Social Security and SSI	100%	42 U.S.C. 407
Veterans' Benefits	100%	38 U.S.C. 5301
Unemployment Compensation	100%	I.C. 22-3-2-17
Workers' Compensation	100%	I.C. 22-3-2-17

B. Property

Exemption	Amount	Authority
Residence (real or personal property)	\$19,300 per person	I.C. 34-55-10-2(c)(1)
Real estate owned jointly by married couple (entireties)	100% <i>if</i> only one spouse is debtor	I.C. 34-55-10-2(c)(5)
Non-residential real estate & tangible personal property	\$10,250 per person	I.C. 34-55-10-2(c)(2)
Intangible property (e.g. cash, bank acct.)	\$400 per person	I.C. 34-55-10-2(c)(3)
Tax refunds (Federal and Indiana) Earned Income Credit	100% of EIC	I.C. 34-55-10-2(c)(11)

Notes:

1. These are the most common exemptions that arise in consumer collection and other civil lawsuits. Other federal and Indiana exemptions may apply to specific types of income and property. Some of these are listed on the next page.
2. The dollar amounts for the Indiana property exemptions are subject to adjustment every 6 years. The next adjustment will be in 2022. See 750 I.A.C. 1-1-1.
3. Different wage exemptions apply to support withholding orders. I.C. 24-4.5-5-105(3).
4. Support withholding takes priority over civil wage garnishment. I.C. 24-4.5-5-105(8).
5. Federal and Indiana benefit exemptions have exceptions for child/spousal support.

Miscellaneous Exemptions for Judgment Debtors

A. Income

Exemption	Amount	Authority
Railroad Retirement	100 %	45 U.S.C. 231m
Child support received	100%	<i>Warsco v. Hambright</i> (Ind. 2002), 762 N.E.2d 98

B. Property

Exemption	Amount	Authority
Pension, IRA, 401(k) (tax deferred)	Generally exempt Limits may apply	I.C. 34-55-10-2(c)(6)
Public Employees Retirement	100%	I.C. 5-10.3-8-9
Teachers' State Retirement	100%	I.C. 5-10.4-5-14
Child support arrearage due	100%	<i>Warsco v. Hambright</i> (Ind. 2002), 762 N.E.2d 98
Federal student loan proceeds	100%	20 U.S.C. 1095a(d)
Education Savings Account	Limits apply	I.C. 34-55-10-2(c)(10)
Qualified Tuition Program	Limits apply	I.C. 34-55-10-2(c)(9)
Group life insurance/proceeds	100%	I.C. 27-1-12-29(b)
Life insurance payable to spouse or dependent	100%	I.C. 27-1-12-14(e)
Medical care accounts	100%	I.C. 34-55-10-2(c)(7)
Health savings accounts	100%	I.C. 34-55-10-2(c)(8)
Professionally prescribed health aids	100%	I.C. 34-55-10-2(c)(4)

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INFORMATION SHEET FOR PRO SUPP DEFENDANTS

1. **Explanation of proceedings supplemental hearings.** You have been ordered to attend a proceedings supplemental hearing. The Court previously found that you owe money to the Plaintiff. The Court entered a judgment against you. When a judgment does not get paid, the Plaintiff is allowed to ask the Court to require the Defendant to come to a hearing so the Plaintiff can find out if the Defendant has any income or property which the Court can require the Defendant to use to pay towards the judgment. You must attend that hearing.
2. **You cannot be forced to pay anything on the judgment if your income and assets are exempt.** Indiana law and federal law protect certain income and property from the claims of your creditors. If you do not have any income or property that can be taken, your income and property are considered to be “exempt” from the claims of your creditors.

If your income and property are exempt, you cannot be forced to pay on the judgment by the Court or by the creditor. You will still owe the judgment amount but will not have to pay on it.

3. **Exempt income.** The following income is completely exempt from the claims of your creditors.
 - a. Employment income, if your after-tax income is less than \$217.50 per week.
 - b. Any benefits you receive from the Social Security Administration, VA benefits, Unemployment Compensation and Worker’s Compensation.

For employment income over \$217.50 per week, there is a formula which determines the amount of money that can be garnished. You can ask the Court to reduce the garnishment amount if you have a financial hardship.

4. **Exempt property.** The most typical property exemption is where your vehicle(s) and basic household property have a total value under \$10,250.00 and where your home (including mobile homes) has a net value (after subtracting what you owe on it) of less than \$19,300.00 for you (twice that much for you and a spouse).
5. **Other exemptions.** You might be entitled to other exemptions. You should consider discussing your specific situation with a lawyer.
6. **What to do if your income and assets are exempt.** Even if your income and assets are exempt, you are free to enter an agreement to pay on the judgment. However, if you cannot afford to or do not want to pay on the judgment, you cannot be forced to enter into an agreement, and should tell the plaintiff’s lawyer or the court that you are exempt from paying on the judgment. If your situation is not likely to improve (e.g. totally disabled), you can ask the court to limit or deny future hearings unless there is a change or improvement.