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## Course Information

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**Course Title:** *Divorce Transfers and Settlements #4924*

**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® 1** (All states) CFP Board Course ID# 195327

CFP Board sponsor number: 1008.

**CPA 2** (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: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

**EA/OTRP: 2** (All States) IRS: Qualified Sponsor number: *FWKKO*.

**CLU, ChFC/PACE Recertification 2**

**Course Description**

Participants will learn how to apply, implement, and evaluate the strategic tax aspects of marital dissolutions and living together arrangements. Current perspectives on property transfers and asset divisions are examined with an emphasis on planning considerations. This mini-course reviews property settlements and other transfers incident to divorce. Basis allocation, third party transfers and purchases between spouses are also examined. Common pitfalls for the unwary such as transfers in trust, installment notes, and purchases between spouses are analyzed. Application of these tax principles is exemplified in selected asset divisions of the residence, business interests, insurance, and pension benefits.

**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: 5/29/2015.

Author: Danny Santucci, J.D.

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

**Instructions for taking this course**

In order to receive CPE credit for this course, you must complete the course within one year of the date of purchase. This includes achieving a passing grade of at least 70% on the final exam. Exams may be retaken if not passed on the first attempt (no charge).

Complete the course by following the learning assignments and objectives listed on the following page and studying the review questions after each major section in the text. Once you have completed each learning assignment 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).
- Go to "My Account" and view your courses.
- Select "Take Exam" for this course and follow instructions.

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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 materials, participants should identify the following topics for study:

- \* Property rights
- \* Premarital agreements
- \* Application of §1031
- \* Incident to divorce
- \* Property basis
- \* Purchases of residence between spouses
- \* Purchases of business interests between spouses
- \* Selected asset divisions of residence & business interests
- \* Real & personal property
- \* Pension benefits

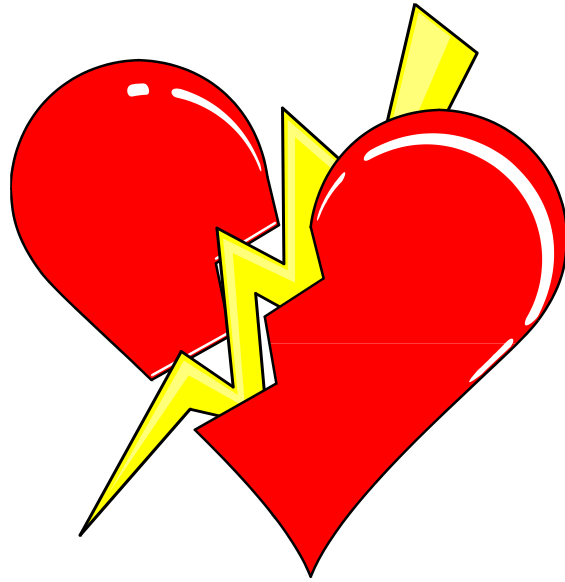
## Learning Objectives

After reading the materials, participants will be able to:

1. Identify the various forms of marital property and how to proceed with a tax structured property settlement noting the benefits of premarital agreements to avoid potential divorce problems.
2. Recognize property settlements under §1041 by:
  - a. identifying its application to interspousal and third party transfers,
  - b. specifying the factors that determine whether or not a property transfer is incident to divorce under §1041,
  - c. determining property basis for the transferor and transferee spouse under §1041.
3. Identify remedies for the deferred tax pitfall of §1041 by:
  - a. determining deferred tax liability of interspousal purchases,
  - b. recognizing the tax deferral of §1031 exchanges,
  - c. specifying the key elements of the home sale exclusion and stating their application;
  - d. recognizing benefit distribution problems and the tax advantages of QDROs.

## 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.



## **Divorce Transfers & Settlements**

**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 author's 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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Danny Santucci**

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