



WHAT YOU SHOULD KNOW ABOUT THE MEDIAN INCOME AND MEANS TESTS

2012 Louisiana Median Income by Number of Persons in the Household							
1	2	3	4	5	6	7	8
\$39,128.00	\$47,626.00	\$56,363.00	\$67,854.00	\$ 75,354.00	\$ 82,854.00	\$ 90,354.00	\$ 97,854.00
\$ 3,260.67	\$ 3,968.83	\$ 4,696.92	\$ 5,654.50	\$ 6,279.50	\$ 6,904.50	\$ 7,529.50	\$ 8,154.50

An Important Note About the New Bankruptcy Law. Whether or not you qualify for a Chapter 7 bankruptcy or a three-year Chapter 13 Plan under the new bankruptcy law depends on your “annualized current monthly income.” The law does not consider what you are currently earning, or what you will earn next month, or your last twelve months earnings, or even what you reported on your tax return last year. Instead, qualification is based on the pre-tax gross income you received (not earned) from all sources during the six months prior to the date you file your bankruptcy petition; your income for the month in which you actually file is not counted.

Why This Is Important. It is important because you may qualify in one month but not in the next. You may lose your right to file a Chapter 7 or a three-year Chapter 13 Plan by not filing your case promptly or by filing too soon.

Examples. Here are a few examples.

- 1) Suppose you’re paid bi-weekly. Even though you receive exactly the same pay every check, there are some months that you get three paychecks instead of two. In a close case, this might make your income appear to be greater than it actually is.
- 2) You may get unexpected overtime, or a bonus, or a pay raise that will exceed your six-month average and disqualify you from doing a Chapter 7 or three-year Chapter 13. Or you may take on a second job or start receiving pension or disability benefits that will raise your income.
- 3) On the other hand, if you have just lost your job or had a significant pay reduction, waiting a month or more while your income is reduced may enable you to qualify for a Chapter 7 or three-year Chapter 13.

It is important that you understand that just because you or do not qualify this month does not mean that you will or will not qualify next month.