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Course Information

Course Title: *Tax Guide to Compensation and Benefits #490421*

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 CFP Board sponsor number: 1008.

CPA 3.5 (Accepted in 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 (for 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

The various ideas, methods, and techniques to optimize the overall compensation package for key employees and principals are examined in this mini-course. Generally, businesses may deduct employees' pay including wages, salaries, and other perks. Certain fringe benefits that can provide an unusually tax-favored manner of supplementing compensation are described and evaluated. In addition, equity participation is explored through stock sales, repurchase agreements, incentive stock options, ESOT's, stock options, and bonuses. Finally, deferred compensation arrangements are investigated. The goal of this mini-course is to provide participants with a working knowledge of the types of compensation necessary to structure a compensation package minimizing tax liabilities and cost.

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: 2/5/2021.

Author: Danny Santucci, J.D.

Final exam (online): Twenty questions (multiple-choice).

Instructions for taking this course

Note: Download and save the PDF of this course to your computer to enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window) for easier navigation.

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.
- 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.

Learning Assignment & Objectives

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

ASSIGNMENT

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

- * Wages, salary & pay
- * Tests for deducting pay to employees
- * Selected types of compensation
- * Payroll taxes
- * Selected fringe benefits
- * Interest-free & below-market loans
- * Equity participation
- * Advantages of nonqualified deferred compensation
- * Funded company account plans
- * Segregated asset plans

Learning Objectives

After reading the materials, participants will be able to:

1. Identify the common-law rules used by the IRS to determine whether a person is an employee for purposes of FICA, FUTA, and federal income tax withholding.
2. Recognize employee and officer compensation deductibility factors and the related employment taxes and reporting obligations to ensure compliance with regulations.
3. Identify fringe benefits specifying those that provide deductible incentive-based employee compensation.
4. Specify the equity incentive opportunities available to employers showing the variety, tax treatment, and use of stock plans.
5. Recognize the use of deferred compensation agreements to attain compensation and retirement objectives.

After studying the materials, answer the exam questions 1 to 20.

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



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—From a Declaration of Principles jointly adopted by a committee of the American Bar Association and a Committee of Publishers and Associations.

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