

**Sec. 09.38.010. Homestead exemption.** (a) An individual is entitled to an exemption as a homestead of the individual's interest in property in this state used as the principal residence of the individual or the dependents of the individual, but the value of the homestead exemption may not exceed \$54,000.

(b) If property owned by the entirety or in common is used by one or more individual owners or their dependents as their principal residence, each owner is entitled to a homestead exemption of that owner's interest in the property as provided in (a) of this section. The aggregate value of multiple homestead exemptions allowable with respect to a single living unit may not exceed \$54,000. If there are multiple owners of property exempt as a homestead, the value of the exemption of each individual owner may not exceed the individual owner's pro rata portion of \$54,000.

(c) If property that includes a homestead is sold under an execution, the sale becomes effective upon confirmation by order of the court. The court shall enter the order of confirmation unless, within 60 days after the sale, the individual repurchases the property under this section or the court extends the time for confirmation upon the filing of a timely motion by a party in interest. The individual may repurchase property, including that individual's homestead, at a sale on execution before confirmation by paying into court the costs of the sale plus the lesser of either (1) the difference between the highest bid and the amount of the exemption in the property, or (2) the amount of the creditor's claim. If the individual does not exercise the repurchase right under this subsection, the clerk of the court shall first remit an amount determined to be exempt to the individual from the proceeds of sale and the balance less the cost of the sale to the creditor. For the purpose of collecting an amount remaining unpaid on a judgment after repurchase of property by an individual under this subsection, the creditor or the creditor's assignee may not make another levy on the property repurchased.

(d) Upon entry of the order of confirmation under (c) of this section and expiration of the time period for repurchase, the clerk may execute a deed to the property and when delivered it shall be sufficient to convey all title of the individual in the premises sold to the purchaser at the sale.

**Sec. 09.38.015. Property exempt without limitation.** (a) An individual is entitled to exemption of the following property:

- (1) a burial plot for the individual and the individual's family;
- (2) health aids reasonably necessary to enable the individual or a dependent to work or to sustain health;
- (3) benefits paid or payable for medical, surgical, or hospital care to the extent they are or will be used to pay for the care;
- (4) an award under [AS 18.67](#) (Violent Crimes Compensation Board) or

- a crime victim's reparations act of another jurisdiction;
- (5) benefits paid or payable as a longevity bonus under [AS 47.45](#);
  - (6) compensation or benefits paid or payable and exempt under federal law;
  - (7) liquor licenses granted under [AS 04](#);
  - (8) tuition credit or savings accounts under a higher education savings account established under [AS 14.40.802](#) or an advance college tuition savings contract authorized under [AS 14.40.809\(a\)](#);
  - (9) a permanent fund dividend to the extent allowed under [AS 43.23.065](#);
  - (10) *[Repealed, Sec. 4 ch 89 SLA 2005]*.
  - (11) benefits paid or payable under [AS 47.45.301](#) - 47.45.309.
- (b) The right to benefits held by the state on behalf of an individual that may become payable by reason of disability, unemployment, or illness, amounts held in the teachers', judicial, or public employees' retirement system, or in the elected public officers' retirement system under former [AS 39.37](#), and child support collections made by the child support services agency are exempt.
- (c) Property of the state, a municipality, and of the Alaska Municipal Bond Bank Authority or another state public corporation is exempt.
- (d) Real property held by a cemetery association established under [AS 10.30](#) for the purpose of a cemetery and not exceeding 80 acres is exempt.
- (e) Money held in an escrow account under [AS 06.60.360](#) is exempt.

**Sec. 09.38.017. Exemption of retirement plan interests and payments.**

(a) In addition to the exemption under [AS 09.38.015\(b\)](#), the following are exempt from a claim of an individual's or beneficiary's creditor:

- (1) the interest of the individual or beneficiary in a retirement plan;
- (2) the money or other assets payable to the individual from a retirement plan;
- (3) the interest of a beneficiary in
  - (A) a retirement plan if the beneficiary acquired the interest as a result of the death of an individual; the beneficiary's interest is exempt to the same extent that the individual's interest was exempt immediately before the individual died;
  - (B) an individual retirement account that has been transferred by the individual to the beneficiary during the individual's lifetime; the beneficiary's interest is exempt to the same extent that the individual's interest was exempt immediately before the transfer to the beneficiary;
- (4) the money or other assets payable to a beneficiary from
  - (A) a retirement plan if the beneficiary acquired the money or other assets as a result of the death of an individual who would have had, during the individual's life, an exemption in the money or other assets;
  - (B) an individual retirement account if the beneficiary acquired the money or other assets as a result of the transfer of the money or other

assets by an individual who would have had, at the time of the transfer, an exemption in the money or other assets.

(b) The exemptions provided by (a) of this section do not apply to a contribution made by an individual to a retirement plan within 120 days before the individual files for bankruptcy.

(c) The exemptions provided by (a) of this section do not prevent the payment of benefits under a retirement plan to an alternate payee under a qualified domestic relations order. In this subsection, "qualified domestic relations order" has the meaning given in 26 U.S.C. 414(p).

(d) A retirement plan exempt from claims under (a) of this section is conclusively presumed to be a spendthrift trust under this section, except for transfers or assignments under [AS 34.40.118](#).

(e) In this section,

(1) "alternate payee" has the meaning given in 26 U.S.C. 414(p)(8);

(2) "beneficiary" includes a person, trust, or trustee who has, before or after the death of an individual, a direct or indirect beneficial interest in a retirement plan; in this paragraph, "beneficial interest" includes an interest that is acquired

(A) as a designated beneficiary, survivor, co-annuitant, heir, or legatee; or

(B) if excludible from gross income under 26 U.S.C. (Internal Revenue Code), as a

(i) rollover under 26 U.S.C. 408 or 26 U.S.C. 408A;

(ii) distribution from one retirement plan to another retirement plan; or

(iii) distribution that is similar to (i) or (ii) of this subparagraph;

(3) "individual" means a participant in, an owner of, or an alternate payee of a retirement plan;

(4) "individual retirement account" means an individual retirement account established under 26 U.S.C. 408 or a Roth IRA established under 26 U.S.C. 408A;

(5) "retirement plan" means

(A) a retirement plan that is qualified under 26 U.S.C. 401(a), 26 U.S.C. 403(a), 26 U.S.C. 403(b), 26 U.S.C. 409, 26 U.S.C. 414(d), 26 U.S.C. 414(e), or 26 U.S.C. 457 (Internal Revenue Code);

(B) an individual retirement account; and

(C) the teachers' retirement system under [AS 14.25](#), the judicial retirement system under [AS 22.25](#), the public employees' retirement system under [AS 39.35](#), and the elected public officers' retirement system under former [AS 39.37](#).

**Sec. 09.38.020. Exemptions of personal property subject to value limitations.**

(a) An individual is entitled to an exemption in property not to exceed an aggregate value of \$3,000 chosen by the individual from the following categories of property:

(1) household goods and wearing apparel reasonably necessary for one household;

(2) if reasonably held for the personal use of the individual or a dependent, books and musical instruments; and

(3) family portraits and heirlooms of particular sentimental value to the individual.

(b) An individual is entitled to exemption of jewelry, not exceeding \$1,000 in aggregate value, if held for the personal use of the individual or a dependent.

(c) An individual is entitled to exemption, not exceeding \$2,800 in aggregate value, of implements, professional books, and tools of the trade.

(d) An individual is entitled to the exemption of pets to the extent of a value not exceeding \$1,000.

(e) An individual is entitled to an exemption of one motor vehicle to the extent of a value not exceeding \$3,000 if the full value of the motor vehicle does not exceed \$20,000.

**Sec. 09.38.025. Exemption of unmaturred life insurance and annuity contracts.**

(a) Except as provided in this section or [AS 09.38.017](#), an individual is entitled to exemption of unmaturred life insurance and annuity contracts owned by the individual. If the contracts have accrued dividends and loan values available to the individual aggregating more than \$500,000, a creditor may obtain a court order requiring the individual debtor to pay the creditor, and authorizing the creditor on the debtor's behalf to obtain payment of, the amount of the accrued dividends and loan values in excess of \$500,000 or the amount of the creditor's claim, whichever is less.

(b) A judgment creditor or other claimant of an insurer may not levy upon any of the assets or securities held in this state as a deposit for the protection of the insurer's policyholders or policyholders and creditors. Deposits under [AS 21.09.270](#) may be levied upon if provided in the order of the director of insurance, Department of Commerce, Community, and Economic Development, under which the deposit is made.

**Sec. 09.38.030. Exemption of earnings and liquid assets.**

(a) Except as provided in (b), (c), (f), and (h) of this section and [AS 09.38.050](#), an individual debtor is entitled to an exemption of the individual debtor's weekly net earnings not to exceed \$350. The weekly net earnings of an individual are determined by subtracting from the weekly gross earnings all sums required by law or court order to be withheld. The weekly net earnings of an individual paid on a monthly basis are determined by subtracting from the monthly gross earnings of the individual all sums required by law or court order to be withheld and dividing the remainder by 4.3. The weekly net earnings of an individual paid on a semi-monthly basis are determined by subtracting from the semi-monthly gross earnings all sums required by law or court order to be withheld and dividing the remainder by 2.17.

(b) An individual who does not receive earnings either weekly, semi-monthly, or monthly is entitled to a maximum exemption for the aggregate value of cash and other liquid assets available in any month of \$1,400, except as provided in (f) and (h) of this section and in [AS 09.38.050](#). The term "liquid assets" includes deposits, securities, notes, drafts, accrued vacation pay, refunds, prepayments, and receivables, but does not include permanent fund dividends before or after receipt by the individual.

(c) A creditor may levy upon earnings exempt under (a) and (b) of this section if the creditor's claim is

(1) enforceable against exempt property under [AS 09.38.065](#)(a)(1) or (3); or

(2) enforceable under an order of a court of bankruptcy under 11 U.S.C. 1301 - 1330 (Bankruptcy Reform Act of 1978).

(d) If the individual debtor is a nonresident, the limitations on garnishment imposed under 15 U.S.C. 1673 apply.

(e) The following property, unless exempt without limitation under [AS 09.38.015](#) or [09.38.017](#), upon receipt by and while it is in the possession of the individual, shall be treated as earnings, income, cash, or other liquid assets under this section:

(1) benefits paid by reason of disability, illness, or unemployment;

(2) money or property received for alimony or separate maintenance;

(3) proceeds of insurance, a judgment, or a settlement, or other rights accruing as a result of bodily injury of the individual or of the wrongful death or bodily injury of another individual of whom the individual was or is a dependent;

(4) proceeds or benefits paid or payable on the death of an insured, if the individual was the spouse or a dependent of the insured; and

(5) amounts paid under a stock bonus, pension, profit-sharing, annuity, or similar plan or contract, providing benefits by reason of age, illness, disability, or length of service.

(f) The state may execute on a judgment awarded to the state or on a judgment of restitution on behalf of a victim of a crime or a delinquent act, and an officer or agent of the state or a state employee, or a former officer, agent, or employee of the state may execute on a judgment to that person against a party to an action who is incarcerated for a criminal conviction by sending a notice of levy to the correctional facility in which the person is incarcerated. All money in an incarcerated person's account at a correctional facility is available for disbursement under a notice of levy under this subsection, in the following order of priority:

(1) to support the dependents of the incarcerated person and to provide child support payments as required by [AS 25.27](#);

(2) to satisfy restitution or fines ordered by a court to be paid by the incarcerated person;

(3) to pay a civil judgment entered against the incarcerated person as a result of that person's criminal conduct;

(4) to reimburse the state for an award made for violent crimes compensation under [AS 18.67](#) as a result of the incarcerated person's criminal conduct;

(5) to satisfy other judgments entered against a prisoner in litigation against the state; in this paragraph, "litigation against the state" has the meaning given in [AS 09.19.100](#).

(g) A creditor may levy upon earnings or liquid assets exempt under (a) or (b) of this section if the money is held outside a correctional facility and the claim is for court-ordered restitution to be paid by a prisoner to the creditor under a judgment for conviction of a crime or an adjudication of delinquency.

(h) In this section,

(1) "correctional facility" has the meaning given in [AS 33.30.901](#);

(2) "official detention" has the meaning given in [AS 11.81.900\(b\)](#);

(3) "prisoner" means a person held under the authority of state or municipal law in official detention.