

## DOUBLE IRA PROTECTION

Why your retirement account is exposed and why you need protection now.

### SUMMARY

- Your IRA is not asset protected.

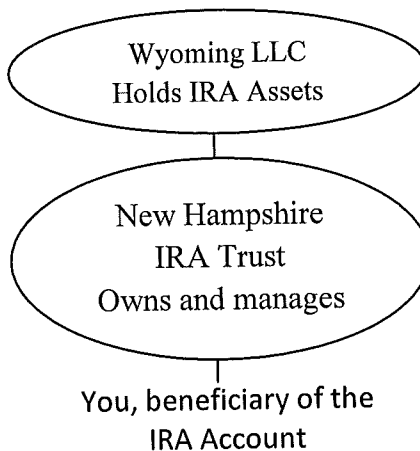
There is a widespread perception that your IRA is fully protected from creditor claims and lawsuits. As detailed in the Discussion section below, this is not true. Your IRA and other retirement plans, if not properly structured, are exposed right now to frivolous litigants and other claimants.

- Double IRA Protection is now available.

The best way to protect your IRA is to use the Double IRA Protection plan from Corporate Direct. The first level comes from having your assets held by a New Hampshire IRA trustee. New Hampshire has among the most favorable trust protection statute in the country.

The second level of protection comes from having the New Hampshire trustee hold your retirement assets in a Wyoming LLC. Wyoming LLCs offer excellent asset protection as is further detailed in the Discussion section. As well, Corporate Direct will include special language in the LLC Operating Agreement providing further protections. (Please note, forming your LLC with a discount internet provider will not include such protections.)

Graphically, the Double IRA Protection structure is as follows:



If you are sued, a claimant will face two very difficult roadblocks in getting at your IRA: the New Hampshire trust and the Wyoming LLC.

- Double IRA Protection is affordable

By using Corporate Direct's Double IRA Protection plan you can achieve asset protection at a very affordable price. The price of setting up the Wyoming LLC, including state filing fees, is just \$830. Once set up, the costs in year two and every year thereafter is just \$175 per year, which represents \$50 for the state of Wyoming LLC fee and \$125 for Corporate Direct's Wyoming resident agent fee. You will be current and in good standing with this minimal annual fee.

Included in this package is introducing you to the New Hampshire IRA trustee firm we work with. Self-directed IRA custody has been this Trust Company's sole business since 1989. Chartered in New Hampshire, they are uniquely focused on being the country's preferred special asset custodian for self-directed IRAs.

When it is all set up, which can be done in a matter of weeks, you will have an asset protected structure for one of your most important assets – your retirement future.

To start now call 800-600-1760.

For more information on these issues please feel free to read our more detailed Discussion section<sup>1</sup>.

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<sup>1</sup> The Discussion is written and researched by Garrett Sutton, Esq. with help from Mark Goodman, Esq. The Tax Consequences Section is provided by Mike Bosma, CPA.

## **DISCUSSION**

In addition to their well advertised tax-advantages, placing assets in IRA accounts such as traditional IRA's 401(k) plans, SEP IRA's, SIMPLE IRA's, pensions, and the like, does provide some limited protection from lawsuits. Unfortunately, this limited protection seems to have created the large misunderstanding among laymen and many financial advisors that retirement accounts are fully protected from lawsuits. This is not the case.

In truth, the laws on IRA protection from lawsuits is a dizzying labyrinth of rules and exceptions involving the overlap of state exemption law, federal bankruptcy law, federal employment pension law, and federal tax law. This body of law does provide protection, but like a slice of Swiss cheese it also leaves a lot of holes. These laws in no way bulletproof your IRA.

The level of protection from lawsuits of your IRA account depends on at least the following factors:

1. The type of retirement account.
2. Whether the account is in payout status.
3. Whether you are in bankruptcy.
4. The exceptions to your state's law exempting the account from the reach of creditors.
5. Who the creditor is.

To help you get a handle on this maze we have included a flowchart in Appendix A outlining how these factors interrelate and a detailed spreadsheet on the varying state law exemption for retirement accounts.

### **401(k) Plans**

Some accounts, most notably 401(k) plans, are protected by the under the federal Employee Retirement Income Security Act of 1974 ("ERISA"). ERISA does seem to protect these

accounts almost completely before the account goes into payout status. The only exceptions are for IRS claims and Qualified Domestic Relations Orders (“QDRO’s”), which include most divorce property divisions, alimony orders, and child support orders.<sup>2</sup> However, once the account goes into payout status, which could be a time when you are relying on this account to support yourself in retirement, a lawsuit creditor may reach any amount received, even if you’ve placed it in a separate account, unless the account is protected by a state law exemption.<sup>3</sup> As you will appreciate by looking at the state-by-state listing in Appendix B, state exemption laws are often riddled with exceptions.

Plus, courts have been expansive in ruling that these state laws may be invalidated or “preempted” by ERISA in these circumstances, allowing the retirement distributions to be taken *despite an applicable state law exemption*.<sup>4</sup> For protection purposes, Colorado has one of the best state law exemptions for IRA’s and similar such benefit plans of any state in the nation. However, the United States Supreme Court held this law to be preempted by ERISA merely because it made reference to ERISA even though the Court held that the Colorado law was consistent with the goals of ERISA. This left the owner of the account to rely solely on the protection provided by ERISA.<sup>5</sup> Subsequent cases have held state law exemptions preempted even where the exemption had no clear reference to ERISA but merely had a connection with ERISA.<sup>6</sup>

Courts decisions have also put retirement accounts of independent business owners at risk. Specifically, some courts have allowed creditors to take assets in a retirement plan where

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<sup>2</sup> See 29 USCS § 1056(d)(3).

<sup>3</sup> Benefits are protected by anti-alienation provision of 29 USCS § 1056(d)(1) as long as they are within fiduciary responsibility of private plan managers; following distribution of benefits to plan participant or beneficiary, such protection ceases. See Corzin v. Larson, 340 BR 852 (In re Larson) (2006, BC ND Ohio).

<sup>4</sup> The term “preemption” refers to the concept that where state and federal law conflict, federal law trumps state law (as long as the federal law is Constitutional).

<sup>5</sup> In re Alagna, 107 BR 301, 316 (Bankr. D.Colo. 1989).

<sup>6</sup> For instance, in the case of In re Burns, 108 BR 308, 310-311 (Bankr. W.D. Okla 1989), the Court held that the Oklahoma statute’s reference to Section 401 of the Internal Revenue Code, the same section referenced by ERISA, that the statute had indirectly referenced ERISA, and therefore the statute was preempted in its entirety. The result in this case was that the Oklahoma statute provided no protection whatsoever for the owner of the IRA.

the plan benefits only the business owner (and/or the spouse of the business owner).<sup>7</sup> The rationale there was that the asset protection provisions of ERISA were meant to protect “common-law employees,” not independent business owners. A common law employee is what most of us refer to as an employee – someone who works for a business owned by others. Put another way, a common-law employee is someone with a “real job.” In contrast, a small business owner will usually employ himself and/or his spouse out of his wholly owned corporation. While such a person is technically an employee of the business, such person is not a “common-law employee.” The lesson of these cases is that retirement protection reliance on the whims of a hair splitting court decision may not be wise.

### **IRA Plans**

Many professionals and small business owners do not have 401(k) plans, opting for the greater flexibility and convenience of plans such as the Roth IRA, the SIMPLE IRA, the traditional IRA, and the SEP IRA. Further, many professionals, small business owners, and employees “roll over” their 401(k) plan into a traditional, Roth, SIMPLE, or SEP account at some point during their career. It must be understood that Roth, SIMPLE, traditional, and SEP IRA’s receive even less protection from lawsuits than do 401(k) plans.

Many financial planners assume that if an account is tax-qualified it is automatically protected by ERISA. This is a mistake. Roth, SIMPLE, traditional and SEP accounts are not protected under ERISA.<sup>8</sup> Again, this is largely because ERISA is meant protect employees not business owners. Lawsuit protection for these accounts then falls either to an applicable state law exemption or to the exemptions provided by the new federal bankruptcy law. Though still

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<sup>7</sup> Where a corporation has only a single shareholder, the shareholder/officer is the employer, not the employee, for purposes of ERISA. Taylor v Carter, 948 F Supp 1290 (1996, WD Tex). Also, in an action brought by a self-employed doctor, who purchased health insurance coverage through plan administered by a state professional medical association, to enjoin defendant insurance company from terminating his health insurance coverage, the case was remanded to state court, since plaintiff was not an employee of state medical association and the plan is not regarded as an employee welfare benefit plan within meaning of ERISA. McCaslin v Blue Cross & Blue Shield, 779 F Supp 1312 (1991, ND Ala).

<sup>8</sup> Federal law does not exempt individual retirement accounts from garnishment. Courts have held that protection under ERISA “shall not apply to ‘an individual retirement account or annuity described in section 408. . . .’ Thus, Congress specifically excluded IRA’s from the anti-alienation protection of Section 1056(d)(1).” Rowland v. Strickland, 294 S.C. 119, 120 (S.C. Ct. App. 1987).

incomplete, protection is better if you go into bankruptcy. There, you would be able to elect either the bankruptcy exemptions or your state's exemptions.<sup>9</sup> Be careful though, some states require that you elect the state exemptions, and the federal bankruptcy law allows them to do this<sup>10</sup>. The bankruptcy exemptions for Roth and traditional IRA's are protected up to \$1,000,000 in assets. The bankruptcy law exempts SEP, SIMPLE, and IRA roll-overs without the \$1,000,000 cap. Notably also, any protection in bankruptcy only applies to tax exempt funds and/or accounts. Also, no bankruptcy exemption will be permitted for a so-called "fraudulent transfer" of property from non-exempt form to an exempt form such as an IRA.<sup>11</sup> Much uncertainty exists as to whether a transfer is "fraudulent" or not. In one case, two doctors who were partners in a failed real estate investment venture engaged in the same pre-bankruptcy planning in the same state under the advice of the same attorney. One doctor was allowed to retain \$700,000 in exempt property. The other was left with nothing under the fraudulent transfer rule. The only difference in the two cases was that they were tried before different judges.<sup>12</sup>

While the new bankruptcy law provides clearer protection for IRA accounts, it also makes it more difficult to qualify for bankruptcy.<sup>13</sup> Therefore, you could be facing a lawsuit but unable (or perhaps unwilling) to declare bankruptcy. Under these circumstances, you will have to rely on either ERISA or your state law exempting the IRA from lawsuits. Only a handful of states seem to protect IRA accounts from lawsuits almost completely (Colorado, Wisconsin, Illinois,

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<sup>9</sup> The bankruptcy code "gives the debtor the option of electing to take the federal exemptions or the exemptions provided under federal non-bankruptcy law and state law. § 522(b)(2)(A) and (B)." *In re Meyers*, 2 B.R. 603, 604 (Bankr. E.D. Mich. 1980). Note also that you can only choose the exemption laws of a state if you have been domiciled there for at least 2 years prior to filing for bankruptcy.

<sup>10</sup> See 11 USCS § 522(b)(2)(2).

<sup>11</sup> See generally 11 USCS § 548.

<sup>12</sup> See *In re Tveten*, 70 B.R. 529, 530 (Bankr. D. Minn. 1987) contrasted with *In re Johnson*, 80 B.R. 953, 954 (Bankr. D. Minn. 1987). For the background information, see Engel, Barry, *Asset Protection Planning Guide*, 2<sup>nd</sup> Edition, ¶ 225.02.

<sup>13</sup> Most notably, if you are above the median income level of your state, you usually may not fully discharge all of your debts through Chapter 7 bankruptcy. Rather you must payback a portion of your debts under a Chapter 13 bankruptcy proceeding.

New Hampshire, North Carolina, and Georgia).<sup>14</sup> Most states make exceptions to protection for family law orders, contributions made too recently, the total amount which may be exempted, contributions in excess of the amount that is tax-deductible, and fraudulent transfers.<sup>15</sup> Most concerning, several states (California, Ohio, Nebraska, North Dakota, and West Virginia) provide that the account is protected only to the extent “reasonably necessary” to support you and your spouse in retirement.<sup>16</sup> Obviously, this is a judgment call. Hopefully, a court would leave you enough to keep you out of poverty, but it would certainly not leave you the type of retirement lifestyle you earned by diligently funding your retirement account during your working years. Here are some example methods of how states use to determine what is “reasonably necessary”:

- Massachusetts limits you to 7% of your total income in the 5 years preceding the lawsuit or bankruptcy.<sup>17</sup>
- Nevada limits you to \$500,000 in present value of the account.<sup>18</sup>
- Virginia applies a mathematical formula to determine how much you need in the account in order to allow you to live on \$25,000 per year in retirement. Even worse, in order determine this number; the statutory formula assumes that you will earn an 8.7% investment return on the IRA funds remaining after the lawsuit.<sup>19</sup>

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<sup>14</sup> Colorado Revised Statutes § 13-54-102(1)(s); O.C.G.A § 44-13-100(a)(2.1); General Statutes of North Carolina § 1C-1601(a)(9); 735 I.L.C.S. § 5/12-1006; Wisconsin Statutes § 815.18(3); New Hampshire Code § 511:2 XIX.

<sup>15</sup> It is legal to contribute more to an IRA than the “limit.” The consequences are that contributions to an IRA above the limit are not deductible and you would pay an immediate tax penalty of 6% of the excess contributed. See the Tax Consequences section for more information.

<sup>16</sup> See California Code of Civil Procedure § 704.115(e); Ohio Code § 2329.66(a)(10)(b); Nebraska Revised Statutes § 25-1563.01; North Dakota Code § 22-03.1(3); West Virginia Code § 38-10-4(j)(5).

<sup>17</sup> Mass. General Laws, ch. 235, § 34A.

<sup>18</sup> N.R.S. § 21.090(r).

<sup>19</sup> Here is a court’s description of the program: “As discussed below, Mrs. Cathcart may exempt a sum sufficient to fund an annuity paying \$ 17,500 per year for life beginning at age 65. Va. Code Ann. § 34-34. Based on her attained age of 43 at the time the petition was filed, the cost of a \$ 1.00 retirement benefit is \$ 1.2304. The amount, therefore, necessary to fund a \$17,500 benefit would be \$ 21,532.00 (\$ 17,500 times 1.2304).” In re Cathcart, 203 B.R. 599, 602 (Bankr. E.D. Va. 1996). The \$17,500 has since been raised to \$25,000.

## Protecting Retirement Account Assets

So what's the solution? First, we recommend getting a substantial liability umbrella policy and keeping it through your retirement. Second, keep any IRA roll-overs separate from your traditional contributory IRA. This way, if you go into bankruptcy, you should be able to preserve the unlimited protection for roll-overs while still protecting up to \$1,000,000 in your traditional IRA.

But bankruptcy is not an option – or even the scenario – for everyone, especially when your one problem is the frivolous litigant coming after your assets. (And know that there are plenty of these types of people.) The solution in this scenario is to gain an additional layer of protection by placing your retirement account assets in a Wyoming Limited Liability Company (“LLC”). In Wyoming, the sole remedy for a lawsuit creditor against an LLC is called a “charging order”.<sup>20</sup> A charging order entitles the lawsuit creditor only to receive to any distributions made from the LLC.<sup>21</sup> It does not allow the creditor to seize the assets inside the LLC, become a member or manager of the LLC, or to command that the owner of the LLC make any such distributions. In this scenario, you (or your IRA trustee) as the LLC owner could indefinitely refuse to make distributions from the LLC, forcing the creditor to wait. Faced with an open-ended timetable, most creditors (and their lawyers) will agree to settle for a small portion of the lawsuit judgment. This provides a powerful additional shield against a lawsuit creditor. As

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<sup>20</sup> See Wyoming Statutes 17-15-145. , with emphasis added:

Rights of creditor:

On application to a court of competent jurisdiction by a judgment creditor of a member of a limited liability company or a member's transferee, the court may charge the member's distributional interest in the limited liability company with payment of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment creditor has **only the rights of a transferee of the member's interest** as provided in W.S. 17-15-122. The charging order is the **exclusive remedy** by which a judgment creditor of the member or transferee may satisfy a judgment against the member's interest in a limited liability company. This section does not deprive any member of a limited liability company of the benefit of any exemption laws applicable to the member's interest.

<sup>21</sup> This is also the case for Limited Partnerships, but Limited Partnerships are considerably more expensive to set up and maintain, and they require more than one owner.

a second step to this Double IRA Protection plan, have your IRA administered by a trustee in a state with the maximum possible state law protection for IRA's.

We recommend that you establish an account with the New Hampshire trust company discussed earlier. As discussed earlier, New Hampshire has perhaps the most favorable asset protection treatment for IRA's.<sup>22</sup> We like New Hampshire because the exemption statute (1) has no substantial exceptions; (2) has broad language inclusive of any different kind of retirement account that you may have including both defined benefit and defined contribution plans, annuities, and even life insurance; (3) specifically provides that an IRA roll-over will never be considered a "fraudulent transfer"; and (4) the exemption provided for IRA's is in addition to, not in place of, other New Hampshire law that may apply to exempt the account.

To take full advantage of this program, you will want to ensure that the documents establishing the IRA account specify that the law of New Hampshire governs the account, although that would probably be the case if you are using a New Hampshire trustee; the documents should also contain a "spendthrift provision". If you work through Corporate Direct, we will ensure that this is taken care of. It does not seem to matter that you may not live in New Hampshire (or may have never been there before). We have not been able to locate a court case specifically addressing the issue of which state's laws would govern this situation regarding IRA accounts. However, generally where there is a conflict of laws governing a trust, both the law of the state where the trust document is administered and the governing law stated in the trust document will control over the law of the residence of the beneficiary / lawsuit debtor.<sup>23</sup> Given that an IRA account is a special form of a trust, we believe that a Court would follow this precedent.

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<sup>22</sup> Again, see New Hampshire Code § 511:2 XIX.

<sup>23</sup> See Convention on the Law Applicable to Trusts and on Their Recognition, Entered into force January 1992, Chapter II, Article 6, "A trust shall be governed by the law chosen by the settler". Also, ([e]ven in cases where the outcome is against the public policy of a sister state, the courts tend to follow the general rule: the applicable law stated in the trust governs, and if the applicable law is not stated, the situs of the trust is the governing law. Engel, Barry, Asset Protection Planning Guide, 2<sup>nd</sup> Edition, ¶ 225.02. Also see In re Hecht, cited earlier. In Hecht, a the Court held Maryland law applied to the trust because the that's what the trust document called for even though: (1) the bankrupt was domiciled in New York; (2) the bankruptcy trustee was in New York; (3) the bankruptcy

Creating this structure is not complex or time consuming. First, transfer your existing IRA accounts to our New Hampshire based trust company (or another trustee in a state with favorable laws protecting IRA's if you prefer). If you are creating a new retirement account, use our New Hampshire based trust company as your trustee initially. Second, Corporate Direct shall form a Wyoming single member LLC, and transfer the entire membership interest in that new LLC to your existing or newly formed New Hampshire IRA account. The brokerage account or other assets in your existing account would then be placed to the name of the LLC.

Under this program, a judgment creditor who has prevailed in court against you would face the following obstacle course:<sup>24</sup>

1. The judgment creditor will have to litigate the procedure to seize the IRA account in a different state (New Hampshire) and under different law as the underlying litigation (your home state). The judgment creditor will face the additional roadblock of having to hire a New Hampshire attorney to continue to pursue the action. This would drain the resources of the plaintiff prosecuting the claim.
2. The lawsuit creditor will then have to apply the New Hampshire law, the best state law protecting IRA accounts.
3. If the lawsuit creditor were to somehow penetrate the IRA account, the next hurdle would be obtaining a charging order against the LLC holding the assets of the account.
4. That charging order will have to be obtained in Wyoming. In Wyoming, the judgment creditor will have to hire a Wyoming attorney to continue to pursue the action, a further roadblock to collection.
5. The charging order will only give the judgment creditor a right to distributions from the LLC.

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petition was filed in New York; (4) most of the creditors were from New York; and (5) most of the debt was owed to creditors in New York.

<sup>24</sup> For an illustration, see Appendix C chart entitled "Plaintiff's IRA Obstacle Course."

6. No distributions are made from the account, and the judgment creditor is left waiting.

Once a plaintiff learns that your IRA is shielded by this structure, he may decide to drop the lawsuit or to settle the claim with you for pennies on the dollar. Even better, the plaintiff may learn of this structure and never bring a claim against you in the first place.

### **Tax Consequences**

A single member Wyoming LLC is a “disregarded entity” for tax purposes.<sup>25</sup> The single member, or owner, is the New Hampshire trust holding your IRA. This means that you will owe whatever amount of tax you would owe if you had never set up the LLC. Happily, the LLC does not have to file its own tax return as a corporation would. Your state income tax liability will depend on the state you live in, so you will not have to worry about paying New Hampshire state income taxes on distributions when you retire. In any event, New Hampshire currently has no personal income tax. Planning opportunities abound. For example, you might consider over contributing to an IRA. You would be assessed an annual 6% penalty until you withdrew the excess (and income), but it would fall under the umbrella of the liability protection discussed above.<sup>26</sup>

### **Conclusion**

Corporate Direct’s Double IRA Protection Plan is your best choice for maximum retirement asset protection. Please call 1-800-600-1760 for more information and to get started.

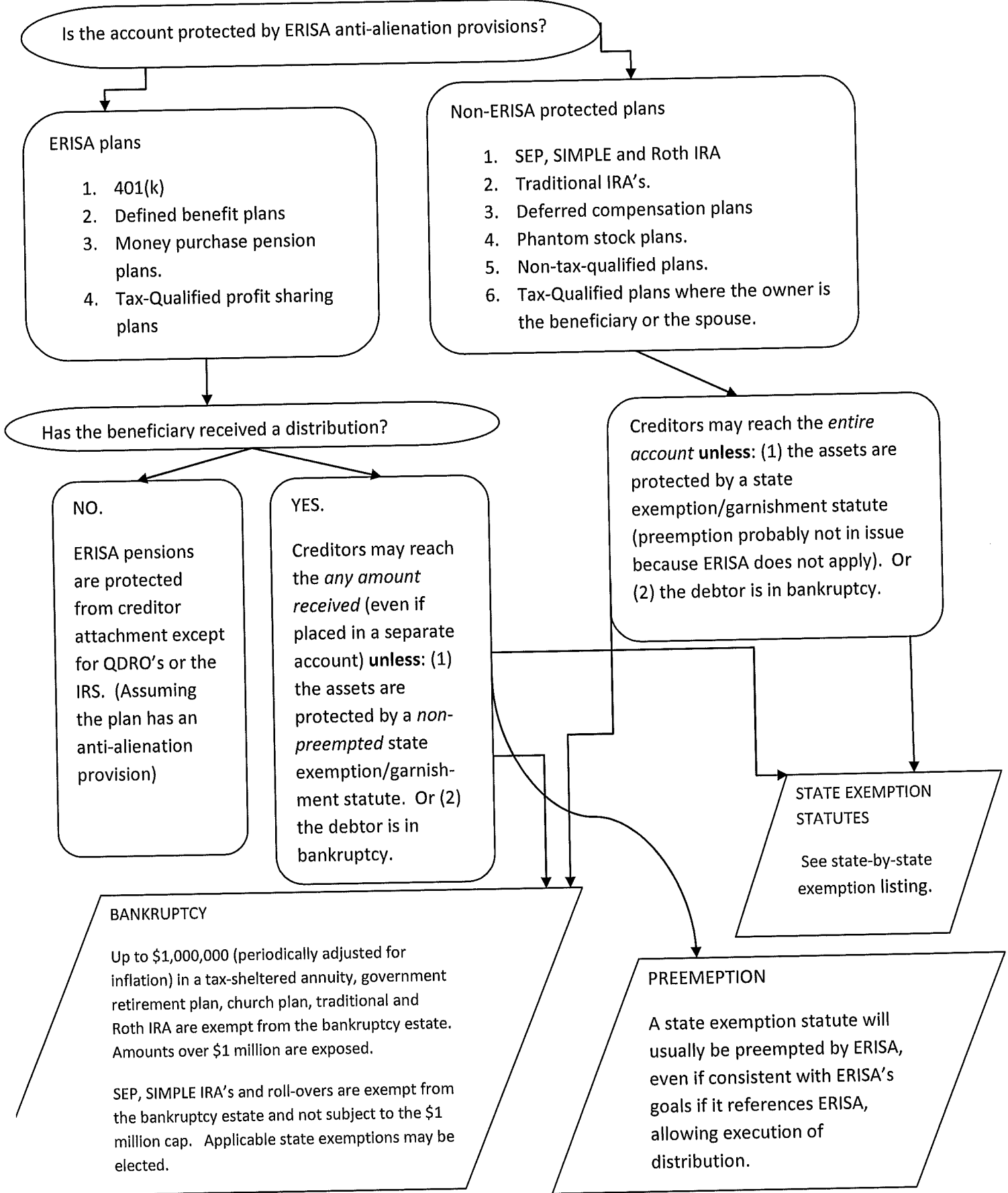
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<sup>25</sup> IRC §301.7701-2

<sup>26</sup> IRC §4973

# APPENDIX A: FLOWCHART ON ASSET PROTECTION FOR IRA'S

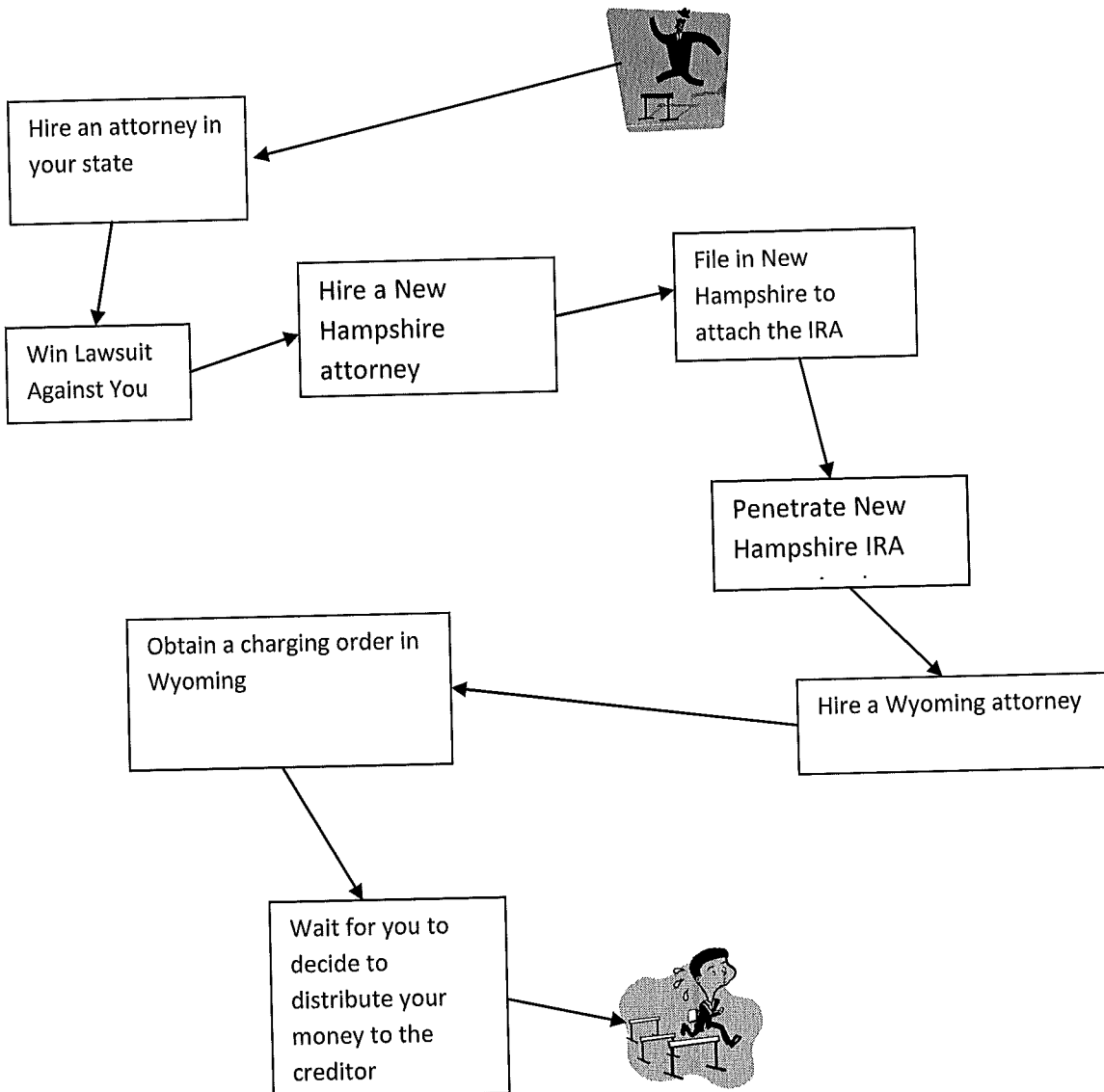
## FLOWCHART ON ASSET PROTECTION FOR RETIREMENT ACCOUNTS



# APPENDIX C

## DOUBLE ASSET PROTECTION OBSTACLE COURSE

### PLAINTIFF'S IRA OBSTACLE COURSE



State Exemptions for IRA									
State Name	Pro-tection for IRA's? (-1.5)	Exclusion of Family Law Issues from protection? (-1.5)	No protection for contributions exceeding what is tax deductible to the IRA? (-2.0)	No protection for "fraudulent transfers"? (-1.5)	Timing Limitation Protection? (depends on limit)	Reasonableness limitation? (-6.0)	Asset Protection Score (1-10)	Comments / Qualifications / Exceptions	
Alabama	No	N/A	N/A	N/A	N/A	N/A	0	There is protection for a qualified trust defined under IRC 401(a)	
Alaska	Yes, but	yes	no	no	yes -- 120 days	no	7.5	Exceptions for QDRO's (Qualified Domestic Relations Order) and no protection for transfers within 120 days of bankruptcy.	
Arizona	Yes, but	yes	no	no	yes -- 120 days	no	7.5	Exceptions for QDRO's and transfers within 120 days of bankruptcy.	
Arkansas	Yes, but	no	yes	no	no	no	4.5	No protection for contributions exceeding what is tax deductible to the IRA. No protection for accrued earnings (-4.0). Exceptions do not apply to Roth IRA's.	
California	Yes, but	yes	yes	no	no	yes	2.5	Only protects what is necessary to support the judgement debtor in retirement, taking into account all resources likely to be available. No protection for contributions exceeding what is tax deductible to the IRA. Limits on protection against alimony and child support.	
Colorado	Yes						10	Protection appears to be complete.	
Connecticut	Yes, but	yes	yes	yes	yes --90 days	no	4.5	No protection for contributions exceeding what is tax deductible to the IRA. Some limitation on protection against QDRO's. No protection for transfers within 90 days of bankruptcy. No protection for what a court determines to be a fraudulent conveyance.	
Delaware	Yes, but	yes	no	no	no	no	8	No protection from DE state tax judgments (-0.5). Some limitation on protection against QDRO's. Exception if the IRA is used as a security interest. Delaware college savings accounts also protected.	

Dist. Of Col.	Yes, but yes	yes	no	no	no	no	5	No protection for contributions exceeding what is tax deductible to the IRA. Exceptions for QDRO's. No protection if D.C. is the creditor (-1.0). No protection if another IRA is the creditor. (-0.5). Additional protection for federal pensions. No protection for contributions exceeding what is tax deductible to the IRA. Some limitation on protection against QDRO's.
Florida	Yes, but yes	yes	no	no	no	no	6.5	Seems complete. Also state and private pensions are protected.
Georgia	Yes, but yes	no	no	no	no	no	10	No protection (with limited exceptions) for contributions within 3 years of bankruptcy (-3.0) or within 3 years of the filing of the lawsuit against the debtor. Exceptions for QDRO's. Protection only seems to apply to negligence (-3.0). Exceptions for QDRO's and no protection against child support actions. Statute declares that the state's policy is to protect retirement income (+1). Pensions, disability payments, and spendthrift trusts are protected also.
Hawaii	Yes, but yes	no	no	yes -- 3 years	no	no	5.5	Protection seems complete. Private, federal, and state pensions also protected. Also, language includes "good-faith" attempts to qualify as a retirement plan under the Internal Revenue Code.
Idaho	Yes, but yes	no	no	no	no	no	6.5	No protection for contributions exceeding what is tax deductible to the IRA
Illinois	Yes, but yes	no	no	no	no	no	10	Limitations (but not a pure exclusion) on protection for contributions exceeding what is tax deductible to the IRA. No protection for non-deductible contributions in the 2 years (-2.0) before bankruptcy.
Indiana	Yes, but yes	yes	no	no	no	no	8	Exceptions for QDRO's. No protection for contributions within 1 year of bankruptcy or execution, or within 2 years if the judgement exceeds \$5000.
Iowa	Yes, but yes	yes	no	yes -- 2 years	no	no	6	Regular pension plans, profit sharing, stock bonus, or tax-sheltered annuities are also protected. The only exceptions are for alimony and child support.
Kansas	Yes, but yes	no	no	yes -- 1 year	no	no	7.5	Only exception is for alimony and child support. Also protection for "gratuitous payments" from employers to employees or their heirs in consideration of lengthy service, age, death or "otherwise".
Kentucky	Yes, but yes	no	no	no	no	no	8.5	
Louisiana	Yes, but yes	no	no	no	no	no	8.5	