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Course Information

Course Title: *Education Tax Benefits#291320-2*

Recommended CPE credit hours recommended for this course

In accordance with the standards of the Certified Financial Planner Board of Standards, Inc. the National Registry of CPE Sponsors, and the Internal Revenue Service, CPE credits have been granted based on a 50-minute hour.

CFP® 4 (All states) CFP Board sponsor number: 1008. CFP Board Course ID#195523

CPA 5.5 (All states)

National Registry of CPE Sponsors ID Number: 107615.

Sponsor numbers for states requiring sponsor registration

Florida Division of Certified Public Accountancy: 4761 (Ethics #11467)

Hawaii State Board of Public Accountancy 14003

New York State Board of Accountancy (ethics): 002146

Ohio State Board of Accountancy: M0021

Pennsylvania Board of Accountancy: PX178025

Texas State Board of Accountancy: 009349

EA, OTRP 5 (All states). IRS: Qualified Sponsor number: FWKKO.

CLU, ChFC: 5 (Professional Recertification)

Course Description

Few advantages are as sought after by parents for their children than an education that will enable them to grow professionally and enjoy the benefits such an education can help bestow. The federal government supports and encourages their efforts to provide that education through various programs and income tax incentives.

This course will examine the programs, credits, deductions and federal income tax treatment of various items that affect saving for and financing an individual's education. In so doing, it will consider:

- Qualified tuition programs;
- Coverdell education savings accounts;
- The education savings bond program;
- Federal tax credits for education;
- The federal tax treatment of scholarships, fellowships, grants and tuition reductions; and
- Deductions available for student loan interest, tuition and fees.

Program Delivery Method: Self-Study (NASBA QAS Self-Study/Interactive)

Subject Codes/Field of Study

CFP Board of Standards, Inc.: Taxes

NASBA (CPA): Taxes

IRS (EA, OTRP): Federal Tax Law

Course Level, Prerequisites, and Advance Preparation Requirements

Program Level: CFP Board: Intermediate; NASBA/CPA, IRS: Overview.

This program is appropriate for professionals at all organizational levels.

Prerequisites: Basic familiarity with federal taxation

Advance Preparation: None

Course Content

Publication/Revision Date: 7/22/2020.

Author: Paul J. Winn, CLU, ChFC

Final Exam (online): Forty questions (multiple choice)

Instructions for taking this course

Note: Downloading the PDF of this course will enable Bookmarks for easier navigation (on the left side of the document window, open the bookmarks pane).

You must complete this course within one year of the date of purchase (if you do not complete the course within one year, contact us to determine whether an updated edition of the course is available, in which case we will provide you with a PDF of the updated course and the online exam at no charge).

A passing grade of at least 70% is required on the final exam for this course. You may retake the exam if you do not pass it on the first attempt (no charge).

Complete the course by following the learning objectives listed on page one, studying the chapter-text, then studying the review quiz at the end of the chapter (answers to chapter review quizzes are at the end of the text). Once you have completed each chapter and you are confident that the learning objectives have been met, answer the final exam questions (online).

Instructions for Taking the Final Exam Online

- Login to your account online at www.bhfe.com.
 - The exam may be started, stopped, then resumed at a later date.
 - The exam is "open book," it is not timed, and it may be retaken if not passed on the first attempt (no charge).
 - Results (correct, incorrect answers) and certificate appear immediately upon passing the exam.
 - CFP® and EA credits are reported weekly.

Have a question? Call us at 800-588-7039 or email us at contact@bhfe.com.

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Special Note Concerning Recent Legislation

In the closing days of 2019, two pieces of legislation titled "Setting Every Community Up for Retirement Enhancement Act of 2019" (SECURE Act) and "Taxpayer Certainty and Disaster Tax Relief Act of 2019" became law, generally effective January 1, 2020. Although the bulk of the provisions in the Act address retirement plans, the new law's provisions that may affect clients in connection with education expenses are the following:

- the inclusion of stipends and non-tuition fellowships in the definition of compensation for purposes of individual retirement account (IRA) contributions;
- expansion of § 529 Plan definition of eligible education costs to include costs associated with apprenticeship programs and certain student loan repayments; and
- effective for taxable years beginning after December 31, 2017, qualified tuition and related expenses are deductible subject to existing rules through December 31, 2020.

Introduction

Few advantages are as sought after by parents for their children as an education that will enable them to grow professionally and enjoy the benefits such an education can help bestow. The federal government supports and encourages their efforts to provide that education through various programs and income tax incentives.

This course will examine the programs, credits, deductions and federal income tax treatment of various items that affect saving for and financing an individual's education. In so doing, it will consider:

- Qualified tuition programs;
- Coverdell education savings accounts;
- The education savings bond program;
- Federal tax credits for education;
- The federal tax treatment of scholarships, fellowships, grants and tuition reductions; and
- Deductions available for student loan interest.

Learning Objectives

Upon completion of this course, you should be able to:

- Identify the features and tax benefits of qualified tuition programs available under IRC §529;
- Recognize the limits and tax treatment of contributions to and distributions from a Coverdell education savings account (ESA);
- Identify the tax treatment of interest earned under qualified U.S. savings bonds used to pay certain education expenses;
- Apply the American opportunity and lifetime learning credit rules;
- Recognize the tax treatment given to scholarships, fellowships and other types of educational assistance; and
- Apply the federal income tax rules applicable to student loan interest, and student loan cancellations and repayment assistance.