

The Means Test for Chapter 7 eligibility means that a Trustee or a Creditor can move to dismiss the Debtor's case if the Debtor's income is greater than the State median income. It basically means that they can presume that there is abuse if your current monthly income; which is determined by the average of the prior 6 months; less the secured payments.

They are divided by 60, less the priority debts; divided by 60, unless the allowed expenses permitted by the IRS and certain other allowed expenses is more than \$100 a month of a Chapter 13 Plan.

That would mean that there would be a risk that if you meet this standard that you could be shifted to a Chapter 13 re-payment Plan.

It is generally something easy to calculate with the numbers, prior to filing the Bankruptcy; so long as you provide accurate income. There is also the possibility that even if it falls below the State median the Court may possibly find that there is abuse, but that is much less likely.

What determines the median threshold for income is looking at the number of people in your household; which the census

What the Means Test is under the 2005 Changes to the Bankruptcy

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bureau defines as people occupying the dwelling unit compared to the census figures, and the presumption can be rebutted if you show special circumstances that would allow the adjustment of the current monthly income.