## Federal Versus Texas Bankruptcy Exemptions

All states have sets of exemption laws, and the federal government has a list of [federal bankruptcy exemptions](https://www.nolo.com/legal-encyclopedia/federal-bankruptcy-exemptions-property.html), too. In Texas, you can elect to use either set, but you can’t mix and match—you must choose one scheme (although certain federal exemptions always apply, regardless of which set you choose).

Because the Texas bankruptcy exemptions are so generous, in most cases, you’ll be better off using them as opposed to the federal exemptions. If, however, you have assets that aren’t covered by a Texas exemption, such as lawsuit proceeds, you might want to consider using the generous [wildcard exemption](https://www.nolo.com/legal-encyclopedia/what-is-a-wildcard-exemption-in-bankruptcy.html) provided in the federal bankruptcy scheme (more below).

## Doubling Exemptions for Married Couples

If you are married and filing a [joint bankruptcy](https://www.nolo.com/legal-encyclopedia/what-is-a-joint-bankruptcy.html) (together), each person is entitled to claim the exemption for any property owned jointly. This rule allows couples to double the exemption amount.

### Texas Homestead Exemption

Texas offers an unlimited homestead exemption for a residence on 10 acres or less in a city, town or village or 100 acres or less in the country (this doubles to 200 acres for families). If you sell your house, the proceeds are exempt for six months after the sale under this exemption. (Tex. Prop. Code Ann. §§ 41.001, 41.002, 41.003. See also the Texas Constitution, Article 16, §§ 50, 51.)

(For more information, see [The Texas Homestead Exemption](https://www.nolo.com/legal-encyclopedia/texas-bankruptcy-homestead-exemption.html).)

### Texas Motor Vehicle Exemption

The Texas motor vehicle exemption is also generous—the law allows you to exempt the entire value of one motor vehicle per licensed household member. If you have a household member who doesn’t have a license, you can still exempt that vehicle if the unlicensed person relies on someone else to operate the vehicle. Tex. Prop. Code Ann. § 41.002(a)(9).

### Texas Personal Property Exemptions

The personal property you exempt (things other than real estate) cannot exceed a total of $100,000 or $50,000 if you are a single adult without a family. For example, if all your personal property is worth $125,000, you can exempt only $100,000 of it if you are the head of a family. The remaining $25,000 will be nonexempt. By contrast, a single person would be limited to a total of $50,000:

* Up to two firearms. § 42.002 (a)(7).
* Athletic and sporting equipment, including bicycles. § 42.002 (a)(8).
* Bibles or other books containing sacred religious writings (these are not subject to the $100,000/$50,000 cap). § 42.001 (b)(4).
* Home furnishings including family heirlooms. § 42.002 (a)(1).
* Jewelry (limited to 25% of total exemption -- so as of 2015, you can keep up to $25,000 ($12,500 if you are single) of your jewelry). § 42.002 (a)(6).
* Animals, including pets and domestic animals plus their food; two horses, mules, or donkeys, plus tack; 12 head of cattle; 60 head of other livestock; and 120 fowl. § 42.002 (a)(10),(11).
* Clothing and food. § 42.002 (a)(2),(5).
* Health savings accounts. § 42.0021.
* Burial plots ( § 41.001) and health aids such as wheelchairs, canes and hearing aids ( § 42.001 (b)(2)).

### Pensions and Retirement Accounts

Most tax-exempt pensions and retirement accounts are exempt, even if you choose the Texas exemptions instead of the federal exemptions. These pensions and accounts include particular pensions or retirement funds that receive special tax exemptions under the U.S. Tax Code. You can check with your fund to find out if it qualifies for tax-exempt status.

Additionally, Texas provides that the following pensions and retirement accounts are exempt under Texas law:

* County and district employee retirement and pension benefits. Tex. Gov’t. Code Ann. § 811.006.
* ERISA-qualified government or church benefits, including Keoghs, IRAs and Roth IRAs. Tex. Prop. Code Ann. § 42.0021.
* Firefighter retirement and pension benefits. Tex. Civ. Stat. Ann. Art. 6243e.1 (1.04), Tex. Civ. Stat. Ann. Art. 6243e (5), Tex. Civ. Stat. Ann. Art. 6243b (15), Tex. Civ. Stat. Ann. Art. 6243a-1 (8.03), Tex. Civ. Stat. Ann. Art. 6243e (5).
* Judges' retirement and pension benefits. Tex. Gov’t. Code Ann. § 831.004.
* Law enforcement officers, firefighters, emergency medical personnel survivors benefits. Tex. Gov’t. Code Ann. § 615.005.
* Municipal employees, elected officials, and state employees' pension and retirement benefits. Tex. Gov’t. Code Ann. § 811.005, Tex. Civ. Stat. Ann. Art. 6243h (22).
* Police officer pension and retirement benefits. Tex. Civ. Stat. Ann. Art. 6243d-1 (17), Tex. Civ. Stat. Ann. Art. 6243b (15), Tex. Civ. Stat. Ann. Art. 6243a-1 (8.03), Tex. Civ. Stat. Ann. Art. 6243j (20).
* Retirement benefits to the extent they are tax-deferred. Tex. Prop. Code Ann. § 42.0021.
* Teacher retirement and pension benefits. Tex. Gov’t. Code Ann. § 821.005.

### Insurance Exemptions

* Fraternal benefit society benefits (such as those provided by the Freemasons, the Knights of Columbus and the Elks). Tex. Ins. Code Ann. § 885.316.
* Life, health, accident, or annuity benefits, including any money, policy proceeds or cash value due to or paid to the beneficiary or insured. Tex. Ins. Code Ann. § 1108.051.
* Texas employee uniform group insurance. Tex. Ins. Code Ann. § 1551.011.
* Texas public school employees' group insurance. Tex. Ins. Code Ann. § 1575.006.
* Texas state college or university employee benefits. Tex. Ins. Code Ann. § 1601.008.

### Legal Claim Proceeds Aren’t Exempt

Texas’ exemption laws don't specifically protect lawsuit proceeds, and Texas doesn’t have a wildcard exemption that you can use to protect any property of your choosing. However, the federal exemption set provides a wildcard exemption that you could use to protect a portion of such funds.

Also, any pending lawsuit or legal claim becomes part of your bankruptcy estate. A [bankruptcy trustee](C:/Users/coneill/Google Drive/Misc/Content/Websites/Nolo/Bigfoot Major Edits/bankruptcy trustee) who thinks it has value can step into your shoes, hire an attorney, and litigate the case.

## Verifying Exemptions

This isn’t an exhaustive list of Texas exemptions, and the amounts change periodically. You should always review the Texas laws to confirm your exemptions before filing for bankruptcy, either personally or by consulting with a bankruptcy lawyer. To find out more about researching statutes, visit the [Legal Research Center.](https://www.nolo.com/legal-research)