

**GARNISHMENT EXEMPTION CLAIM FORM INSTRUCTIONS**  
**(Minn. Stat. § 550.143, subd. 3b)**

Note: The **creditor** is who you owe the money to. You are the **debtor**.

1. Fill out the Exemption Form (JGM401) in this packet.
  - If you check one of the boxes, you should also give proof that shows that some or all of the money in your account is from one or more of the protected sources. Creditors may ask for a hearing if they question your exemptions.

**To avoid a hearing:**

- Case numbers should be added to the form.
  - Copies of documents should be sent with the form.
- **NOTICE: YOU MUST SEND COPIES OF YOUR BANK STATEMENTS FOR THE PAST 60 DAYS BEFORE THE LEVY TO THE CREDITOR’S ATTORNEY (OR TO THE CREDITOR, IF NO ATTORNEY).** Keep a copy of your bank statements in case there are questions about your claim. If you do not send bank statements with your exemption claim to the creditor’s attorney (or to the creditor, if you don’t have an attorney), the financial institution may release your money to the Sheriff.
2. Sign each of the two copies of the Exemption Form. Make one copy to keep for yourself.
  3. Mail or hand-deliver the other copies of the form within 14 days of the date postmarked on the front of this correspondence.

**BOTH COPIES MUST BE MAILED OR HAND-DELIVERED THE SAME DAY.**

**One copy of the form and the copies of your bank statements go to the Creditor’s Attorney:**

Larry Lawyer  
Collection Law Firm Name  
123 Xyz Street, Suite 999  
Anytown, MN 55555

**One copy goes to of the form and the copies of your bank statements:**

ABC Bank, N.A.  
Attention: Legal Garnishments/Levies  
888 Any Road, #8888  
Anycity, MN 55999

**Remember: If you receive any form of need-based aid from the government, your wages and earnings are exempt from garnishment for (6) months AFTER you last received that aid. The following page explains what is exempt and why:**

**DO NOT INCLUDE THESE INSTRUCTIONS – FOR YOUR REFERENCE ONLY**

**SUMMARY OF EXEMPT PROPERTY (MINN. STAT. §§ 510.02, 550.37)**

“Exempt property” means property or money that by law cannot be taken from you to pay a judgment or debt. This summary is provided to help you claim your exemptions on the Financial Disclosure Form (JGM301). Most exemptions apply only to debtors who are individuals (not corporations). Because this is only a summary, you may find that a specific piece of your property or type of income is not covered. If you have any questions about whether something is exempt, get legal advice.

**PENALTIES: IF THE COURT FINDS THAT YOU CLAIMED AN EXEMPTION IN BAD FAITH, YOU MAY BE ASSESSED COSTS, REASONABLE ATTORNEYS FEES, AND AN AMOUNT NOT TO EXCEED \$100.** (Minn. Stat. § 550.135, subd. 12)

- 1. Homestead (residence owned and occupied by the debtor) is exempt to a value of \$420,000, or if used primarily for agricultural purposes, \$1,050,000.**
  - a. The Homestead may include up to 160 acres of land if located in a rural area.
  - b. The proceeds of a sale of a homestead are exempt for one year after sale; does not apply to child support and maintenance arrearages.
  - c. A mobile home that you live in as a home is exempt.
  - d. The Homestead exemption does not apply to mortgages, tax liens, mechanics liens, and certain claims against an estate. (See [Minn. Stat. § 510.05](#)).
- 2. Wages and Earnings**
  - a. All of your after tax earnings below 40 times the federal minimum wage or seventy-five percent (75%) of your after tax earnings, whichever is greater. For child support judgments, the exemption is based on the date of the judgment and other support obligations. (See [Minn. Stat. § 571.922](#)) This money remains exempt for 20 days after deposit in a bank or other financial institution.
  - b. Earnings of your minor child and any child support paid to you.
  - c. All of your earnings if you receive or have received public assistance based on need within the past six months, or if you have been an inmate of a correctional institution within the last six months. These funds remain exempt for 60 days after deposit in a bank or other financial institution.
- 3. Business Assets (combined value of property in a and b not to exceed \$13,000)**
  - a. Farm equipment, livestock, produce, and standing crops, if your main occupation is farming, not exceeding \$13,000.
  - b. Tools, machines, office furniture, and inventory reasonably necessary in your trade or business, not to exceed \$12,000.
  - c. (Builders) Proceeds of payments received by a person for improvements to real estate within meaning of Minn. Stat. § 514.01.
- 4. Various benefits, pensions, and insurance**
  - a. Relief based on need (this includes programs like MFIP, Work First, General Assistance, Supplemental Social Security Income, Medical Assistance, and Minnesota Supplemental Assistance, **ENERGY ASSISTANCE, MINNESOTA CARE, MNSURE PREMIUM TAX CREDITS, DAYCARE ASSISTANCE, FREE OR REDUCED-PRICE SCHOOL LUNCHES, FOOD ASSISTANCE, CASH ASSISTANCE, DISABILITY PAYMENTS**).
  - b. Social Security benefits (Old Age, Survivors, or Disability Insurance).
  - c. Reemployment compensation, workers’ compensation, veteran’s benefits (remain exempt for one year after receipt), and benefits payable for accident or disability.
  - d. A stock bonus, pension, individual retirement account, or annuity or similar plan or contract received on account of illness, disability, death, age, or length of service to the extent your aggregate interest under all plans and contracts does not exceed a present value of \$72,000 plus an additional amount reasonably necessary for the support of the debtor or debtor’s dependents. (Note: ERISA qualified benefits are not exempt after disbursement or if withdrawn prior to retirement, and exemptions in paragraph d. do not apply to support orders. [Minn. Stat. § 518A.26, subd. 21.](#))
  - e. Insurance money received by surviving spouse or child as a result of the death of a spouse or parent, not exceeding \$48,000. Add \$12,000 for each additional dependent. Debtor’s value in unexpired life insurance contract not exceeding \$9,600.
  - f. Rights to sue for personal injury.
  - g. Health Savings Account not exceeding a present value of \$25,000.
  - h. Medical Savings Account not exceeding a present value of \$25,000.
- 5. Personal Property (Note: personal goods are not exempt from secured claims to collect the purchase price.)**
  - a. One motor vehicle not exceeding \$4,800 in value, or \$48,000 if the vehicle has been modified at a cost of not less than \$3,600 to accommodate a physical disability making a disabled person eligible for a parking certificate under [Minn. Stat. § 169.345](#).
  - b. All money received on a claim on account of damage to or destruction of exempt property.
  - c. All wearing apparel, one watch, utensils and food stuffs without regard to value. Household furniture, appliances and furnishings not exceeding \$10,800.
  - d. A pew in church and a burial plot.

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## **HOW THE EXEMPTION CLAIM PROCESS WORKS**

### **If You DO NOT Send in the Exemption Form and Bank Statements:**

- 14 days after the date of this letter some or all of your money may be turned over to the creditor or to the sheriff.

### **If You DO Send in the Exemption Form and Bank Statements:**

- Any money that is NOT protected can be turned over to the sheriff.

### **If the Creditor DOES NOT Object to Your Exemption Form:**

- The financial institution will unfreeze (release) your money six business days after the institution gets your completed form.

### **If the Creditor DOES Object to Your Exemption Form:**

- The money you have said is protected on the form will be held by the bank. The creditor has six business days to object (disagree) and ask the court to hold a hearing. You will receive a *Notice of Objection and a Notice of Hearing*. **YOU MUST GO TO THIS HEARING OR YOU WILL LOSE YOUR EXEMPTION CLAIM.**
- The financial institution will hold the money until a court decides whether your money is protected or not. Some reasons a creditor may object are because you did not send copies of your bank statements or other proof of the benefits you received. Be sure to include these when you send your exemption form.
- You may want to talk to a lawyer for advice about this process. If you are low income you can call Legal Aid.

## **PENALTIES**

- If you claim that your money is protected and a court decides you made that claim in bad faith, the court can order you to pay costs, actual damages, attorney fees, and an additional amount of up to \$100. For example, it may be bad faith if you claim you receive government benefits that you do not receive.
- If the creditor made a bad faith objection to your claim that your money is protected, the court can order them to pay costs, actual damages, attorney fees, and an additional amount of up to \$100.

## **FINAL NOTES**

- Complete the following Exemption Claim form on the next three pages.
- Sign it and date it where indicated on the last page.
- Keep a complete copy for yourself, including any bank records, government benefit records, etc. that you may have attached.
- Serve the completed form and all of its attachments on the creditor's attorney and your bank/credit union that has been garnished, and use at least two separate methods for each of them to make sure that it has been received. Don't include these instructions.
- **USE TWO METHODS OF SERVICE:** Mailing and/or hand delivering, **plus** faxing and/or emailing to the creditor's attorney and to your bank/credit union.

**DO NOT INCLUDE THESE INSTRUCTIONS – FOR YOUR REFERENCE ONLY**

**State of Minnesota**

**District Court**

County \_\_\_\_\_

Judicial District: \_\_\_\_\_  
Court File Number: \_\_\_\_\_  
Case Type: Civil

\_\_\_\_\_  
(Creditor)

vs.

**Exemption Form**  
**Minn. Stat. §§550.143, subd. 3c;**  
**551.05, subd. 1d; and 571.912,**  
**subd. 3**

\_\_\_\_\_  
(Debtor)

\_\_\_\_\_  
(Financial Institution)

**A. How Much Money is Protected**

- I claim ALL of the money being frozen by the bank is protected.
- I claim SOME of the money is protected. The amount I claim is protected is \$ \_\_\_\_\_

**B. Why The Money is Protected**

My money is protected because I get it from one or more of the following places:  
(Check all that apply)

**Government Benefits**

Government benefits include, but are not limited to, the following:

- MFIP – Minnesota family investment program,
- MFIP Diversionary Work Program,
- Work participation cash benefit,
- GA – general assistance,
- EA – emergency assistance,
- MA – medical assistance
- GAMC – general assistance medical care,
- EGA – emergency general assistance,
- MSA – Minnesota supplemental aid,
- MSA-EA – MSA emergency assistance,
- Food Support,
- SSI – Supplemental Security Income,

- MinnesotaCare,
- Medicare part B premium payments,
- Medicare part D extra help,
- Energy or fuel assistance,

The source(s) of funding in my account is the following: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

If the source is a type of relief based on need, list the case number and county:

Case Number: \_\_\_\_\_ County: \_\_\_\_\_

Government benefits also include:

- Social Security benefits
- Unemployment benefits
- Workers' compensation
- Veterans benefits

If you receive any of these government benefits, include copies of any documents you have that show you receive Social Security, unemployment, workers' compensation, or veterans benefits.

I receive other assistance based on need from another source that is not on the list. *(Include copies of any documents you have that show the source of this money)* The source of funding in my account is the following: \_\_\_\_\_

C. Earnings

ALL or SOME of my earnings (wages) may also be protected.

All of your earnings (wages) are protected because:

- I get government benefits (see list of government benefits)
- I currently receive other assistance based on need
- I have received government benefits in the last six months
- I was in jail or prison in the last six months

If you check one of these boxes above, your wages are only protected for 60 days after they are deposited in your account so you **MUST send the creditor a copy of BANK STATEMENTS** that show what was in your account **for the 60 days right before the bank froze your money.**

If all of your earnings are not exempt, then some of your earnings are still protected for 20 days after they were deposited in your account. The amount protected is the larger amount of:

- 75% of your wages (after taxes are taken out); or
- \$290 (this amount represents the sum of the current federal minimum wage multiplied by 40)

D. Other Exempt Funds

The money from the following are also completely protected after they are deposited in my account.

- An accident, disability, or retirement pension or annuity
- Payments to me from a life insurance policy
- Earnings of my child who is under 18 years of age
- Child support
- Money paid to me from a claim for damage or destruction of property (property includes household goods, farm tools or machinery, tools for my job, business equipment, a mobile home, a car, a musical instrument, a pew or burial lot, clothes, furniture, or appliances)
- Death benefits paid to me

I give my permission to any agency that has given me cash benefits to give information about my benefits to the above-named creditor, or its attorney. The information will **ONLY** concern whether I get benefits or not, or whether I have gotten them in the past six months. If I was an inmate in the last six months, I give my permission to the correctional institution to tell the above-named creditor that I was an inmate there.

**You must sign and send this form back to the creditor’s attorney (or to the creditor, if no attorney) and the bank. Remember to include a copy of your bank statements for the past 60 days. Fill in the blanks below and go back to the instructions to make sure you do it correctly.**

I have mailed or delivered a copy of this form to the creditor or creditor's attorney if represented at the address listed below.

\_\_\_\_\_  
 (Insert name of creditor or creditor’s attorney)

\_\_\_\_\_  
 (Insert address of creditor or creditor’s attorney)

I have also mailed or delivered a copy of this exemption form to my bank at the address listed below:

\_\_\_\_\_  
 Address of Bank/Financial Institution

Dated: \_\_\_\_\_

\_\_\_\_\_  
 Signature of Debtor

\_\_\_\_\_  
 (Debtor’s name)

\_\_\_\_\_  
 (Debtor’s address)

\_\_\_\_\_  
 (Debtor’s telephone number)