

Do I make too much money to file bankruptcy?

The only good answer to that question is to tell you to consult with an experienced bankruptcy attorney in your area.

That said, there are some guidelines that could be useful.

Means Test

The Means Test came into existence with the 2005 bankruptcy laws and is intended to be an income barrier to doing a Chapter 7 bankruptcy (the one that gets rid of your debts quickly).

If your total gross income for the six months before filing the Chapter 7 bankruptcy, multiplied by 2 to make it a yearly number, is not greater than the median income for your household size in your state, you pass the Means Test. If it is greater, you would have to take the "full" Means Test, something you should do with an experienced bankruptcy attorney. In California, the median income is \$49,185 (1 person), \$63,745 (2 people), \$67,817 (3 people), and \$78,150 (4 people).

Net Income Less Expenses

There is also a Net Income Less Expenses "test", although it not called a test. **If your expected monthly net income is greater than your expected monthly expenses, then you might have to file a Chapter 13 payment-plan bankruptcy instead of a Chapter 7.**

Chapter 13

If you really do make too much money to file a Chapter 7 bankruptcy, there is the option of a Chapter 13 payment-plan bankruptcy in which you pay something each month to your creditors. How much you would need to pay is far too complex a subject to cover here. That's for you and your bankruptcy attorney to work out.

The above items are for starters only, just to satisfy your curiosity. Once more, **the only real answer will be the one you'll get by consulting with an experienced bankruptcy attorney in your area.**



Malcolm Ruthven
Attorney at Law
San Francisco Bay Area
415.342.4666 Fax 415.869.6645
mruthven@mruthvenlaw.com
ca-bklaw.com



Click [bankruptcy](#) for more information from [Malcolm Ruthven](#)