

Personal Insolvency

Legislative Reform

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Student Loans

- Discharge - waiting period reduced from 10 to 7 years
- Hardship – waiting period reduced from 10 to 5 years
- Watch “period study end date”

Registered Saving Plans

- Exempt from seizure except contributions made during 12 months immediately preceding date of filing
- Exception - Oct 1, 2009 – Alberta all RRSPs, RRIFs, RDSPs and DPSP no clawback

Discharge of Bankrupts

- 1st time – 9 months
- 1st time with surplus – 21 months
- 2nd time – 24 months
- 2nd time with surplus – 36 months

Fees or Surplus

- Minimum fee – no surplus
- Surplus
 - 50% of surplus income \$200 or greater
 - Based on average monthly income

Income includes – funds received from wrongful dismissal, pay equity settlement, WCB

Income and Expense Statements

- 1st time – 7
- 2nd time – 22
- Require:
 - Proof of income
 - Proof of non-discretionary

Surplus Income

- Family of 2

Bankrupt's income	\$3 000
Spouses income	<u>\$ 328</u>
Family available income	\$3 328
Less Standard	\$2 328
Total Surplus	\$1 000
50% payable	\$ 500

Surplus Income – spouse not reporting

- Family of 2

Bankrupt's income	\$3 000
Spouse not reporting	<u>\$ 0</u>
Family available income	\$3 000
Less Standard (50% of \$2 328)	\$1 164
Total Surplus	\$1 836
50% payable	\$ 918

High Income Tax Debts

- No automatic discharge if income tax debt is > \$200,000 and represents 75% of proven unsecured claims
- Excludes Director's liability and GST
- Includes interest & penalties
- Court application for discharge required

Consumer Proposals

- Increased threshold to \$250,000 (from \$75,000)
- Administration “revive” a proposal in default (deemed annulled)
 - Notice sent within 10 days of deemed annulment
 - If no objection within 45 days of deemed annulment, proposal is revived
- Stay of proceedings lifted between ‘deemed annulment and revival

Financial Assessment

- Income
- Expenses
- Assets
- Liabilities