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## Course Information

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**Course Title:** *Tax Guide to Compensation and Benefits #490420*

**Recommended CPE credit hours for this course**

In accordance with the standards of the CFP Board, the National Registry of CPE Sponsors and the IRS, CPE credits have been granted based on a 50-minute hour.

**CFP® 2** (All states) CFP Board Course ID# 195445

CFP Board sponsor number: 1008.

**CPA 3** (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 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 3** (All States) IRS: Qualified Sponsor number: *FWKKO*.

**CLU, ChFC Professional Recertification 3**

**Course Description**

This mini-course examines the various ideas, methods, and techniques capable of optimizing the overall compensation package for key employees and principals in small to medium sized businesses. Qualified and non-qualified deferred compensation, benefit targeting, insurance programs, statutory fringe benefits, interest free loans, and investment planning are investigated. Consideration is given to indirect compensation in the form of business entertainment, expense accounts, auto use, travel, and transportation. The new field of professional services is probed to provide tax, financial and estate planning to the key executive.

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

**Subject Codes/Field of Study**

NASBA (CPA), CFP Board of Standards, Inc.: Taxes.

IRS (EA, OTRP): Federal Tax Law.

NAPFA: Taxes

**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: 1/30/2020.

Author: Danny Santucci, J.D.

Final exam (online): Fifteen 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 the following page, studying the text, and studying the review questions at the end of each major section (or at the end of the course). Once you have completed studying the course 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](http://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](mailto:contact@bhfe.com).

# Learning Assignment & Objectives

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As a result of studying the assigned materials, you should be able to meet the objectives listed below.

## ASSIGNMENT

## SUBJECT

At the start of the materials, participants should identify the following topics for study:

- \* Deferral of income
- \* Avoiding taxable income
- \* Unreasonable compensation
- \* Nonqualified deferred compensation
- \* Basic types of corporate retirement plans
- \* Individual plans
- \* Fringe benefits
- \* Employer-provided automobile
- \* Business entertainment
- \* Business travel & transportation

## Learning Objectives

After reading the materials, participants will be able to:

1. Identify types of income, from a financial and tax perspective, to be budgeted into cash so that income-producing assets can be acquired and managed for an effective investment plan.
2. Determine compensation to maximize the net dollar return using strategies that involve all aspects of how the client relates to the company for which they may be an owner, employee, or both.
3. Specify the differences between qualified deferred compensation plans and nonqualified deferred compensation plans, and recognize defined contribution plans from defined benefit plans identifying the characteristics of each so that business owners may choose the most suitable plan to accomplish their financial and worker incentive objectives.
4. Recognize the scope and variety of excluded fringe benefits including tax treatment, operational details, and level of incentive-based compensation.
5. Identify the disallowance of entertainment expenses, determine the tax treatment of reimbursements paid under accountable and unaccountable plans, and recognize deductible travel expenses undertaken for business.
6. Specify types of insurance that a company can provide its employees, denies the various types of equity participation available from which companies may choose, and identify the basic types of buy-sell agreements.

## Notice

This course and test have been adapted from materials and information contained in the above text and any supplemental material provided. This course is sold with the understanding that the publisher is not engaged in rendering legal, accounting, or other professional advice and assumes no liability whatsoever in connection with its use. Since laws are constantly changing, and are subject to differing interpretations, we urge you to do additional research and consult appropriate experts before relying on the information contained in this course to render professional advice.

# Tax Guide to Compensation and Benefits

By  
Danny C. Santucci



The author is not engaged by this text, any accompanying electronic media, or lecture in the rendering of legal, tax, accounting, or similar professional services. While the legal, tax, and accounting issues discussed in this material have been reviewed with sources believed to be reliable, concepts discussed can be affected by changes in the law or in the interpretation of such laws since this text was printed. For that reason the accuracy and completeness of this information and the opinions based thereon cannot be guaranteed. In addition, state or local tax laws and procedural rules may have a material impact on the general discussion. As a result, the strategies suggested may not be suitable for every individual. Before taking any action, all references and citations should be checked and updated accordingly.

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