

## Summary of Exempt Property (JGM402)

Minn Stat. § 550.37

“Exempt property” means property or money that by law cannot be taken from you to pay a judgment or debt. This summary is provided to help you claim your exemptions on the *Financial Disclosure Form* (JGM301). Most exemptions apply only to debtors who are individuals (not corporations). Because this is only a summary, you may find that a specific piece of your property or type of income is not covered. If you have any questions about whether something is exempt, get legal advice. All statutes can be found online at [revisor.mn.gov/statutes](http://revisor.mn.gov/statutes).

**Penalties: if the court finds that you claimed an exemption in bad faith, you may be assessed costs, reasonable attorneys fees, and an amount not to exceed \$100.** See Minn. Stat. § 550.135, subd. 12

1. **Homestead (residence owned and occupied by the debtor) is exempt to a value of \$510,000, or if used primarily for agricultural purposes, \$1,275,000.** See Minn. Stat. § 510.02.
  - a. The Homestead may include up to 160 acres of land if located in a rural area.
  - b. The proceeds of a sale of a homestead are exempt for one year after sale; does not apply to child support and maintenance arrearages.
  - c. A mobile home that you live in as a home is exempt.
  - d. The Homestead exemption does not apply to mortgages, tax liens, mechanics liens, and certain claims against an estate. (See Minn. Stat. § 510.05)
2. **Wages and Earnings**
  - a. All of your after tax earnings below 40 times the federal minimum wage or 75% of your after tax earnings, whichever is greater. For child support judgments, the exemption is based on the date of the judgment and other support obligations. (See Minn. Stat. § 571.922) This money remains exempt for 20 days after deposit in a bank or other financial institution.
  - b. Earnings of your minor child and any child support paid to you.
  - c. All of your earnings if you receive or have received public assistance based on need within the past 6 months, or if you have been an inmate of a correctional institution within the last six months. These funds remain exempt for 60 days after deposit in a bank or other financial institution.
3. **Business Assets (combined value of property in a and b not to exceed \$13,000)**
  - a. Farm equipment, livestock, produce, and standing crops, if your main occupation is farming, not exceeding \$13,000.
  - b. Tools, machines, office furniture, and inventory reasonably necessary in your trade or

business, not to exceed \$13,500.

- c. (Builders) Proceeds of payments received by a person for improvements to real estate within meaning of Minn. Stat. § 514.01.

**4. Various benefits, pensions, and insurance**

- a. Relief based on need (this includes programs like MFIP, Work First, General Assistance, Supplemental Social Security Income, Medical Assistance, and Minnesota Supplemental Assistance).
- b. Social Security benefits (Old Age, Survivors, or Disability Insurance).
- c. Reemployment compensation, workers' compensation, veteran's benefits (remain exempt for 1 year after receipt), and benefits payable for accident or disability.
- d. A stock bonus, pension, individual retirement account, or annuity or similar plan or contract received on account of illness, disability, death, age, or length of service to the extent your aggregate interest under all plans and contracts does not exceed a present value of \$75,000 plus an additional amount reasonably necessary for the support of the debtor or debtor's dependents. (Note: ERISA qualified benefits are not exempt after disbursement or if withdrawn prior to retirement, and exemptions in paragraph d. do not apply to support orders. Minn. Stat. § 518A.26, subd. 21.)
- e. Insurance money received by surviving spouse or child as a result of the death of a spouse or parent, not exceeding \$50,000. Add \$12,500 for each additional dependent. Debtor's value in unmaturing life insurance contract not exceeding \$10,000.
- f. Rights to sue for personal injury.
- g. Health Savings Account not exceeding a present value of \$25,000.
- h. Medical Savings Account not exceeding a present value of \$25,000.

**5. Personal Property (Note: personal goods are not exempt from secured claims to collect the purchase price.)**

- a. One motor vehicle not exceeding \$10,000 in value, or \$100,000 if the vehicle has been modified to accommodate a physical disability making a disabled person eligible for a parking certificate under Minn. Stat. § 169.345.
- b. All money received on a claim on account of damage to or destruction of exempt property.
- c. All wearing apparel, one watch, utensils and food stuffs without regard to value. Household furniture, appliances and furnishings not exceeding \$12,150.
- d. A pew in church and a burial plot.