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## Course Information

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**Course Title:** *Tax Guide to Compensation and Benefits #490423*

**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*.

**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, ESOTs, 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.

## Course Content

Publication/Revision Date: 2/16/2023.

Author: Danny Santucci, J.D.

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

**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

## Instructions for Taking This Course

- **Log in to your secure account at [www.bhfe.com](http://www.bhfe.com). Go to "My Account."**
- **You must complete this course within one year** of purchase (If the course is "Expired," contact us and we will add the latest edition of the course to your account (no charge).
- **To retain the course-PDF after completion (for future reference) and to enable enhanced navigation:** From "My Account," Download and save the course-PDF to your computer. This will enable the search function (Menu: Edit>Find) and bookmarks (icon on left side of document window).
- **Complete the course by** following the learning objectives listed for the course, studying the text, and, if included, 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).

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- You will have three attempts to pass the exam (call or email us after three unsuccessful attempts for instructions).
- The exam is not timed, and it does not need to be completed in one session.
- For a printed copy of the exam questions, open the exam and press "Print Exam."
- Once you pass the exam, the results (correct/incorrect answers) and certificate of completion appear in "My Account." A confirmation email is also sent.
- CFP Board and IRS credit hours, if applicable, are reported on Tuesdays and at the end of the month.

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# 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**

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 exam questions 1 to 20.

## **Notice**

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# Tax Guide to Compensation and Benefits

By  
Danny C. Santucci



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