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## Course Information

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**Course Title:** *Tax Guide to Compensation and Benefits #4904*

**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: 002146

Ohio State Board of Accountancy: M0021

Texas State Board of Accountancy: 009349

**EA/OTRP 3** (All States) IRS: Qualified Sponsor number: *FWKKO*.

**CLU, ChFC/PACE 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: 5/29/2015.

Author: Danny Santucci, J.D.

Final exam (online): Twenty 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**

## **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 noting 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 directly related test and the associated test to insure that entertainment expenses can be deducted, 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**

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# Tax Guide to Compensation and Benefits



By  
**Danny C. Santucci**

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