



# INDEXED AMOUNTS

22 January 2014

The Bankruptcy Act and Regulations contain a number of thresholds, limits and other amounts that are regularly indexed (changed in line with the Consumer Price Index or the base pension rate).

Protected property	Limit	Bankruptcy Act
<b>Tools</b> A bankrupt may keep tools used to earn an income up to this limit.	\$3,600	s.116(2)(c)(i)
<b>Vehicles</b> A bankrupt may keep vehicles (cars or motorbikes) used mainly for transport up to this limit. The amount refers to the equity in the vehicles (the value of the vehicles less the sum owing under finance).	\$7,350	s.116(2)(ca)
<i>Limits updated each financial year</i>		

Credit limit	Limit	Bankruptcy Act
Above this limit, bankrupts/debtors must disclose their bankruptcy or debt agreement status* when applying for, or buying goods and services on credit or by cheque.	\$5,301	s.304A(g) and (j)
A trustee may lodge an objection if a bankrupt/debtor obtains credit over this limit without disclosing their bankruptcy or debt agreement.		s.269
<b>Warning</b> <i>It is a criminal offence if you are bankrupt or subject to a debt agreement to obtain or attempt to obtain credit in certain circumstances. Severe penalties apply to these offences.</i>		s.149D(1)(c)
<i>Limit updated quarterly</i>		

\* This extends to debtors in debt agreements that commenced on or after 1 December 2010

Official Receiver allowances and advances	Limit	Bankruptcy Act
<b>Attendance</b> A person, other than a bankrupt, who attends before the Official Receiver or authorised officer to give evidence/information is entitled to this allowance.	\$21	s.304A(1)(a) to (c) s.77D
<b>Advances</b> Where a person is required to attend before the Official Receiver, the Official Receiver must offer the following advances on allowances and reimbursement of expenses before a person begins travelling by: <ul style="list-style-type: none"> <li>• aircraft</li> <li>• private motor vehicle</li> <li>• other</li> </ul>	\$21 \$21 \$10	s.77C(1) s.77E(2) s.77E(3) s.77E(4)(a) and (b)
<i>Limits updated quarterly</i>		

Part IX debt agreement eligibility	Limit	Bankruptcy Act
<b>Unsecured debts and assets</b> A person cannot propose a debt agreement if their unsecured debts are more than this limit. A person cannot propose a debt agreement if their divisible property is more than this limit.	\$103,121.20	s.185C(4)(b) and (c)
<b>Income level</b> A person cannot propose a debt agreement if their after tax income for the year is more than this limit.	\$77,340.90	s.185C(4)(d)
<i>Limits updated twice a year: 20 March and 20 September</i>		

Other amounts	Limit	Bankruptcy Act
<b>Registered trustee minimum fee entitlement</b> Trustees are paid to administer bankruptcies, PIAs and s188 authorities. From 1 December 2010 they may recover this minimum fee (if not fixed by creditors) from any property and/or income realised in the estate.	\$5,000*	s.161B(1)
<i>Limits updated quarterly</i>		
<b>Extent of priority for employee amounts</b> If an employee is owed money by a bankrupt, they are entitled to receive payment of any dividends issued in preference to those issued to other unsecured creditors, up to this limit.	\$4,200	s.109(1)(e)
<i>Limit updated each financial year</i>		

\* For bankruptcies, PIAs and s188 authorities executed prior to 1 December 2010, trustees may recover \$1,747 (indexed) from the bankrupt/debtor under former s304(1)(i), to the extent they cannot recover from the estate.

Income contributions	Limit	Bankruptcy Act
<b>Base Income Threshold Amount (BITA) no dependants</b> Used when calculating a bankrupt's income contributions.	(net of tax) \$51,560.60	s.139K
<b>Actual Income Threshold Amount (AITA) with dependants</b> Used when calculating a bankrupt's income contributions which vary according to the number of dependants.		s.139K
<div>Number of dependants</div> <div>0</div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>over 4</div>	<div>Income Limit</div> <div>\$51,560.60</div> <div>\$60,841.51</div> <div>\$65,481.96</div> <div>\$68,059.99</div> <div>\$69,091.20</div> <div>\$70,122.42</div>	
<i>Limits updated twice a year: 20 March and 20 September</i>		

Dependants	Limit	Bankruptcy Act
<b>Amount a person can earn and still remain a "dependant"</b> A person is allowed to earn an income up to this limit during the contribution assessment period and still be considered a dependant for the purpose of calculating a bankrupt's income contribution liability, provided the person meets the other requirements necessary to be considered a dependant.	\$3,343	s.139K
<i>Limit updated quarterly</i>		

Bankruptcy notice	Limit	Bankruptcy Act
This is the minimum judgment amount upon which a bankruptcy notice can be based.	\$5,000	s.41
<i>The minimum judgment amount is set by the Bankruptcy Act and is not indexed</i>		