



INDEXED AMOUNTS

20 March 2020

Many of the dollar amounts in bankruptcy law are indexed. This means they regularly change to keep up with the Consumer Price Index or the base pension rate.

This table shows the current amounts and which parts of the law they relate to. **Full details of how and when they apply are in the Bankruptcy Act and Regulations.**

Limit, threshold or payment	Amount	Bankruptcy Act & Regulations
Part IX debt agreement - maximum debts, assets and income <i>Updated 20 March and 20 September</i>		
Debts: You can't propose a debt agreement if your unsecured debts add up to more than this limit.	\$118,063.40	s185C(4)(b), (c) & (5)
Assets: You can't propose a debt agreement if your divisible assets* add up to more than this limit. *assets or property that could legally be sold by the trustee if you were bankrupt	\$236,126.80	s185C(4)(b), (c) & (5)
Income: You can't propose a debt agreement if your after-tax income for the year is over this limit.	\$88,547.55	s185C(4)(d) & (5)
Protected property - assets a bankrupt person can keep <i>Updated each financial year</i>		
Tools: Up to this total value, you can keep tools you use to earn income.	\$3,800.00	s116(2)(c)(i) R6.03B (1) & (2)
Vehicles: Up to this total value, you can keep cars or motorbikes you use mainly for transport. If you haven't paid off the vehicle, the amount that counts towards the limit is its value minus what you still owe.	\$8,000.00	s116(2)(ca) R6.03B (3) & (4)
Amount of credit etc. you can get without telling the lender about your bankruptcy or debt agreement <i>Updated quarterly</i>		
Above this limit, you must disclose that you're bankrupt or in a debt agreement before you can: <ul style="list-style-type: none"> buy goods or services on credit, by hire purchase or by cheque lease, hire or promise to pay for goods or services promise to supply goods or services in return for payment. 	\$5,882.00	s269(1)(a), (aa), (ab), (ac), (ad) s304A(1)(j)
Warning: <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>		
The trustee can lodge an objection if you are bankrupt and engage in misleading conduct relating to amounts that are, or add up to, more than the limit.		s149D(1)(c) and s304A(1)(g)

Limit, threshold or payment	Amount	Bankruptcy Act & Regulations
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Income contributions from the bankrupt person

Updated 20 March and 20 September

Base Income Threshold Amount (BITA) - no dependants: Over this amount, half of any income you get goes towards repaying the creditors.	\$59,031.70 (after tax)	s139K
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Actual Income Threshold Amount (AITA) - with dependants: Over this amount, half of any income you get goes towards repaying the creditors. The threshold depends on how many dependants you have		s139K
Number of dependants:		
0	\$59,031.70	
1	\$69,657.41	
2	\$74,970.26	
3	\$77,921.84	
4	\$79,102.48	
More than 4	\$80,283.11 (all amounts after tax)	

How much someone can earn and still be a dependant (used when calculating income contributions)

Updated quarterly

A member of your family can earn income up to this limit during the income contribution assessment period and still count as your dependant.	\$3,708.00	s139K and R6.15A
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Trustee remuneration

The amount a registered trustee can take from an estate (includes a bankruptcy; a personal insolvency agreement; or a controlling trustee authority) unless creditors, a committee of inspection or the Inspector-General in Bankruptcy set a different amount.

Where the trustee is appointed in the current financial year, regardless of when the estate began	\$5,272.00	s60-15 of Schedule 2
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Limit updated each financial year - for trustee appointments in prior financial years (from 2017-18) see the [historical indexations](#).

Where the trustee was appointed before 1 September 2017, and the estate began on or after 1 December 2010	\$5,000.00	s161B as it was from 1 December 2010 to 31 August 2017
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This amount is not indexed

Where the trustee was appointed before 1 September 2017, and the estate began before 1 December 2010	\$1,938.00	s161B as it was before 1 December 2010
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Limit updated quarterly

Limit on priority payments to employees

Updated each financial year

Up to this limit, the bankrupt person's employees are the first unsecured creditors to get payments from the estate.	\$4,550.00	s109(1)(e) R6.02
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Allowance for attending the Official Receiver to give evidence about someone else's bankruptcy

Updated quarterly

Attending the Official Receiver to give evidence or information.	\$22.00	s77D(1)(a) and s304A(1)(a)
Advanced payment for costs of travel by:		
aircraft	\$22.00	s77E(2) and s304A(1)(b)
private motor vehicle	\$22.00	s77E(3) and s304A(1)(c)
another kind of transport	\$11.00	s77E(4)(a) & (b) and s304A(1)(d) & (e)