



INDEXED AMOUNTS

20 September 2019

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 and Regulations |
|--|---------|--|
| <p>Tools A bankrupt may keep tools used to earn an income up to this limit.</p> | \$3,800 | s116(2)(c)(i) and R6.03B (1) & (2) |
| <p>Vehicles 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).</p> | \$8,000 | s116(2)(ca) and R6.03B (3) & (4) |
| <i>Limits updated each financial year</i> | | |
| Credit limit | Limit | Bankruptcy Act and Regulations |
| Bankrupts, and debtors in debt agreements, must disclose their bankrupt or debtor status* when applying for, or buying on credit by hire purchase or cheque goods or services valued above this limit. | \$5,812 | s269(1)(a), (aa), (ab), (ac), (ad) and s304A(1)(j) |
| A trustee may lodge an objection if a bankrupt engages in misleading conduct in relation to a person in respect of an amount, or amounts the total of which, exceed this limit. | | s149D(1)(c) and s304A(1)(g) |
| <p>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></p> <p><i>Limit updated quarterly</i></p> | | |
| * This extends to debtors in debt agreements that commenced on or after 1 December 2010 | | |
| Official Receiver allowances and advances | Limit | Bankruptcy Act and Regulations |
| <p>Attendance A person, other than a bankrupt, who attends before the Official Receiver or authorised officer to give evidence/information is entitled to this allowance.</p> | \$22 | s77D(1)(a) and s304A(1)(a) |
| <p>Advances 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:</p> <ul style="list-style-type: none"> • aircraft • private motor vehicle • other | \$22 | s77E(2) and s304A(1)(b) |
| | \$22 | s77E(s77E(4)(a) and (b) and s304A(1) |
| | \$10 | (d) & (e) |
| <i>Limits updated quarterly</i> | | |
| Bankruptcy notice | Limit | Bankruptcy Act and Regulations |
| This is the minimum amount upon which a bankruptcy notice can be issued (it may be comprised of one or more final judgments/orders). | \$5,000 | s41 |
| <i>The minimum judgment amount is set by the Bankruptcy Act and is not indexed</i> | | |

| Part IX debt agreement eligibility | Limit | Bankruptcy Act and Regulations |
|---|----------------------|--|
| <p>Unsecured debts A person cannot propose a debt agreement if their unsecured debts are more than this limit.</p> | \$116,662.00 | s185C(4)(b), & (5) |
| <p>Unsecured assets A person cannot propose a debt agreement if their divisible property is more than this limit.</p> | \$233,324.00 | s185C(4), (c) & (5) |
| <p>Income level A person cannot propose a debt agreement if their after tax income for the year is more than this limit.</p> | \$87,496.50 | s185C(4)(d) & (5) |
| <i>Limits updated twice a year: 20 March and 20 September</i> | | |
| Other amounts | Limit | Bankruptcy Act and Regulations |
| <p>Registered trustee minimum remuneration entitlement Trustees who are appointed, or who consent to act, before 1 September 2017 in respect of the administration of a bankruptcy, PIA or s188 authority commencing or executed prior to 1 December 2010, may recover this amount as remuneration from the estate or, if there are insufficient funds in the estate, from the bankrupt.</p> | \$1,915 | s161B(1) and (2) - as in force prior to 1 December 2010 |
| <p>Trustees who are appointed, or who consent to act, before 1 September 2017 in respect of the administration of a bankruptcy, PIA or s188 authority commencing or executed on or after 1 December 2010 may recover this amount as remuneration from the estate where remuneration otherwise payable is less than this amount. *This amount is not indexed</p> | \$5,000* | s161B(1) |
| <i>Limits updated quarterly</i> | | |
| <p>Registered trustee maximum default amount of remuneration Trustees who are appointed, or who consent to act, on or after 1 September 2017 in respect of the administration of a bankruptcy, PIA or s188 authority (regardless of date when the bankruptcy commences, or the PIA or s188 authority is executed) are entitled to this amount of remuneration if their remuneration is not determined by creditors, a committee of inspection or the Inspector-General in Bankruptcy.</p> | \$5,272 | s60-15 of Schedule 2 - as in force from 1 September 2017 |
| <i>Limit updated each financial year</i> | | |
| <p>Extent of priority for employee amounts If an employee is owed certain moneys 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.</p> | \$4,550 | s109(1)(e) and R6.02 |
| <i>Limit updated each financial year</i> | | |
| Income contributions | Limit | Bankruptcy Act and Regulations |
| <p>Base Income Threshold Amount (BITA) no dependants Used when calculating a bankrupt's income contributions.</p> | \$58,331.00 | s139K |
| <p>Actual Income Threshold Amount (AITA) with dependants Used when calculating a bankrupt's income contributions which vary according to the number of dependants.</p> | | |
| | Number of dependants | Income limit |
| | 0 | \$58,331.00 |
| | 1 | \$68,830.58 |
| | 2 | \$74,080.37 |
| | 3 | \$76,996.92 |
| | 4 | \$78,163.54 |
| | over 4 | \$79,330.16 |
| <i>Limits updated twice a year: 20 March and 20 September</i> | | |
| Dependants | Limit | Bankruptcy Act and Regulations |
| <p>Amount a person can earn and still remain a "dependant" A person may earn 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.</p> | \$3,664 | s139K and R6.15A |
| <i>Limit updated quarterly</i> | | |