

BRIEF SUMMARY CHART OF ASSET PROTECTION & RELATED ADVANTAGES: SOUTHEASTERN STATES

TYPE OF ADVANTAGE	FLORIDA	ALABAMA	GEORGIA	TENNESSEE
Homestead exemption regarding claims of creditors? ¹	Unlimited constitutional exemption -- exceptions: mortgages on homestead only, taxes & improvements	\$5,000 single / \$10,000 married	\$10,000 single / \$20,000 married	\$7,500 single / up to \$25,000 married & both spouses 62+ (with variations for single & married if age 62+)
Tenancy by the entirety exemption (full, modified, or no bar against creditors' claim)? ²	Full bar -- no attachment as to real or personal property	No (not available as form of property ownership)	No (not available as form of property ownership)	Modified bar -- judgment creditor lien attaches to debtor spouse's interest
Life insurance and annuity (cash value, death benefit, and/or stream of annuity payments) exemptions?	100% exempt as to (a) cash value and death benefits and (b) stream of payments from annuity (even case law on exemption of private annuities)	(a) 100% exempt as to cash value and death benefits on self or spouse payable to self, spouse, or children; and (b) \$250 per mo. of annuity payments exempt	Seemingly 100% of death benefits and perhaps stream of payments, but only \$2,000 of cash value for dependent(s) needs only (statutes unclear)	100% exempt as to death benefits (and seemingly stream of payments from annuity) if payable to spouse, child, or dependents
Exemption for retirement accounts not otherwise protected by federal (ERISA) law (generally IRAs and state retirement plans)?	100% exempt as to accounts and any type of distribution	100% exempt as to accounts other than Roth IRA and apparently any type of distribution	100% exempt as to "undistributed interests" in accounts other than Roth IRA, but only necessary support distributions exempt	100% exempt as to accounts, but distributions exempt only if periodic payments; 58 or older; and due to age, death, or length of service
Exemption for wages?	For head of family, 100% of earnings of paid or unpaid wages unless waived in writing or wages deposited in bank acct. up to 6 mos.	75% of earned but unpaid wages & 75% of weekly net income	Greater of 40 times state/federal minimum hourly wage or 75% of earned but unpaid wages	Greater of 30 times federal minimum hourly wage or 75% disposable weekly income, plus \$2.50 per child per week
Protection of interests in limited partnerships (LPs) and limited liability companies (LLCs)?	Charging order presumed (clearer LP statute) as sole remedy of creditor and no lien foreclosure/dissolution	Charging order as sole & exclusive remedy of creditor and no lien foreclosure/dissolution	Charging order not exclusive creditor remedy and lien may likely be foreclosed & forced dissolution possible	Charging order as sole & exclusive remedy of creditor and no lien foreclosure/dissolution
Protection of beneficial interests in "spendthrift" trusts?	Yes if created by someone else & discretionary	Yes if created by someone else & discretionary	Yes if created by someone else & discretionary	Yes if created by you or someone else ³
State and local taxes?	No personal income tax; No estate/gift taxes; 6% sales tax (food & all drugs exempt); 0.8% avg. prop. tax (but homestead exemptions)	2 to 5% personal income tax; No estate/gift taxes; 4% sales tax (prescriptions exempt); 0.3% avg. prop. tax	1 to 6% state income tax; No estate/gift taxes; 4% sales tax (food & prescriptions exempt); 0.7% avg. prop. tax	"Hall" personal income tax (dividends & int.); Separate estate/gift taxes; 7 to 9.25% sales tax (prescriptions exempt); 0.7% avg. prop. tax

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¹ Homestead exemption likely limited to \$250,000 in bankruptcy if filed within 1,215 days of acquisition of homestead.

² Joint creditor (i.e., creditor of both spouses) can generally always reach tenancy by the entirety property.

³ So-called "domestic" asset protection trust allowed in Tennessee, but potential issues regarding its effectiveness. Discretionary spendthrift trusts created by someone else are effective.