

1 AN ACT relating to health savings accounts.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 427.010 is amended to read as follows:

4 (1) The following personal property of an individual debtor resident in this state is  
5 exempt from execution, attachment, garnishment, distress or fee-bill: All household  
6 furnishings, jewelry, personal clothing and ornaments not to exceed three thousand  
7 dollars (\$3,000) in value; tools, equipment and livestock, including poultry, of a  
8 person engaged in farming, not exceeding three thousand dollars (\$3,000) in value;  
9 one (1) motor vehicle and its necessary accessories, including one (1) spare tire, not  
10 exceeding in the aggregate two thousand five hundred dollars (\$2,500) in value;  
11 professionally prescribed health aids for the debtor, or a dependent of the debtor;  
12 **and funds deposited in a health savings account as described in Section 223 of**  
13 **the Internal Revenue Code of 1986.**

14 (2) Except as provided in subsection (3) of this section and KRS 427.050, the  
15 maximum part of the aggregate disposable earnings of an individual for any  
16 workweek which is subjected to garnishment may not exceed the lesser of either:

- 17 (a) Twenty-five percent (25%) of his disposable earnings for that week, or  
18 (b) The amount by which his disposable earnings for that week exceed thirty (30)  
19 times the federal minimum hourly wage prescribed by Section 6(a)(1) of the  
20 Fair Labor Standards Act of 1938 in effect at the time the earnings are  
21 payable. In the case of earnings for any pay period other than a week, the  
22 multiple of the federal minimum hourly wage equivalent to that set forth in  
23 paragraph (b) of this subsection as prescribed by regulation by the federal  
24 secretary of labor shall apply.

25 (3) The restrictions of subsection (2) of this section do not apply in the case of:

- 26 (a) Any order of any court for the support of any person.  
27 (b) Any order of any court of bankruptcy under Chapter 13 of the Bankruptcy

1                   Code.

2           (c)   Any debt due for any state or federal tax.

3   (4)   Notwithstanding any other provision of law, no property upon which a debtor has  
4           voluntarily granted a lien shall, to the extent of the balance due on the debt secured  
5           thereby, be subject to the provisions of this chapter or be exempt from forced sale  
6           under process of law.