

Means Test

Understanding the Chapter 7 Means Test in Georgia

Stockbridge and Macon bankruptcy attorney explains debt relief options

When you are in debt, bankruptcy may be your best option for relief. There are different types of bankruptcy available, and you must determine which one is right for you. The means test allows you to see if you will be eligible for Chapter 7 bankruptcy. If your income is too high, you will most likely have to file for Chapter 13 bankruptcy. The goal of the test is to make sure that only people who truly cannot repay their debts file for Chapter 7. After taking the means test, an experienced attorney at the law firm of Sampson-Roberts & Associates can explain your next steps. We have the knowledge and experience to help our Georgia clients find debt relief.

How to qualify for Chapter 7 bankruptcy

In order to qualify for Chapter 7 bankruptcy in Georgia, your income must be lower than the median for a household of your size. As of November 1, 2014, the average annual median income in Georgia is as follows:

- **Single household:** \$40,985
- **Family of two:** \$52,827
- **Family of three:** \$57,858
- **Family of four:** \$68,066
- **Family of five:** \$76,166

The means test will deduct your monthly expenses from your current monthly income, which is calculated by averaging your income over the six months before you file for bankruptcy. This number is your disposable income. If your disposable income is too high, you will not be able to file for Chapter 7. Depending on the result of the test, our knowledgeable attorney will then guide you through the process of filing for either Chapter 7 or Chapter 13.

Common mistakes made on the means test

The means test is a tool to help you determine what type of bankruptcy is right for you. However, if you make mistakes on the test, your results will not be accurate. The most common mistakes are:

- Using the wrong household size.
- Listing an income that doesn't match your documentation.
- Reporting child support as income when you aren't receiving it, or reporting it as an expense when you aren't paying it.
- Listing your mortgage payments even if you are not keeping your house.
- Taking deductions that are not allowed, such as 401k and retirement contributions.
- Not taking deductions that you should.
- Duplicating deductions that are already covered under your marital adjustment deduction.

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A skilled attorney at our firm can help you prevent making these common mistakes.

When you don't have to pass the means test to file for Chapter 7

While most people must pass the means test in order to file for Chapter 7, there are some exceptions, including:

- Your debts are primarily non-consumer.
- You are a disabled veteran and your debts were incurred while on active duty.
- You are a military reservist or a member of the National Guard on active duty.

If you think you are exempt from taking the means test, our Georgia lawyer can explain the next steps to filing for bankruptcy.

Contact a dedicated Georgia bankruptcy attorney today

The law firm of Sampson-Roberts & Associates can help you take the means test and determine what type of bankruptcy is right for you. Contact us online today, or call our **Stockbridge office at 678.565.9311 or our Macon office at 478.621.5018**. We offer free initial consultations and are happy to schedule an evening or weekend appointment if needed. We welcome Spanish-speaking clients.

Bankruptcy Exemptions

Bankruptcy Exemptions in Georgia

Reliable debt relief assistance in Stockbridge and Macon

When you are filing for either Chapter 7 or Chapter 13 bankruptcy in Georgia, there are certain exemptions that you may be able to list. In Chapter 7 bankruptcy, exemptions protect certain assets from creditors, such as your home or car. In Chapter 13, exemptions determine how much you must pay to certain creditors. The exemptions are different in every state. An experienced bankruptcy attorney at the law firm of Sampson-Roberts & Associates can explain the bankruptcy exemptions in Georgia. We can then guide you through the bankruptcy process.

Commonly used Georgia bankruptcy exemptions

The exemptions from bankruptcy in Georgia include:

- Homestead — Up to \$21,500 in real or personal property, including co-op
- Motor vehicles — Up to \$5,000
- Other personal property — Up to \$300 per item and \$5,000 in total for clothing, household goods, books, musical instruments, animals; up to \$500 in jewelry; up to \$7,500 in lost future earnings recovery; up to \$10,000 in personal injury recovery
- Support — Alimony and child support
- Public benefits — Unemployment, Social Security, public assistance, workers' compensation, veteran's benefits, aid to blind persons, aid to disabled persons

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- Wage exemptions — 75% of earned unpaid weekly disposable earnings or 40 times the state or federal hourly minimum wage for private and federal workers
- Tools of the trade — Up to \$1,500 in tools, books and implements of trade
- Wildcard — Up to \$600 in any property and up to \$5,000 of unused homestead exemption
- Pensions and retirement accounts — IRAs, ERISA benefits, pensions necessary for support, public employee retirement benefits
- Insurance proceeds — Life insurance, disability or health benefits, fraternal benefit society benefits, group insurance

If you file joint bankruptcy with your spouse, you may each claim the full amount of exemptions. This is commonly known as “doubling” you exemptions.

In addition to state exemptions, there are federal exemptions. In some states you can choose between the state and federal exemptions, but in Georgia you must use the Georgia state exemptions.

At our firm, we have extensive experience handling bankruptcy law matters, including exemptions. When you need relief from overwhelming debt, we can help you.

Schedule a free consultation today

The law firm of Sampson-Roberts & Associates is ready to help you with any bankruptcy issues. Contact us online today, or call our Stockbridge office at 678.565.9311 or our Macon office at 478.621.5018. We offer free initial consultations and are happy to schedule an evening or weekend appointment if needed.

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