

# Social Security Benefits in Bankruptcy: 4 Things You Need to Know

by Levitt & Slafkes, P.C. on December 5, 2013



If you are planning to file a [bankruptcy case](#) and you receive social security benefits, it is important to confer with your attorney about it. However, in most cases, social security benefits are better protected in a bankruptcy case than outside of it. Why is this?

Before you file for bankruptcy, you may have a small amount of money left over after paying for your basic living expenses. Creditors may try to force you to use this small sum to pay them. This does not happen when you file a [Chapter 7](#) or [Chapter 13](#) case. When you file for bankruptcy:

- The automatic stay immediately goes into effect and stops all collection efforts against you. Thus, any small amount of social security benefits you have at the end of the month are protected.
- Bankruptcy law provides exemptions that protect your benefits and make them unavailable to be used to repay creditors. This includes social security benefits that you have already received.
- Any benefits that have been separated from your other funds will receive full protection. If your other funds have been commingled with social security benefits, however, it can make claiming an exemption more difficult.

If you are planning to file a bankruptcy case, confer with the attorneys at [Levitt & Slafkes](#) regarding the best strategy for protecting your social security benefits.

*We are bankruptcy lawyers who know how to make a difference in your financial situation. We have experience you can rely on and we care about your results. Contact our New Jersey law firm [online](#) by filling out the form or by calling 973-323-2953 to schedule a free initial consultation with an attorney at [Levitt & Slafkes, PC](#).*

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