



Bankruptcy and assets - quick guide

House	May be sold by the trustee or mortgagee. Consequently, you may be forced to leave even if you don't want to move
Rent payments received from tenants living in a house that you owned prior to your bankruptcy	These become part of your bankrupt estate and you cannot keep them. The payments may be used by the trustee to maintain the property, reduce any associated mortgage or to pay a dividend to creditors
Car	If a creditor has security over your car, they may take possession of it if you don't maintain your payments. If your car has equity >\$7200, the trustee can sell your car
Necessary clothing and household items	You are entitled to keep most ordinary household or personal items
Cash you have with you or in a financial institution account	If you have funds in a bank account and you also owe the bank/credit union some money, the bank/credit union is allowed to keep what's in your account. All other funds you have on your date of bankruptcy become the trustee's
Financial institution accounts	You can open new accounts or keep your existing accounts, provided that the financial institution is willing to keep you as a customer. You can discuss with the institution directly
Income	If your after-tax income exceeds a certain amount, you will have to pay contributions from your income to your trustee. If you are a low-income earner you will not have to pay contributions but you may make voluntary payments to your trustee. The relevant amounts can be found at Indexed amounts . The Bankruptcy Act definition of "income" isn't the same as the taxation definition
Tax refunds for income earned BEFORE you became bankrupt	If you have a debt to the Australian Taxation Office, it can keep your tax refunds. If refunds are not kept by the Tax Office, they belong to the trustee
Tax refunds for income earned AFTER you became bankrupt	Tax refunds due to you that relate to income periods after your date of bankruptcy are treated as income for contributions purposes
Tools of trade	A bankrupt may keep tools used to earn an income that are worth no more than \$3550. If you have tools worth more than this amount, the trustee may sell some of them
Life assurance or endowment policies	The treatment of these payments depends on the nature of these payments. More detailed information is available at Compensation and personal insurance payments
Certain damages and compensation payments	Bankrupts may be entitled to keep these and keep property bought with these funds. More detailed information is available at Compensation and personal insurance payments
Sentimental property (as defined in the Bankruptcy Act)	Creditors can vote regarding whether a bankrupt can keep this. If creditors vote that they can't be kept by the bankrupt, the trustee will sell them
Superannuation payments received BEFORE date of bankruptcy (subject to certain limits)	These become the trustee's on your date of bankruptcy
Superannuation payments received AFTER date of bankruptcy (subject to certain limits)	Bankrupts may be entitled to keep these
Business premises and leases	These become the trustee's on your date of bankruptcy and will be sold by the trustee
Shares and other investments (including shares held in your employer's business)	These become the trustee's on your date of bankruptcy and will be sold by the trustee
Money that is owed to you	The right to recover and keep money that was owed to you at your date of bankruptcy becomes the trustee's. This means that you cannot chase these debts and any money that is paid to you or is recovered by the trustee cannot be spent by you
Proceeds of a deceased estate (where the person dies before or during your bankruptcy)	These belong to the trustee and you cannot keep them
Lottery winnings and/or other competition prizes	These belong to the trustee and you cannot keep them
Legal actions that you started or are thinking about starting	It is up to your trustee to decide whether the claim should be pursued for the benefit of your creditors, unless the claim relates to a personal injury or wrong done to you or your spouse or a member of your family, or the wrongful death of a member of your family

Warning: There are penalties if you fail to disclose assets on your Statement of Affairs or disclose to your trustee, in writing within 14 days, details of any assets you acquire during your bankruptcy.