



College for Financial Planning®  
EDUCATING THE NATION'S TOP FINANCIAL ADVISORS™

## Professional Designation Requirements



## Policies and Procedures

© 2015 College for Financial Planning, all rights reserved.

This publication may not be duplicated in any way without the express written consent of the publisher. The information contained herein is for the personal use of the reader and may not be incorporated in any commercial programs, other books, databases, or any kind of software or any kind of electronic media including, but not limited to, any type of digital storage mechanism without written consent of the publisher or authors. Making copies of this material or any portion for any purpose other than your own is a violation of United States copyright laws.

## Table of Contents

<b>PROFESSIONAL DESIGNATION REQUIREMENTS</b> .....	<b>1</b>
<b>INITIAL REQUIREMENTS</b> .....	<b>1</b>
Authorization to Use the Designation .....	2
<b>RENEWAL REQUIREMENTS</b> .....	<b>3</b>
Method of Contact .....	3
Notification Timeline .....	3
Relinquishment of Designation due to Noncompliance with Requirements .....	4
Reinstatement after Relinquishment .....	4
Voluntary Relinquishment .....	4
<b>CODE OF ETHICS</b> .....	<b>5</b>
Standards of Professional Conduct .....	5
Self-Disclosure .....	5
Terms and Conditions .....	6
<b>DISCIPLINARY PROCESS</b> .....	<b>6</b>
Monitoring .....	6
Complaint Procedures .....	6
Disciplinary Procedures .....	6
Publication of Disciplinary Action .....	7
<b>CONTINUING EDUCATION STANDARDS</b> .....	<b>8</b>
CE Hour Requirements .....	8
Earning CE Hours .....	8
Program Requirements .....	8
Acceptable program types .....	8
Subject Topics Accepted for CE Credit .....	8
Credit for Live Presentations .....	8
Credit for Virtual Programs .....	9
Credit for Self-Study Programs .....	9
Credit for Coursework for Obtaining Professional Licenses and Designations .....	9
Credit for Teaching .....	9
Credit for Authorship .....	10
<b>REPORTING AND RECORDKEEPING</b> .....	<b>10</b>
Reporting CE Hours .....	10
Documentation .....	10
Failure to Comply .....	10

Audits .....	11
Waivers .....	11
<b>DISCLAIMERS .....</b>	<b>11</b>
Release of Designee Information to the Public .....	11
Grievances .....	12
Disclaimer.....	12
<b>APPENDICES</b>	
Subject Topic Lists.....	13

## PROFESSIONAL DESIGNATION REQUIREMENTS

The College for Financial Planning (College) offers several professional designation programs spanning the asset management, retirement, mutual fund, and financial planning sectors of the financial services industry. Students who successfully complete one of the College's designation programs are conferred the right to use the College for Financial Planning's Registered Mark(s) subject to terms and conditions and renewal requirements.

The professional designations include:

AAMS<sup>®</sup> and Accredited Asset Management Specialist<sup>SM</sup>

ADPA<sup>®</sup> and Accredited Domestic Partnership Advisor<sup>SM</sup>

APMA<sup>®</sup> and Accredited Portfolio Management Advisor<sup>SM</sup>

AWMA<sup>®</sup> and Accredited Wealth Management Advisor<sup>SM</sup>

CMFC<sup>®</sup> and Chartered Mutual Fund Counselor<sup>SM</sup>

CRPC<sup>®</sup> and Chartered Retirement Planning Counselor<sup>SM</sup>

CRPS<sup>®</sup> and Chartered Retirement Plans Specialist<sup>SM</sup>

MPAS<sup>®</sup> and Master Planner Advanced Studies<sup>SM</sup>

RP<sup>®</sup> and Registered Paraplanner<sup>SM</sup>

## INITIAL REQUIREMENTS

In addition to the requirements outlined below, all students enrolled in one of the College's education programs are bound by the College's Policies and Procedures outlined on the College's website.

The requirements for obtaining a designation are as follows:

### 1) Education

Successful completion of the requisite course of study with the College is required. Each designation program encompasses specific content outlined in the Subject Topic Lists in Appendix A. The program content includes both theoretical and practical application of the material. Each program is designed for 120-180 hours of self-study. The Master Planner Advanced Studies<sup>SM</sup> designation program (MPAS<sup>®</sup>) is a 36-43 credit-hour graduate degree program.

See the College's Policies and Procedures for details on terms of enrollment.

### 2) Examination

Designed to test the student's ability to synthesize complex concepts and apply theoretical concepts to real-life situations, individuals must pass an online, end-of-course examination covering the content of the Subject Topic List specific for each designation. The MPAS<sup>®</sup> designation program consists of a combination of assignments, projects, research, and papers.

See the College's Policies and Procedures for details on testing and grading policy.

### 3) Designation Application

After the successful completion of the program, individuals apply for authorization to use the professional designation. This application requires the student to acknowledge adherence to the Standards of Professional Conduct and to disclose any investigations or legal proceedings relating to professional or business conduct. Additionally, students must acknowledge adherence to the College's Terms and Conditions governing the use of the College's Marks. The College for Financial Planning reserves the right to verify the accuracy of the executed statements and may conduct random audits to ensure compliance with disclosure requirements.

Please refer to the section of this document entitled Code of Ethics for details on this requirement.

Students must complete the Designation Application within six months of completing the program. Failure to complete and submit the Designation Application within this time frame will result in termination of the individual's candidacy. If an individual wishes to apply for authorization to use the Marks in the future, he or she will be required to reenroll in the program and meet all other initial designation requirements in place at the time of the request. For the MPAS<sup>®</sup> designation, students who wish to apply for authorization after their candidacy has been terminated must complete 40 hours of content-specific continuing education within a 12-month period in lieu of reenrolling in the program, pay a reinstatement fee, and meet all other initial designation requirements in place at the time of the request.

#### **Authorization to Use the Designation**

Students who successfully fulfill the designation requirements receive a certificate and authorization to use the designation on correspondence and business cards in accordance with specified guidelines.

Authorization to use one of the College's professional designations is granted for an initial period of two years. Continued use of the designation requires the designee to renew prior to the end of the authorization period. Subsequent authorization periods are two years in length.

## RENEWAL REQUIREMENTS

Following initial conferment of one of the College's professional designations, authorization for continued use of the credential must be renewed every two years at the end of the authorization period. Subsequent authorization periods are two years in length.

Each designee applying for renewal is required to:

1. Submit a renewal application

An online renewal application must be completed prior to the expiration of a designee's authorization period in order to renew a designation. This form requires the designee to acknowledge adherence to the Standards of Professional Conduct and to disclose any investigations or legal proceedings relating to their professional or business conduct. Additionally, designees must acknowledge adherence to the College's Terms and Conditions governing the use of the College's Marks. The College reserves the right to verify the accuracy of the executed statements and may conduct random audits to ensure compliance with disclosure requirements.

2. Pay a renewal fee

As part of the renewal requirements, designees pay a nonrefundable renewal fee for each designation being renewed. A nonrefundable late fee is incurred per designation if all renewal requirements are not completed, received, and accepted by the College by the renewal due date.

3. Report continuing education (CE)

A CE requirement is effective immediately upon initial conferment of the designation. As part of the online renewal process, designees execute an electronic attestation statement confirming appropriate CE credits have been earned during their two-year authorization period. A wide variety of program types is accepted for CE. Specific criteria can be found under Continuing Education Standards.

### Method of Contact

The College for Financial Planning uses e-mail as its primary communication method. It is the responsibility of the designee to provide accurate contact information to the College for Financial Planning and to notify the College promptly when there is a change in this information.

### Notification Timeline

Prior to the expiration of a designee's authorization period, an e-mail notice will be sent to the designee's business e-mail address. A written notice will be sent to the designee's preferred mailing address.

Individuals who do not complete and submit all renewal requirements to the College for Financial Planning by the renewal due date are assessed a nonrefundable late fee per designation.

### **Relinquishment of Designation due to Noncompliance with Requirements**

Individuals who have not complied with the renewal requirements within 60 days following their expiration date are subject to receiving a Notice of Relinquishment. This Notice advises individuals that, due to their failure to comply with the renewal requirements, they are deemed to have relinquished the right to use the designation and must cease all use of the Mark(s). Continued use of the Mark(s) in such circumstances is an unauthorized use and deemed a violation of the Terms and Conditions. The College actively monitors the use of its Marks and reserves the right to take all necessary legal steps to protect them.

### **Reinstatement after Relinquishment**

An individual may request the College to reinstate their right to use the designation within two years following the expiration date by fulfilling all outstanding renewal requirements and paying all outstanding fees. Individuals who do not reinstate within two years following their expiration date are ineligible for reinstatement and are instead required to reenroll in the education program and fulfill all other initial designation requirements in place at the time of their request. For the MPAS<sup>®</sup> designation, individuals who do not fulfill all outstanding renewal requirements within two years following the expiration date must complete 40 hours of content-specific continuing education within a 12-month period and pay a reinstatement fee in addition to meeting the initial designation requirements in place at the time of the request.

### **Voluntary Relinquishment**

Individuals who are currently authorized to use one of the College's designations, and whose professional conduct is not under review by the College and whose CE is not under audit, may choose to voluntarily relinquish their authorization to use the Marks. Individuals must notify the College in writing that they voluntarily relinquish their rights to use one of the College's Marks. Please note that renewal fees paid to the College are nonrefundable.



## CODE OF ETHICS

The Code of Ethics requires compliance with the following three components:

- 1) adherence to the Standards of Professional Conduct;
- 2) self-disclosure of prior allegations or violations; and
- 3) adherence to the Terms and Conditions.

### Standards of Professional Conduct

Individuals credentialed by the College for Financial Planning are required to adhere to the following five tenets of professional conduct. These tenets embody the ethical and professional ideals that are fundamental to the College's professional designations.

1. Integrity  
Provide professional services with integrity, honor, fairness, and dignity and maintain client trust and confidence.
2. Objectivity  
Maintain objectivity and impartiality with respect to services rendered and advice given.
3. Competency  
Maintain an adequate level of knowledge and skill and effectively apply that knowledge while recognizing its limitations.
4. Confidentiality  
Keep client information confidential, disclosing only when authorized or compelled by law.
5. Professionalism  
Comply with all laws and regulations as required and applicable, refraining from actions that bring dishonor to you or your profession.

### Self-Disclosure

Prior to initial authorization to use the College's Marks, and upon each subsequent renewal, you must disclose whether you have ever been involved in any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding.

Please be aware that, if you disclose matters on your initial application, or if the College for Financial Planning discovers matters that are required to be disclosed, your authorization to use the College's Marks may be delayed pending the College's review of the matters. The College may elect to delay its decision on matters that are pending.

The College may verify your employment record, qualifications, and disciplinary history through FINRA's Central Registration Depository (CRD). All disciplinary information obtained will be reviewed by the College or appointed agent.

The following criteria are used when reviewing an individual's self-disclosure(s) and will result in denial, revocation, or suspension of use of the College's Marks:

- Felony conviction for theft, embezzlement, tax fraud, or other financial or tax-related crimes.

- Revocation or suspension, for reasons other than administrative, of a financial, insurance, or tax professional license or registration including, but not limited to, registered securities representative, broker/dealer, insurance, accountant, investment advisor, or financial advisor.
- Revocation or suspension, for reasons other than administrative, of an attorney license.
- Felony conviction for any violent crime.
- Two or more personal or business bankruptcies.

All other transgressions will be reviewed on a case-by-case basis.

### **Terms and Conditions**

The College for Financial Planning awards professional designations to individuals who meet the initial and ongoing designation requirements. The use of the College's Marks is further contingent upon compliance with the Terms and Conditions. Individuals agree to this statement upon initial conferment of a designation and upon each subsequent renewal of that designation. A copy of the Terms and Conditions is found on our website.

## **DISCIPLINARY PROCESS**

### **Monitoring**

The College reserves the right to monitor for compliance any individual using the College's Marks. Any alleged violations discovered will be subject to the Disciplinary Procedures outlined below.

### **Complaint Procedures**

Complaints against a designee may be filed by the designee's client, a designee's employer, or any other individual with whom the designee has established a formal business engagement for purposes of providing asset management, retirement planning, or financial planning services to that individual.

Complaints may be filed using the Complaint Submission form found on the College's website. The College for Financial Planning investigates all complaints and its Ethical Conduct Committee determines whether allegations are justified and whether the conduct warrants disciplinary action.

### **Disciplinary Procedures**

An alleged violation of any of the College's Policies and Procedures shall be subject to a fair and impartial process in determining whether or not a violation has occurred and carried out in accordance with the Disciplinary Procedures in this section.

Upon receipt of an alleged violation, the College will conduct an investigation in a prompt and reasonable manner.

A designee who is charged with a violation shall be notified of the specific charge(s) in writing by a Charging Letter sent via Certified Mail, Return Receipt Requested, or comparable means, and shall be given ten (10) days to submit a written response to the designated College official.

Failure of a designee to respond to the Charging Letter will be taken as an admission of truth of the charges.

In those instances where the College determines the conduct does not warrant a Charging Letter, it may choose to issue a Warning Letter and/or provide counseling to the designee.

After the College's investigation is completed and the designee has responded to the Charging Letter, the Ethical Conduct Committee shall be convened to review the file and make findings and recommendations. The Committee shall consist of at least three (3) individuals who have no prior involvement with the designee or the investigation. These will, however, generally be employees of the College.

Designees shall be afforded the opportunity to address the Committee to make a statement in their defense. This may be done via teleconference. The amount of time to be afforded to the designee may be reasonably limited by the Committee.

Designees are not entitled to representation by an attorney or any other third party at any point in the process.

Tape, digital, or other electronic recording of the Committee meeting is not permitted.

The Committee delivers a summary report, generally containing Findings of Fact, Conclusions, and Recommendations to the Senior Director of Alumni Operations. The decision shall be communicated to the designee and sent via Certified Mail, Return Receipt Requested, or comparable means.

If a violation is found, disciplinary sanctions shall be based on the seriousness of the situation and may include, but are not limited to:

- Reprimand;
- Suspension, for a period to be determined by the College, not to exceed one (1) year;
- Revocation.

In those instances where designees are found to be in violation in accordance with the proceeding specified above, they may appeal the decision to the President of the College. The decision of the President is final and shall be communicated directly to the designee.

### **Publication of Disciplinary Action**

When grounds for discipline have been established, it is the standard procedure to publish the fact of the disciplinary action (reprimand, suspension, or revocation) along with the identification of the designee on the College's website. In some cases, when the Committee determines that there are extreme mitigating circumstances, it may decide to withhold public notification.

## CONTINUING EDUCATION STANDARDS

### CE Hour Requirements

Designees are required to complete sixteen (16) continuing education credits (hours) per designation within the two-year authorization period. In most cases, the same course may fulfill requirements for two or more designations. MPAS® designees are required to complete forty (40) continuing education credits within the two-year authorization period.

### Earning CE Hours

CE hours must be earned during the current authorization period, which is a two-year period. CE hours earned in excess of the requirement may not be applied to subsequent authorization periods. CE hours earned for any one program may not be split between two authorization periods.

### Program Requirements

The College for Financial Planning does NOT maintain a list of pre-approved CE sponsors and their courses. It is the designee's responsibility to obtain CE from credible sources whose programs:

- are of an acceptable program type as outlined below;
- address one or more topics listed in the Subject Topic Lists in Appendix A;
- contribute to increasing the professional competency;
- are developed and conducted by persons qualified in the subject matter and familiar with generally accepted standards for course design;
- are current and correct in program content;
- provide documentation by the sponsor to the attendee; and
- are at least 50 minutes in length.

### Acceptable Program Types

- Live presentations (conferences, workshops, courses, seminars, live webcasts)
- Virtual (teleconferences)
- Self-Study with end-of-course assessment tool (printed material, periodicals, audio/video CDs, electronic media, online)
- Teaching
- Authorship
- Coursework for obtaining professional licenses or designations

### Subject Topics Accepted for CE Credit

Continuing education credits must cover one or more of the topics specific to each designation. See Appendix A for the Subject Topic List.

### Credit for Live Presentations

Programs are accepted for CE credit in ½ credit increments. One CE credit hour equates to a minimum of 50 minutes of classroom presentation. For example, a 75-minute program equals 1.5 credits. Real-time courses offered over the Internet, i.e., live webcasts, are accepted for CE credit as outlined in this paragraph.

Courses offered by colleges and universities (including community colleges) are accepted for the following credit provided they cover topics listed in the Subject Topics Accepted for CE Credit:

- semester credit = 15 CE hours (3 semester credits = 45 CE hours)
- quarter credit = 10 CE hours (3 quarter credits = 30 CE hours)

Both credit and non-credit courses will be accepted. For non-credit courses, each 50-minute class session may be counted as one CE hour.

### **Credit for Virtual Programs**

Credit for teleconferences is determined by the time spent participating in the teleconference. See Credit for Live Presentations for details.

### **Credit for Self-Study Programs**

Self-study programs are defined as courses completed outside of a classroom environment using printed material, periodicals, audio and/or video recordings, electronic, or online media. Satisfactory completion must include a written or online examination, which shall be graded by the sponsor, with a passing score of 70% or higher.

Self-study programs must meet the Program Requirements described above and require the designee's registration with the program sponsor.

Credit for self-study programs is determined as recommended by the program sponsor. The following methods are acceptable for sponsor use in determining self-study credit: average completion time, pilot study, credit assigned by other licensing or credentialing organizations through a formal course registration process, one credit for every 10 exam questions.

### **Credit for Coursework for Obtaining Professional Licenses and Designations**

Credit is accepted for coursework taken to obtain professional designations and licenses within the current authorization period provided the content of the coursework covers one or more of the topics listed in the Subject Topics Accepted for CE Credit. Please refer to Credit for Self-Study Programs or Credit for Live Presentations to determine the amount of credit for your particular designation or license coursework.

Licenses or designations that do not require coursework cannot be counted for CE credit.

### **Credit for Teaching**

Credit as an instructor, discussion leader, or speaker:

- is accepted for meetings or engagements that are directed to financial services professionals provided topics covered are listed in the Subject Topics Accepted for CE Credit.
- is accepted for courses taught at a regionally-accredited institution of higher education provided topics covered are listed in the Subject Topics Accepted for CE Credit.
- is allowed on the first presentation only per authorization period on the basis of two CE credits for each hour of class or presentation time. For example, an instructor may claim four hours for teaching a two-hour class.
- is not accepted for presentations designed primarily for persons not engaged in financial services (e.g., presentations to the general public, presentations for marketing purposes, television and radio talk shows).

### Credit for Authorship

A maximum of eight credits is allowed for authorship of published articles and books relating to the Subject Topics Accepted for CE Credit provided they contribute to increasing the professional competency of the author. Credit may be claimed during the authorization period in which the article or book is published. Short newspaper articles, Q&As, and company newsletter articles for clients are not accepted for credit.

## Reporting and Recordkeeping

### Reporting CE Hours

At the end of the two-year authorization period, designees must attest that the requisite amount of CE has been completed in the Subject Topics Accepted for CE credit. The College for Financial Planning reserves the right to verify the accuracy of the executed statement and may conduct random audits to ensure compliance with continuing education requirements. If audited, designees must submit documentation in support of the required CE hours. Courses taken from the College for Financial Planning are exempt from audit.

### Documentation

Each designee must retain documentation of CE hours for two years after the end of the authorization period. Documentation confirming attendance should not be sent to the College for Financial Planning unless specifically requested. The College for Financial Planning may request these documents at any time up to two years following the end of an authorization period.

Documentation may be a grade report or transcript for activities involving an examination. For other programs, a written confirmation of attendance (i.e., Certificate of Attendance, Certificate of Completion, etc.) from the sponsoring organization is acceptable and should include: the designee's name, name of program, name of CE sponsor, date of program, location, number of CE credits, and signature of sponsor representative. In addition, an agenda showing the topics addressed and the time allotted for each topic should be retained.

### Failure to Comply

Each designee is responsible for demonstrating full compliance with the CE requirement. The College for Financial Planning may at any time request documentation in support of any statement executed by the designee.

Unsupported, misstated, or fraudulent reporting of CE credits is a violation of the Terms and Conditions. Such reporting is cause for action by the College for Financial Planning and may be grounds for disciplinary action up to and including revocation of the designation. See the sections entitled Monitoring and Disciplinary Procedures for further information.

Failure to fulfill and attest to the completion of the required CE hours by the end of the authorization period will result in non-renewal of the designation, precluding any use of the Marks.

## Audits

The College for Financial Planning conducts random audits of attestation statements for the most recent authorization period. Individuals must respond to the notice of audit within 30 days. Failure to respond to the notice of audit is a violation of the terms and conditions and may be grounds for disciplinary action up to and including revocation of the designation.

When audited:

- the designee is notified of the audit and asked to send documentation of the required CE hours.
- the CE hours and supporting documentation are reviewed by the College for Financial Planning and a determination is made as to whether the hours are accepted or denied.
- the designee receives confirmation from the College for Financial Planning regarding the audit and any further action needed.

If any CE hours are denied during the audit and a deficiency results, the designee will be given 60 days to report and document additional hours to cure the deficiency. The designee will remain authorized to use the Marks during this 60-day period.

If the deficiency is not cured within the 60-day period, a deficiency notice will be sent noting the individual is no longer authorized to use the Marks. Unsupported or misstated CE reporting is a violation of the terms and conditions and may be grounds for disciplinary action up to and including revocation of the designation.

## Waivers

Request for a waiver of the CE requirement due to extenuating circumstances will be reviewed on a case-by-case basis. Written requests along with supporting documentation should be made to the College for Financial Planning, Attn: Alumni Operations, 9000 E. Nichols Ave., Ste 200, Centennial, CO 80112.

## DISCLAIMERS

### Release of Designee Information to the Public

The College for Financial Planning makes available the following information through telephone, e-mail responses, or through its website regarding individuals who are currently, or who once were, authorized to use one of the College for Financial Planning's professional designations:

- Whether an individual has ever been conferred one of the College for Financial Planning's professional designations, the date of that conferment, the expiration date or, if not currently authorized to use the designation, the date on which the authorization to use the designation expired, was revoked, suspended, or otherwise terminated.
- The individual's full name, business name, address, and phone number if the individual is currently authorized to use one of the College for Financial Planning's professional designations.

The College provides this same information in the form of a list to industry organizations—specifically the financial services firms that employ individuals authorized to use one of the

College’s professional designations—for purposes of compliance or as otherwise deemed appropriate by the College for Financial Planning.

### **Grievances**

The College for Financial Planning applies its policies and procedures to all students and designees consistently and uniformly. Administrative exceptions are granted when deemed appropriate for extenuating circumstances that can be supported with documentation. The College’s Grievance Resolution Committee reviews appeals from individuals when circumstances exist that either fall outside the criteria used to grant administrative exceptions or when there is evidence that the policies and procedures have not been applied to the individual as stated. The decision of the Grievance Resolution Committee is final.

### **Disclaimer**

The College for Financial Planning reserves the right to amend or expand the requirements to obtain or maintain the rights to use its trademarks without notice. Designees are responsible for staying up-to-date and meeting the current standards.





**1) THE ASSET MANAGEMENT PROCESS**

- a) Building Relationships
  - The Cycle of Financial Life
  - Defining the Client's Investment Personality
  - Establishing Trust
- b) Gathering Data
  - Assets, Liabilities, and Net Worth: The Statement of Financial Position
  - Income Statement (Cash Flow Statement)
  - Other Types of Data
- c) Establishing Financial Goals
  - Making Goals Specific
  - Prioritizing Goals
- d) Analyzing Information
- e) Recommendations & Implementation
  - Clarifications and Agreements
  - Investment Policy
  - Presentation of Recommendations
  - The Investment Professional Proposes; the Client Disposes
  - Implementation
- f) Monitoring Performance
  - Measuring Progress against Client Expectations

**2) INVESTORS, POLICY & CHANGE**

- a) The Client's Attitudes Toward Money & Investing
  - Investor Types
  - Investor Personalities
  - Doing Business with Different Personality Types
- b) Investment Policy
  - Attributes of an Investment Policy
  - Creating an Investment Policy
  - The Role of the Client
  - Purpose of an Investment Policy
- c) Change
  - Market Change
  - The Changing Client

**3) RISK, RETURN & INVESTMENT PERFORMANCE**

- a) Risk
  - Systematic Risk (Nondiversifiable Risk)
  - Unsystematic Risk (Diversifiable Risk)
  - Client Attitudes Toward Risk
- b) The Risk/Return Relationship
  - Measuring Risk
  - Risk-Adjusted Returns
- c) Managing Risk in Portfolios
  - Risk Reduction Through Diversification
  - Efficient Portfolios
  - Practical Approaches to Creating Efficient Client Portfolios
  - Client Time Horizons and Portfolio Risk
- d) The Time Value of Money
  - The Future Value of a Single Sum
  - The Present Value of a Single Sum
  - The Future Value of an Annuity Due (or Payment)
  - The Future Value of an Ordinary Annuity
  - The Present Value of an Ordinary Annuity
  - The Present Value of an Annuity Due
  - Interest Rate per Compounding Period
  - Number of Compounding Periods
- e) Measuring Investment Performance
  - Excess Return
  - Risk-Adjusted Measures of Return
  - Performance Benchmarks
  - Time Periods

**4) ASSET ALLOCATION & SELECTION**

- a) Asset Allocation
  - The Brinson Study
  - Implications for Investment Professionals and Their Clients
  - Returns of Major Asset Classes Over Time
  - Variability of Returns
  - Time Horizons in Asset Allocation
  - Related Theory
  - Implementing Asset Allocation
- b) Asset Classes, Characteristics & Performance
  - Common Stocks
  - Preferred Stock
  - Bonds and Other Debt Instruments
  - Cash Equivalents
  - Real Estate
  - Exchange-Traded Funds (ETFs)
  - Exchange-Traded Notes (ETNs)
- c) Stock Valuation Methods
  - The Sources of Corporate Stock Value
- d) Bond Valuation Methods
  - Factors Determining the Value of a Bond
- e) Fundamental Analysis
  - The Method of Fundamental Analysis
  - Economic Analysis
  - Industry Analysis
  - Company Analysis
- f) Technical Analysis & Market Timing

**5) INVESTMENT STRATEGIES**

- a) The Importance of Strategy
  - The Requirements of Strategy
  - Investment Strategy and Investment Policy
- b) Buy-and-Hold: The Benchmark Strategy
- c) Timing Strategies
  - Dollar Cost Averaging
  - Value Averaging
  - Implementing the Dollar Cost and Value Averaging Strategies
  - Investing With Economic Cycles
- d) The Contrarian Strategy
  - Psychology and Markets
  - The Low P/E Approach
- e) Value Investing
  - Benjamin Graham's Legacy
  - The Graham Value Formula
- f) Growth Stock Investing
  - Definitions of a Growth Stock
  - Growth Stock Strategy
  - The Challenge of Growth Stock Investing
- g) Small Stock Investing
  - The Small Firm Effect
  - Investing in Small Firms
  - Client Suitability
- h) Active Versus Passive Management
- i) Bond Strategies
  - Ladder Strategy
  - Barbell Strategy
  - Tax Swap
  - Pure Yield Pickup Swap
- j) Obstacles to Effective Strategy
  - Unrealistic Expectations
  - The Emotional/Undisciplined Client
  - Inadequate Time Horizons



**6) TAXATION OF INVESTMENT PRODUCTS**

- a) Taxes & Investments
  - Basic Tax Formula
  - Alternative Minimum Tax
  - The Kiddie Tax
  - General Tax Strategies in Investing
- b) General Income Tax Principles
  - Progressive Federal Tax System
  - Marginal Tax Rate
  - Income Recognition for Tax Purposes
  - Capital Gains and Losses
- c) Taxation of Investment Products
  - Stocks
  - Tax-Motivated Strategies for Stocks
  - Fixed-Income Securities
  - Tax-Exempt Securities
  - Tax-Motivated Strategies for Fixed-Income Securities
  - Mutual Funds
  - Life Insurance and Annuities
  - Real Estate Limited Partnerships
  - Real Estate Investment Trusts
  - Tax-Motivated Strategy for Real Estate

**7) INVESTMENT OPPORTUNITIES FOR AN INDIVIDUAL'S RETIREMENT**

- a) Assessing Retirement Needs
  - Uses of money – Pre- and During Retirement
  - Inflation and Erosion of Purchasing Power
- b) Sources of Retirement Income
  - Social Security Benefits
  - Pension and Profit Sharing Income
  - Retirement Savings and Investment Income
- c) Accumulating Capital for Retirement
  - General Strategies to Accumulate Retirement Income Sources
- d) Accumulating Retirement Funds in Tax-Deferred Arrangements
  - Pros and Cons of Tax-Deferred Arrangements
  - Types of Tax-Deferred Plans
- e) Retirement Distributions
  - Timing Periodic Retirement Distributions
  - Minimum Distribution Requirements
  - Common Distribution Options of Employer-Provided Qualified Retirement Plans
  - Terminating Employees and the Distribution Process
  - Investment Considerations
- f) Investment Planning During Retirement
  - Asset Allocation and Investment Selection Considerations
  - Withdrawal Considerations
- g) Other Sources of Retirement Income
  - Charitable Remainder Trusts
  - Annuities
  - Life Insurance Cash Values
- h) Investment & Money Management Strategies for the Frail Elderly
- i) Inherited Wealth

**8) INVESTMENT CONSIDERATIONS FOR SMALL BUSINESS OWNERS**

- a) Small Business Life Cycles
- b) Implications for the Investment Professional
- c) Financing Stages of a Growing Business
- d) Forms of Business Entities
  - Types of Businesses
  - Characteristics
  - Consequences
- e) Small Business Client
  - Accumulation of Wealth in Business Assets
  - Cash Management
  - Capital for the Business: Use of a Margin Account
- f) Retirement Plans
  - Types of Plans
- g) Risk Management: Insurance & Diversification
  - Uses of Life Insurance
  - Diversification of Personal Wealth
- h) Valuation & Disposition of the Small Business
  - Valuing an Unlisted Business
  - Buy-Sell Agreements Between Existing Shareholders
  - Transferring Ownership with ESOPs
- i) Lifetime Cash Flow Planning for the Small Business Owner
  - Identifying Cash Flows
  - Future Cash Flows

**9) DEFERRED COMPENSATION & OTHER BENEFIT PLANS FOR KEY EXECUTIVES**

- a) Qualified and Nonqualified Plans
- b) Methods of Funding
  - The American Jobs Creation Act of 2004
  - Nonqualified Deferred Compensation
  - Funded Plans
  - Unfunded Plans
- c) Types of Nonqualified Plans Used for Retirement Funding
  - Excess Benefit Plans
  - Supplemental Executive Retirement Plans
  - Death-Benefit-Only Plans
  - Section 457 Plans
- d) Life Insurance Plans
  - Split Dollar Plans
  - Roll-Out Plans
  - Executive Bonus Plans
  - Informal Funding With Life Insurance
- e) Equity-Based Compensation Plans
  - Restricted Stock Plans
  - Incentive Stock Options
  - Nonqualified Stock Option Plans
  - Phantom Stock Plans
  - Stock Appreciation Rights
  - Performance Unit or Share Plans
  - Rule 144—Short Swing Profit Rules
- f) Severance Payments
  - Types of Severance Plans
- g) Publicly Held Corporation's Compensation Deduction Limitation



**10) INSURANCE PRODUCTS FOR INVESTMENT CLIENTS**

- a) The Purposes of Life Insurance
  - Income Replacement
  - Retirement Funding
  - Insurance for Estate Planning
  - Business Needs
- b) Measuring the Need for Life Insurance
  - Needs Analysis
  - Risks
- c) Types of Life Insurance
  - Term Life Insurance
  - Term Insurance and the Brokerage Client
  - Permanent Cash Value Life Insurance
  - Cash Value Life Insurance and the Brokerage Client
  - Taxes and the Cash Value Policy
  - Borrowing Against Cash Value Policies
  - Withdrawal from Cash Value Policies
  - Dividend Options for Policyowners
- d) Settlement Options
  - Installment Payment Options
  - Income for Life
  - Estate Planning Arrangements
- e) Annuities
  - Immediate Annuities
  - Deferred Annuities
  - Costs
- f) Life Insurance Decision Making
  - Separating the Risks
  - Insurance Versus Investment
  - Policy Comparisons
  - Insurance Company Comparisons

**11) ESTATE PLANNING FOR INVESTMENT CLIENTS**

- a) Objectives of Estate Planning
- b) The Estate Planning Team & Unauthorized Practice of Law
  - Estate Planning Transactions & Investment Vehicles
  - The Estate Planning Team
  - Unauthorized Practice of Law
- c) Estate Transfer Taxes
  - Evolution of the Federal Transfer Tax System
  - Valuation
  - Federal Unified Transfer Tax System
  - Federal Gift Tax
  - The Federal Estate Tax
  - Federal Generation-Skipping Transfer Tax (GSTT)
  - Marital Deduction and Bypass Planning
- d) Estate Transfer Techniques During Life (inter vivos)
  - Outright Gifts
  - Trusts
  - Trusts for Minors
- e) Estate Transfer Techniques at Death (Testamentary)
  - Probate Transfers
  - Will Substitutes
  - Ownership and Titling of Property
  - Contracts as a Transfer Technique
  - Intestate Succession Statutes
- f) Planning for Incapacity
  - Management of Property
  - Personal and Medical Care Decision Making

**12) REGULATORY & ETHICAL ISSUES FOR THE INVESTMENT PROFESSIONAL**

- a) Ethical Behavior & the Modern Securities Industry
  - The Regulated Environment of Investing
- b) Current Regulatory & Ethical Issues
  - Forces Changing the Securities Industry
  - Sources of Ethical Conflict
- c) Duties Owed to the Client
  - Fiduciary Duty
  - Duty To Disclose
  - Duty To Diagnose
  - Duty To Consult
  - Duty To Keep Current
  - Attempts to Nullify Duties Through Use of Written Statements



**1) WEALTH TRANSFERS FOR DOMESTIC PARTNERS**

- a) Basic Wealth Transfer Techniques
  - Wealth Transfer Techniques
  - Intestate Situations
  - Will Substitutes
- b) Specific Wealth Transfer Differences Involving Domestic Partners
  - Application of Basic Wealth Transfer Techniques to Domestic Partners
  - Joint Ownership of Property by Domestic Partners
- c) Alternative Planning for Wealth Transfers by Domestic Partners
  - Federal Transfer Tax Exclusion and Exemption Amounts
  - Lifetime Transfer Techniques for Domestic Partners
  - Wealth Transfer Techniques for Domestic Partners at Death

**2) FEDERAL TAXATION ISSUES FOR DOMESTIC PARTNERS**

- a) Income Tax Issues
  - Federal Income Tax
  - Filing Status
  - Individual Income Tax Rates
  - Total (or Gross) Income
  - Adjustments to Income
  - Reductions to AGI
  - Basis
  - Adjusted Basis
  - Capital Assets
  - Capital Gains and Losses
  - Capital Gain Rates
  - The Alternative Minimum Tax (AMT)
  - Miscellaneous Income Tax Issues
- b) Gift Tax Issues
  - Inter Vivos Versus Testamentary Transfers
  - Federal Gift Tax
  - Application of the Federal Gift Tax to Lifetime Transfers Made by Domestic Partners
- c) Estate Tax Issues
  - Federal Estate Tax
  - Application of the Federal Estate Tax to Domestic Partners
- d) Generation-Skipping Transfer Tax Issues
  - The Federal Generation-Skipping Transfer Tax (GSTT)
  - Alternative Federal Tax Planning for Domestic Partners
  - Alternative Income Tax Planning
  - Alternative Gift Tax Planning
  - Alternative Estate Tax Planning
  - Alternative Planning for the Generation-Skipping Transfer Tax

**3) RETIREMENT PLANNING & RELATIONSHIP ISSUES FOR DOMESTIC PARTNERS**

- a) Retirement Demographics and Trends
  - Retirement—A Time of Growing Significance
  - Changing Demographics
  - Lack of Retirement Planning
- b) Social Security and Medicare
  - Social Security Basics
  - The Family Benefit
  - Medicare
  - Medicare Coverage, Eligibility, and Benefits
- c) Employer-Sponsored Retirement Plans
  - Qualified Plans
- d) Individual Retirement Plans
  - Deductible IRAs
  - Roth IRAs
- e) Distributions from Retirement Plans and Regular IRAs
  - In-Service Distributions or Withdrawals
  - Postretirement Distributions
  - Post-Death Distributions
- f) Retirement Planning for Domestic Partners
  - The Differences in Planning for Domestic Partners
- g) Domestic Partnership Agreements
  - Personal Relationships
  - Domestic Partnership Agreements

**4) PLANNING FOR FINANCIAL, MEDICAL, & END-OF-LIFE NEEDS OF DOMESTIC PARTNERS**

- a) Definitions, Scope, and Goals
  - Definitions
  - Scope
  - Goals
- b) The Need to Plan for Disability
  - Disability
  - The Emergency Fund
  - Long-Term Care Insurance
  - Specific Applications to Domestic Partners
- c) Failing to Plan for Incompetence
  - Nature of Incompetence
  - Consequences of Not Preplanning for an Incompetent Person's Personal Care or Financial Affairs
  - Consequences of Not Preplanning an Incompetent Person's Medical Care
  - Specific Application to Domestic Partners
- d) Help with Financial Needs
  - Preplanning for Management of Financial Affairs
  - Planning Techniques for a Non-minor's Financial Affairs
  - Application to Domestic Partners
- e) Help with Medical Needs
  - Preplanning for Medical Care Needs
  - Application to Domestic Partners
- f) Basic Wealth Transfer Techniques
- g) Help with End of Life Needs
  - Planning for End of Life Needs
  - Application to Domestic Partners



**1) INVESTMENT RISK & RETURN**

- a) Risk & Return Concepts
  - Definitions of Return Measures
  - Definitions of Risk Measures
  - Risk and Diversification
  - Types of Risk
- b) Risk & Return Analysis—Standard Deviation & Correlation
  - Weighted-Average Return
  - Investment Risk/Return Relationships
  - Standard Deviation of a Single Asset
  - Semi-Variance
  - Coefficient of Variation
  - Covariance Between Two Assets
  - Correlation Coefficient (R)
  - Changing Correlations
  - Coefficient of Determination (R-squared)
  - Portfolio Standard Deviation
- c) Risk & Return Analysis—Beta & CAPM
  - Beta Coefficient
  - Weighted-Average Beta
  - Required Return—CAPM
  - Quantitative Analysis
  - Selecting Individual Securities
  - Building a Portfolio

**2) MODERN PORTFOLIO THEORY & PERFORMANCE EVALUATION**

- a) Modern Portfolio Theory
  - Modern Portfolio Theory Terminology
  - Markowitz Portfolio Theory
  - Efficient Frontier
  - Optimal Portfolio
  - Capital Asset Pricing Model (CAPM)
  - Arbitrage Pricing Theory
  - Diversification
  - Correlation
  - Efficient Portfolios
  - Life Cycle Analysis
  - Risk Tolerance Measurement
  - Asset Allocation Strategies
- b) The Efficient Market Hypothesis
  - Efficient Market
  - Alternative Forms of the Efficient Market Hypothesis
  - Validity of the EMH Forms
  - Stock Market Anomalies
  - Technical Analysis
  - Fundamental Analysis
  - Active Versus Passive Management
  - Arbitrage Pricing Theory
  - Foreign Investing
  - Behavioral Finance—A Challenge to the EMH
- c) Equity Valuation
  - Definitions
  - DDM Alternatives
  - The Zero Growth Model
  - Constant Growth DDM
  - The Non-Constant Growth Model
  - Valuation Exercise—Merck & Co
  - P/E Ratio
- d) Security Performance Evaluation
  - Jensen Index (alpha)
  - Sharpe Index
  - Treynor Index
  - Information Ratio (IR)

**3) FEATURES OF FIXED-INCOME SECURITIES**

- a) Features of Fixed-Income Securities
  - Bond Features
  - Risks Associated With Investing in Bonds
  - The Bond Market Structure
  - The United States Debt Market
  - Sources of Bond Information
- b) Features of Preferred Stock

- c) Yield Curves
  - Yield curve?
  - Construction of a Yield Curve
  - Term Structure of Interest Rates
  - Using Yield Curves to Make Investment Decisions

**4) VALUATION & ANALYSIS OF FIXED-INCOME INVESTMENTS**

- a) Valuation of Bonds
  - Prices and Yields
  - Bond Calculations
- b) Duration
  - Duration Computations
  - Change in Bond Price Using Duration
  - Convexity
- c) Bond Volatility & Constructing Portfolios
  - Risk & Volatility
  - Immunization
  - Bond Swaps
- d) Convertible Bonds
  - Conversion Value
  - Bond Investment Value
  - Investment Premium and Conversion Premium
  - Convertible Sample Calculations
  - Convertible Preferred Stock
  - Convertible Bond Relationships

**5) DERIVATIVES**

- a) Options
  - Derivatives
  - Options Basics
  - Option Strategies
  - Black-Scholes Option Pricing Model
  - Low-basis Concentrated Securities
  - Warrants
- b) Futures Contracts
  - Futures Concepts
  - Futures Terminology
  - Hedging
  - Taxation of Options and Futures

**6) REAL ASSETS & FOREIGN INVESTMENTS**

- a) Tangible Assets
  - Pros and Cons of Tangible Assets
  - Gold
- b) Real Estate
  - Real Estate as an Investment
  - Types of Real Estate
  - Advantages and Disadvantages of Real Estate Investing
  - Forms of Real Estate Ownership
  - Types of Publicly Traded REITs
  - Factors to Consider in Selecting REITs
  - Income Property Valuation
- c) Foreign Investments
  - American Depository Receipts (ADRs)
  - International Mutual Funds
  - Weak U.S. Currency Boosts Returns of Foreign Securities

**7) MUTUAL FUNDS & OTHER INVESTMENTS**

- a) Mutual Funds
  - Mutual Funds: Types and Characteristics
  - Mutual Fund Pricing
  - Mutual Fund Taxation
  - Types of Mutual Funds
  - Income Mutual Funds
  - Growth and Value Mutual Funds
  - Closed-End Funds
  - Money Market Mutual Funds
- b) Unit Investment Trusts
  - Characteristics
  - Organization
  - Types of Unit Investment Trusts



- c) Other Investments
  - Exchange-Traded Funds (ETFs)
  - Hedge Funds
  - Fund of Hedge Funds
  - Managed Accounts
  - Guaranteed Investment Contracts (GICs)
- d) Averaging
  - Dollar Cost Averaging
  - Share Averaging
- e) Selecting a Mutual Fund
  - Investment Objective
  - Investment Policies and Holdings
  - Mutual Fund Investing: Potential Pitfalls

**8) TAXATION OF INVESTMENT PRODUCTS**

- a) Taxes & Investments
  - Basic Tax Formula
  - Alternative Minimum Tax
  - The Kiddie Tax
  - General Tax Strategies in Investing
- b) General Income Tax Principles
  - The Progressive Federal Tax System
  - The Marginal Tax Rate
  - When Income Is Received for Tax Purposes
  - Capital Gains and Losses
- c) Taxation of Investment Products
  - Stocks
  - Tax-Motivated Strategies for Stocks
  - Fixed-Income Securities
  - Tax-Exempt Securities
  - Tax-Motivated Strategies for Fixed-Income Securities
  - Mutual Funds
  - Life Insurance and Annuities
  - Real Estate Limited Partnerships
  - Real Estate Investment Trusts
  - Tax-Motivated Strategy for Real Estate

**9) REGULATORY & ETHICAL ISSUES FOR THE INVESTMENT PROFESSIONAL**

- a) Ethical Behavior & the Modern Securities Industry
  - The Regulated Environment of Modern Investing
- b) Current Regulatory & Ethical Issues
  - Forces Changing the Securities Industry
  - Common Sources of Ethical Conflict
- c) Duties Owed to the Client
  - The Fiduciary Duty
  - The Duty to Disclose
  - The Duty to Diagnose
  - The Duty to Consult
  - The Duty to Keep Current
  - Attempting to Nullify Duties by Use of Written Statements
- d) Formal Ethical Codes & the Investment Professional
  - The CFP Board Code of Ethics and Professional Responsibility
- e) Closing the Circle: Ethical Behavior & the Asset Management Process
  - The Asset Management Process

**10) RETIREMENT CASH FLOW CONSIDERATIONS & INVESTMENT STRATEGIES**

- a) The Importance of Strategy
  - The Requirements of Strategy
  - Investment Strategy and Investment Policy
- b) Buy-and-Hold: The Benchmark Strategy
  - Evidence and Explanation
- c) Timing Strategies
  - Dollar Cost Averaging (DCA)
  - Implementing the Dollar Cost and Value Averaging Strategies
  - Investing With Economic Cycles
- d) The Contrarian Strategy
  - Psychology and Markets

- e) Small Stock Investing
  - The Small Firm Effect
  - Investing in Small Firms
  - Client Suitability
- f) Active versus Passive Management
- g) The Enemies of Effective Strategy
  - Unrealistic Expectations
  - The Emotional, Undisciplined Client
  - Inadequate Time Horizons
- h) The Time Value of Money
  - The Future Value of \$1
  - The Present Value of \$1
  - The Future Value of an Annuity Due (FVAD)
  - The Future Value of an Ordinary Annuity (FVOA)
  - The Present Value of an Ordinary Annuity (PVOA)
  - The Present Value of an Annuity Due (PVAD)
  - Interest Rate per Compounding Period
  - Number of Compounding Periods
- i) Retirement Needs Analysis
  - Normal Expenses and Potential Increases
- j) Retirement Funding Analysis
  - Funding Retirement
  - Variability in Retirement Planning Assumptions
  - Monte Carlo
  - Leaving a Bequest
- k) "Safe" Withdrawal Rates
  - William Bengen
  - Jonathan Guyton
  - Income Versus Cash Flow

**11) CLIENT SUITABILITY & CONSTRUCTING AN INVESTMENT POLICY STATEMENT**

- a) Client Suitability
  - Data Gathering
  - Analyzing the Financial Statements
  - Clients' Needs, Constraints, and Unique Circumstances
- b) Establishing Financial Goals
- c) Meeting Clients' Needs
  - Establishing Trust
  - Identifying the "Needs Gap"
  - Analyzing Information
  - Managing Client Expectations
  - Making and Implementing Recommendations
  - Monitoring Performance
- d) The Client's Attitudes Toward Money & Investing
  - Investor Types
  - Investor Personalities
  - Doing Business With Different Personality Types
- e) Establishing an Investment Policy Statement (IPS)
  - The Purpose and Importance of an Investment Policy Statement
  - Attributes of a Sound Investment Policy Statement
  - Creating the Investment Policy Statement
  - The Role of the Client
- f) Dealing With Change
  - Market Change and the Inner Investor
  - When Change Is Prudent and Necessary
  - The Changing Client



**1) THE ASSET MANAGEMENT PROCESS**

- a) Building Relationships
  - The Cycle of Financial Life
  - Defining the Client's Investment Personality
  - Establishing Trust
- b) Gathering Data
  - Assets, Liabilities, and Net Worth: The Statement of Financial Position
  - Income Statement (Cash Flow Statement)
  - Other Types of Data
- c) Establishing Financial Goals
  - Making Goals Specific
  - Prioritizing Goals
- d) Analyzing Information
- e) Recommendations & Implementation
  - Clarifications and Agreements
  - Investment Policy
  - Presentation of Recommendations
  - The Investment Professional Proposes; the Client Disposes
  - Implementation
- f) Monitoring Performance
  - Measuring Progress against Client Expectations

**2) INVESTORS, POLICY & CHANGE**

- a) The Client's Attitudes Toward Money & Investing
  - Investor Types
  - Investor Personalities
  - Doing Business with Different Personality Types
- b) Investment Policy
  - Attributes of an Investment Policy
  - Creating an Investment Policy
  - The Role of the Client
  - Purpose of an Investment Policy
- c) Change
  - Market Change
  - The Changing Client

**3) RISK, RETURN & INVESTMENT PERFORMANCE**

- a) Risk
  - Systematic Risk (Nondiversifiable Risk)
  - Unsystematic Risk (Diversifiable Risk)
  - Client Attitudes Toward Risk
- b) The Risk/Return Relationship
  - Measuring Risk
  - Risk-Adjusted Returns
- c) Managing Risk in Portfolios
  - Risk Reduction Through Diversification
  - Efficient Portfolios
  - Practical Approaches to Creating Efficient Client Portfolios
  - Client Time Horizons and Portfolio Risk
- d) The Time Value of Money
  - The Future Value of a Single Sum
  - The Present Value of a Single Sum
  - The Future Value of an Annuity Due (or Payment)
  - The Future Value of an Ordinary Annuity
  - The Present Value of an Ordinary Annuity
  - The Present Value of an Annuity Due
  - Interest Rate per Compounding Period
  - Number of Compounding Periods
- e) Measuring Investment Performance
  - Excess Return
  - Risk-Adjusted Measures of Return
  - Performance Benchmarks
  - Time Periods

**4) ASSET ALLOCATION & SELECTION**

- a) Asset Allocation
  - The Brinson Study
  - Implications for Investment Professionals and Their Clients
  - Returns of Major Asset Classes Over Time
  - Variability of Returns
  - Time Horizons in Asset Allocation
  - Related Theory
  - Implementing Asset Allocation
- b) Asset Classes, Characteristics & Performance
  - Common Stocks
  - Preferred Stock
  - Bonds and Other Debt Instruments
  - Cash Equivalents
  - Real Estate
  - Exchange-Traded Funds (ETFs)
  - Exchange-Traded Notes (ETNs)
- c) Stock Valuation Methods
  - The Sources of Corporate Stock Value
- d) Bond Valuation Methods
  - Factors Determining the Value of a Bond
- e) Fundamental Analysis
  - The Method of Fundamental Analysis
  - Economic Analysis
  - Industry Analysis
  - Company Analysis
- f) Technical Analysis & Market Timing

**5) INVESTMENT STRATEGIES**

- a) The Importance of Strategy
  - The Requirements of Strategy
  - Investment Strategy and Investment Policy
- b) Buy-and-Hold: The Benchmark Strategy
- c) Timing Strategies
  - Dollar Cost Averaging
  - Value Averaging
  - Implementing the Dollar Cost and Value Averaging Strategies
  - Investing With Economic Cycles
- d) The Contrarian Strategy
  - Psychology and Markets
  - The Low P/E Approach
- e) Value Investing
  - Benjamin Graham's Legacy
  - The Graham Value Formula
- f) Growth Stock Investing
  - Definitions of a Growth Stock
  - Growth Stock Strategy
  - The Challenge of Growth Stock Investing
- g) Small Stock Investing
  - The Small Firm Effect
  - Investing in Small Firms
  - Client Suitability
- h) Active Versus Passive Management
- i) Bond Strategies
  - Ladder Strategy
  - Barbell Strategy
  - Tax Swap
  - Pure Yield Pickup Swap
- j) Obstacles to Effective Strategy
  - Unrealistic Expectations
  - The Emotional/Undisciplined Client
  - Inadequate Time Horizons



**6) TAXATION OF INVESTMENT PRODUCTS**

- a) Taxes & Investments
  - Basic Tax Formula
  - Alternative Minimum Tax
  - The Kiddie Tax
  - General Tax Strategies in Investing
- b) General Income Tax Principles
  - Progressive Federal Tax System
  - Marginal Tax Rate
  - Income Recognition for Tax Purposes
  - Capital Gains and Losses
- c) Taxation of Investment Products
  - Stocks
  - Tax-Motivated Strategies for Stocks
  - Fixed-Income Securities
  - Tax-Exempt Securities
  - Tax Motivated Strategies for Fixed-Income Securities
  - Mutual Funds
  - Life Insurance and Annuities
  - Real Estate Limited Partnerships
  - Real Estate Investment Trusts
  - Tax-Motivated Strategy for Real Estate

**7) INVESTMENT OPPORTUNITIES FOR AN INDIVIDUAL'S RETIREMENT**

- a) Assessing Retirement Needs
  - Uses of money – Pre- and During Retirement
  - Inflation and Erosion of Purchasing Power
- b) Sources of Retirement Income
  - Social Security Benefits
  - Pension and Profit Sharing Income
  - Retirement Savings and Investment Income
- c) Accumulating Capital for Retirement
  - General Strategies to Accumulate Retirement Income Sources
- d) Accumulating Retirement Funds in Tax-Deferred Arrangements
  - Pros and Cons of Tax-Deferred Arrangements
  - Types of Tax-Deferred Plans
- e) Retirement Distributions
  - Timing Periodic Retirement Distributions
  - Minimum Distribution Requirements
  - Common Distribution Options of Employer-Provided Qualified Retirement Plans
  - Terminating Employees and the Distribution Process
  - Investment Considerations
- f) Investment Planning During Retirement
  - Asset Allocation and Investment Selection Considerations
  - Withdrawal Considerations
- g) Other Sources of Retirement Income
  - Charitable Remainder Trusts
  - Annuities
  - Life Insurance Cash Values
- h) Investment & Money Management Strategies for the Frail Elderly
- i) Inherited Wealth

**8) INVESTMENT CONSIDERATIONS FOR SMALL BUSINESS OWNERS**

- a) Small Business Life Cycles
- b) Implications for the Investment Professional
- c) Financing Stages of a Growing Business
- d) Forms of Business Entities
  - Types of Businesses
  - Characteristics
  - Consequences
- e) Small Business Client
  - Accumulation of Wealth in Business Assets
  - Cash Management
  - Capital for the Business: Use of a Margin Account
- f) Retirement Plans
  - Types of Plans
- g) Risk Management: Insurance & Diversification
  - Uses of Life Insurance
  - Diversification of Personal Wealth
- h) Valuation & Disposition of the Small Business
  - Valuing an Unlisted Business
  - Buy-Sell Agreements Between Existing Shareholders
  - Transferring Ownership with ESOPs
- i) Lifetime Cash Flow Planning for the Small Business Owner
  - Identifying Cash Flows
  - Future Cash Flows

**9) DEFERRED COMPENSATION & OTHER BENEFIT PLANS FOR KEY EXECUTIVES**

- a) Qualified and Nonqualified Plans
- b) Methods of Funding
  - The American Jobs Creation Act of 2004 Nonqualified Deferred Compensation
  - Funded Plans
  - Unfunded Plans
- c) Types of Nonqualified Plans Used for Retirement Funding
  - Excess Benefit Plans
  - Supplemental Executive Retirement Plans
  - Death-Benefit-Only Plans
  - Section 457 Plans
- d) Life Insurance Plans
  - Split Dollar Plans
  - Roll-Out Plans
  - Executive Bonus Plans
  - Informal Funding With Life Insurance
- e) Equity-Based Compensation Plans
  - Restricted Stock Plans
  - Incentive Stock Options
  - Nonqualified Stock Option Plans
  - Phantom Stock Plans
  - Stock Appreciation Rights
  - Performance Unit or Share Plans
  - Rule 144—Short Swing Profit Rules
- f) Severance Payments
  - Types of Severance Plans
- g) Publicly Held Corporation's Compensation Deduction Limitation





**10) INSURANCE PRODUCTS FOR INVESTMENT CLIENTS**

- a) The Purposes of Life Insurance
  - Income Replacement
  - Retirement Funding
  - Insurance for Estate Planning
  - Business Needs
- b) Measuring the Need for Life Insurance
  - Needs Analysis
  - Risks
- c) Types of Life Insurance
  - Term Life Insurance
  - Term Insurance and the Brokerage Client
  - Permanent Cash Value Life Insurance
  - Cash Value Life Insurance and the Brokerage Client
  - Taxes and the Cash Value Policy
  - Borrowing Against Cash Value Policies
  - Withdrawal from Cash Value Policies
  - Dividend Options for Policyowners
- d) Settlement Options
  - Installment Payment Options
  - Income for Life
  - Estate Planning Arrangements
- e) Annuities
  - Immediate Annuities
  - Deferred Annuities
  - Costs
- f) Life Insurance Decision Making
  - Separating the Risks
  - Insurance Versus Investment
  - Policy Comparisons
  - Insurance Company Comparisons

**11) ESTATE PLANNING FOR INVESTMENT CLIENTS**

- a) Objectives of Estate Planning
- b) The Estate Planning Team & Unauthorized Practice of Law
  - Estate Planning Transactions & Investment Vehicles
  - The Estate Planning Team
  - Unauthorized Practice of Law
- c) Estate Transfer Taxes
  - Evolution of the Federal Transfer Tax System
  - Valuation
  - Federal Unified Transfer Tax System
  - Federal Gift Tax
  - The Federal Estate Tax
  - Federal Generation-Skipping Transfer Tax (GSTT)
  - Marital Deduction and Bypass Planning
- d) Estate Transfer Techniques During Life (inter vivos)
  - Outright Gifts
  - Trusts
  - Trusts for Minors
- e) Estate Transfer Techniques at Death (Testamentary)
  - Probate Transfers
  - Will Substitutes
  - Ownership and Titling of Property
  - Contracts as a Transfer Technique
  - Intestate Succession Statutes
- f) Planning for Incapacity
  - Management of Property
  - Personal and Medical Care Decision Making

**12) REGULATORY & ETHICAL ISSUES FOR THE INVESTMENT PROFESSIONAL**

- a) Ethical Behavior & the Modern Securities Industry
  - The Regulated Environment of Investing
- b) Current Regulatory & Ethical Issues
  - Forces Changing the Securities Industry
  - Sources of Ethical Conflict
- c) Duties Owed to the Client
  - Fiduciary Duty
  - Duty To Disclose
  - Duty To Diagnose
  - Duty To Consult
  - Duty To Keep Current
  - Attempts to Nullify Duties Through Use of Written Statements

**13) RISK MANAGEMENT & INVESTMENT ISSUES FOR HIGH NET WORTH CLIENTS**

- a) Risk Management
  - Risk Management Issues
  - Risk Management Process
  - Targeted Insurance Products
  - High-Value Property
  - Liability Exposures
  - Life Insurance
  - Annuities
  - Risk Management Techniques
- b) Mutual Fund Analysis & Selection
  - Investment Objective
  - Investment Policies and Risks
  - Investment Holdings
  - Fund Performance
  - Management Continuity
  - Fees and Expenses
  - Fund Services and Plans
  - Fund Age
  - Fund Size
  - Portfolio Turnover
  - Tax Efficiency
  - Fund Company Evaluation
- c) Hedge Funds
  - Hedge Fund Characteristics
  - Fund of Hedge Funds (FOHF)
  - Due Diligence
- d) Commodity Futures
  - Physical Assets vs. Financial Assets
  - Sources of Risk
  - Portfolio Construction Benefits of Commodities
  - Sources of Total Return
  - Long, Nonleveraged, Fully Diversified Positions Only
  - Benchmarks
  - Reasons for Investing in Commodity Futures
- e) Covered Call Options
  - Covered Call Writing
  - Managing Client Expectations
  - Repair Strategies
  - Taxation Issues
  - Buy-Writes



**14) INCOME TAX & EXECUTIVE BENEFITS PLANNING FOR HIGH NET WORTH CLIENTS**

- a) Estimated Taxes
  - Safe Harbor
  - Underpayment Penalty
- b) Investment Interest Expense
  - Calculating Investment Interest Expense
- c) Self-employment Tax
- d) Alternative Minimum Tax
  - Corporate AMT
- e) Executive Compensation Plans
  - Qualified and Nonqualified Plans
  - Section 409A Plans
  - Types of Nonqualified Plans
- f) Income Tax Rules for Nonqualified Deferred Compensation Plans
  - Constructive Receipt Doctrine
  - Economic Benefit Doctrine
  - Other Income Tax Rules
- g) Tax Implications of Nonqualified Deferred Compensation Plans
  - Tax Considerations
  - Problem Areas
- h) Informally Funding a Nonqualified Deferred Compensation Arrangement
  - Corporate-Owned Life Insurance and Annuities
- i) Equity Plans & Other Executive Incentive Plans
  - Compensation Plans for Top Executives
- j) Stock Options & the High Net Worth Individual
- k) ESOPs & High Net Worth Individuals
  - Stock Bonus Plans
  - ESOPs and LESOPs

**15) ESTATE PLANNING FOR HIGH NET WORTH CLIENTS**

- a) Tax Reduction Techniques
  - Transfer Taxes
  - Specific Techniques Used by the Wealthy
- b) Asset Protection Strategies
  - Insurance
  - Split Asset Ownership
  - Business Entities
  - Exempt Assets
  - Gifting
  - Domestic Asset Protection Trusts
  - Foreign Situs Trusts
  - Expatriation
- c) Business Succession Techniques
  - A Closely Held Business With Multiple Owners
  - Buy-Sell Agreements
  - The Solely Owned Business



**1) INTRODUCTION TO MUTUAL FUNDS**

- a) History and Growth of the Mutual Fund Industry
  - Stock Market Crash of 1929
  - Money Market Mutual Funds
  - Mutual Fund Growth
- b) Mutual Fund Characteristics
  - Pooling Resources
  - Professional Management
  - Diversification
  - Services and Conveniences
- c) Mutual Fund Regulation
  - The Investment Company Act of 1940
  - The Securities Act of 1933
  - The Securities Exchange Act of 1934
  - The Investment Advisers Act of 1940
  - The Securities Investor Protection Act
  - USA Patriot Act
  - The Sarbanes-Oxley Act of 2002
  - The Internal Revenue Code
  - Blue Sky Laws
  - Interagency Statement on Retail Sales of Nondeposit Investment Products
  - Advertising Rules
  - FINRA Arbitration
- d) Mutual Fund Organization
  - Directors/Trustees
  - Shareholders
  - Management Company/Investment Adviser/Administrator
  - Principal Underwriter
  - Custodian
  - Transfer Agent
- e) Mutual Fund Distribution
  - Sales Force
  - Direct Marketing
- f) Mutual Fund Taxation
  - Taxation of the Investment Company
  - Taxation of the Shareholders
  - Calculating a Mutual Fund Shareholder's Tax Basis
  - Miscellaneous Mutual Fund Taxation Issues
- g) Mutual Fund Pricing
  - Shareholder Transaction Expenses
- h) Mutual Fund Expenses
  - Operating Expenses
  - Transaction Costs
  - Hidden Costs
  - Expense Ratio
- i) Mutual Fund Services
- j) Reading a Mutual Fund Statement

**2) OPEN- & CLOSED-END FUNDS: TYPES & CHARACTERISTICS**

- a) Types of Open-End Funds & Their Securities
  - Bonds
  - Bond Classifications
  - Bond Funds
  - Stocks
  - Stock Funds
  - Asset Combination Funds
  - Money Market Instruments
  - Money Market Funds
  - Specialty Funds
  - Exchange-Traded Funds (ETFs)
  - Hedge Funds
- b) Closed-End Funds
  - Characteristics
  - Types of Closed-End Funds
- c) Sources of Fund Information
  - Prospectus
  - Profiles
  - Statement of Additional Information
  - Annual Report
  - Semiannual Report

**3) OTHER PACKAGED INVESTMENT PRODUCTS**

- a) Unit Investment Trusts
  - Characteristics
  - Types of Unit Investment Trusts
- b) Variable Annuities
  - Types of Annuities
  - Variable Annuity Characteristics
  - Costs
  - Payout Options
  - Taxation of Variable Annuities
  - Advantages and Disadvantages
  - Comparison With Mutual Funds
- c) Mutual Fund Wrap Fee Program
  - The Mutual Fund Wrap Process
  - Asset Allocation
  - Types of Funds Offered
  - Fees
  - Advantages and Disadvantages
- d) Fund-of-Funds
  - Classifications
  - General Types
  - Limitations and Exemptions
  - Fees
  - Minimum Investment
  - Advantages and Disadvantages
- e) Offshore Funds
  - Reasons to Consider Offshore Funds
  - Management of Offshore Funds

**4) RISK/RETURN**

- a) Definitions & Types of Risk
  - Types of Risk
- b) Quantitative Measures of Risk
  - Range
  - Arithmetic Mean
  - Standard Deviation
  - Coefficient of Variation
  - Risk and Fixed-Income Investments
  - Duration
  - Correlation
  - Diversification and Unsystematic Risk
  - Coefficient of Determination
  - Beta
- c) Risk Reduction Methods & Strategies
  - Standard Deviation
  - Duration
  - Beta
  - Correlation Coefficient
  - Portfolio Specific Risk Analysis
  - Strategies for Managing Risk
  - Risk and Time Horizons
- d) Types of Returns
  - Timing of Returns
  - Tax Effects on Returns
  - Attributes of Returns
  - Components of Returns
- e) Computing Rates of Return
  - Single-Period Rate of Return
  - Adjusted Rates of Return
- f) Historic & Expected Returns
  - Historic Asset Class Returns
  - Expected Returns
  - Return Databases
  - Portfolio Required Rate of Return
  - Multiperiod Rate of Return
  - Arithmetic Average Rate of Return
  - Time-Weighted Rate of Return
  - Geometric Rate of Return
  - Dollar-Weighted Rate of Return
  - Other Rates of Return



**5) ASSET ALLOCATION**

- a) Asset Allocation
  - Understanding the Client
  - The Importance of Time Horizons
  - The Role of an Investment Policy
- b) Implementing an Asset Allocation Plan
  - Consideration of Asset Classes
  - Number and Proportions of Asset Classes
  - Allocation Formulas
  - Investment Screening and Evaluation
- c) Portfolio Optimization
  - Input Data
  - The Efficient Frontier and Efficient Portfolios
  - Projections, Recommendations, and Sensitivity Analysis
  - Optimization Program Caveats
- d) Portfolio Rebalancing
- e) Portfolio Reallocation

**6) SELECTING A MUTUAL FUND FOR A CLIENT**

- a) Client Suitability
  - Data Gathering
  - Analyzing the Financial Statements
  - Clients' Needs, Constraints, and Unique Circumstances
- b) Establishing Financial Goals
- c) Meeting Clients' Needs
  - Establishing Trust
  - Identifying the "Needs Gap"
  - Analyzing Information
  - Managing Client Expectations
  - Presenting and Implementing Recommendations
  - Monitoring Performance
- d) Selecting a Mutual Fund
  - Investment Objective
  - Investment Policies and Risks
  - Investment Holdings
  - Fund Performance
  - Management Continuity
  - Fees and Expenses
  - Fund Services and Plans
  - Fund Age
  - Fund Size
  - Portfolio Turnover
  - Tax Efficiency
  - Fund Company Evaluation

**7) RETIREMENT PLANNING**

- a) Assessing Retirement Needs
  - Allocation Now and During Retirement
- b) Sources of Retirement Income
  - Social Security Benefits
  - Pension and Profit Sharing Income
  - Retirement Savings and Investment Income
- c) Inflation & Erosion of Purchasing Power
- d) Accumulating Capital for Retirement
  - Time and Money
  - Begin Investing Early
  - Invest Regularly
  - Accumulation Strategies
- e) Personal Tax-Deferred Retirement Plans
  - Individual Retirement Accounts (IRAs)
  - Tax-Sheltered Annuities (TSAs or 403(b) Plans)
  - Simplified Employee Pensions (SEPs)
  - Salary Reduction SEPs (SARSEPs)
  - SIMPLE Retirement Plans
- f) Qualified Retirement Plans
  - Common Types of Qualified Plans
  - Receiving Distributions
  - Withdrawal Considerations
  - Investment Strategies During Retirement

**8) ETHICS, INTEGRITY & PROFESSIONAL CONDUCT**

- a) Ethical Behavior & the Modern Securities Industry
  - The Regulated Environment of Modern Investing
- b) Current Regulatory & Ethical Issues
  - Influences Causing Change in the Securities Industry
  - Common Sources of Ethical Conflict
  - Regulatory Issues
- c) Duties Owed to the Client
  - Fiduciary Duty
  - Duty To Disclose
  - Duty To Diagnose
  - Duty To Consult
  - Duty To Keep Current
  - Use of Written Statements
- d) Ethical Behavior & the Asset Management Process
  - The Asset Management Process
- e) Client Communications, Advertising, Sales & Business Practices
  - Advertising
  - Client Communications
  - Sales and Business Practices
- f) FINRA Conduct Rules



**1) MAXIMIZING THE CLIENT EXPERIENCE DURING THE RETIREMENT PLANNING PROCESS**

- a) The Time Value of Money
  - Approaching a Problem
  - Basic Time Value of Money Calculations
  - Intermediate Time Value of Money Calculations
- b) Step 1—Establish & Define the Client-Counselor Relationship
  - The Retirement Planning Process
  - The Role of the Retirement Counselor
  - A Relationship Based on Trust
  - A Mutually Defined Understanding of the Scope of the Services to Be Offered
- c) Gather Client Data, Including Goals & Expectations
  - Gathering Data
  - Data Survey Form
  - Assets, Liabilities, and Net Worth
  - Cash Flow Statement
  - Know Your Client
  - Tax Situation
  - Important Time Horizons
  - Determining Goals
- d) Processing & Analyzing Information to Determine Retirement Savings Need
  - Income Needs
  - Income Replacement Percentages
  - Real Expenses, Now and Then
  - The Carters Estimate Their Retirement Income Needs
  - The Carters Explore Retirement Options
  - Inflation
  - How Long Will Retirement Last?
  - Determine Available Income
  - List Available Resources
  - Annual Income from Assets
  - Sources of Income
  - Older Workforce
  - The Retirement Fund: Balancing the Scale
  - Variability in Retirement Planning Assumptions
- e) Develop & Present Financial Planning Recommendations and/or Alternatives
  - The Carters' Plan
  - The Problem of Many and Competing Goals
  - When the Client's Funds Are Insufficient
  - Make It the Client's Plan
  - Presenting the Plan
- f) Implement & Monitor the Financial Plan Recommendations
  - Step 5: Implement the Financial Plan Recommendations
  - Step 6: Monitor the Financial Plan Recommendations

**2) PRINCIPLES & STRATEGIES WHEN INVESTING FOR RETIREMENT**

- a) Investment Policy
  - Attributes of Sound Investment Policy
- b) Asset Classes, Characteristics and Performance
  - Common Stocks
  - Fixed-Income Securities
  - Cash Equivalents
  - Real Estate
  - Returns of Major Asset Classes Over Time
- c) Portfolio Management Principles
  - Measuring Risk
  - Risk-Adjusted Returns
  - Managing Risk Through Diversification
- d) Asset Allocation Principles
  - The Importance of Time Horizons in Asset Allocation
  - The Role of Risk Tolerance in Asset Allocation
  - Asset Allocation Strategies
- e) The Asset Allocation Process—A Practical Application
  - The Four Steps of Asset Allocation
  - Securities Selection and Market Timing
  - Changing Allocations Over Time

- f) Stock Investment Strategies
  - Strategy and Investment Policy
  - Buy-and-Hold: The Benchmark Strategy
  - Timing Strategies
  - Contrarian Strategy
  - Value Investing
  - Growth Stock Investing
  - Small-Stock Investing
- g) Bond Investment Strategies
  - Bond Valuation
  - Bond Price Volatility
  - Ladder Strategy
  - Barbell Strategy

**3) STRATEGIES FOR MAXIMIZING SOCIAL SECURITY RETIREMENT BENEFITS**

- a) The Origin of Social Security
  - Social Security Basics
- b) Estimating Future Benefits
  - Eligibility
  - Calculation of Benefits Payment Amount
- c) Does it Pay to Delay?
  - Estimating Life Expectancy
  - Know the "Breakeven" Age
  - Other Considerations
  - Taxation of Social Security Benefits
- d) Maximization Strategies
  - The Delay Strategy
  - Options Involving Spousal Benefits
- e) Other Considerations
  - The Family Maximum
- f) The Future of Social Security and Planning Resources
  - The Future of Social Security
  - To Learn More
  - Earnings Statements
  - Applying for Benefits

**4) WORKING WITH EMPLOYER-SPONSORED RETIREMENT SAVINGS PLANS**

- a) Qualified Retirement Plans
  - What Makes a Plan Qualified
  - Types of Qualified Plans
  - Defined Benefit Plans vs. Defined Contribution Plans
  - Pension Plans
  - Types of Defined Benefit Pension Plans
  - Traditional Defined Benefit Plan
  - Cash Balance Pension Plans
- b) Defined Contribution Plans
  - Advantages
  - Disadvantages
  - Types of Defined Contribution Plans
  - 401(k) Plans
  - Keoghs
- c) Nonprofit Organization Plans
  - Introduction to Section 403(b) Plans
  - Section 457 Plans
- d) Deferred Compensation Plans
  - Qualified vs. Nonqualified Plans
  - Using Nonqualified Plans in Retirement Planning
  - Funded vs. Unfunded Plans
  - Substantial Risk of Forfeiture
  - Common Features of Nonqualified Plans
  - Types of Non-Qualified Deferred Compensation Plans
  - Supplemental Executive Retirement Plans (SERPs)
  - Tax Implications
  - When to Use Nonqualified Plans
  - Corporate-Owned Life Insurance and Annuities
  - Securing the Employer's Promise to Pay



**BRIDGING THE INCOME GAP: IDENTIFYING OTHER SOURCES OF RETIREMENT INCOME**

- a) Traditional IRAs
  - IRA Basics
  - Taxes
  - Statutory Requirements
  - Deductible IRAs
  - IRA Distributions
  - Too Late: Minimum Distribution Requirements
  - Tax Treatment of IRA Distributions
- b) Roth IRAs
  - Roth IRA Basics
  - When Does Establishing a Roth IRA Make Sense?
  - Roth Conversions
- c) SIMPLE IRAs
  - Advantages of SIMPLE IRAs
  - Disadvantages of SIMPLE IRAs
  - Employee Eligibility
  - Contributions
  - Tax Consequences
  - Deadlines
  - Distributions
  - Establishing a SIMPLE Plan
  - The SIMPLE 401(k) Plan
- d) The Simplified Employee Pension (SEP)
  - Advantages of SEPs
  - Disadvantages of SEPs
  - Eligibility
  - Contributions
  - Tax Consequences
  - SARSEPs
  - Integration with Social Security
  - Deadlines
  - Vesting
  - SEP Trustees and Custodians
  - Distributions
  - SEPs, IRAs, and Defined Contribution Plans Compared
  - Maximizing Contributions
  - The Burden of Funding
  - Employer Flexibility
  - Covered Employees
  - Forms for Establishing Plans
- e) Annuities
  - History of Annuities
  - Features of Annuities
  - Distribution Options
  - Taxation of Annuities
  - Surrender Charges
  - Fees and Expenses
- f) Mutual Funds
  - What is a mutual fund?
  - Types of Mutual Funds
  - Returns
  - Comparing Annuities and Mutual Funds
- g) Life Insurance
  - Term Life
  - Cash Value Life
  - Whole Life
  - Universal Life
  - Variable Life
  - Variable Universal Life
  - Taxes and Cash Value Insurance
  - Borrowing Against Cash Value Policies
  - Insurance Versus Investment
  - Settlement Options
- h) Home Equity
  - Home Equity as a Retirement Income Resource
- i) Post-Retirement Employment
  - Working Beyond Full Retirement Age

**5) NAVIGATING HEALTH CARE OPTIONS AND MANAGING RISK IN RETIREMENT**

- a) The Affordable Care Act and Health Savings Accounts
  - Purpose of Health Insurance
  - The Patient Protection and Affordable Care Act
  - Policy Types
  - Policy Features and Benefits
  - Health Savings Accounts
- b) Planning for Incapacity
  - Introduction
  - Management of Property
  - Personal and Medical Care Decision Making
- c) Disability Income Insurance
  - The Need for Disability Insurance
  - Social Security Disability Benefits
  - Disability Income Insurance
- d) Medicare
  - Medicare Overview
  - Medicare Part A (Hospital Insurance)
  - Medicare Part B: Medical Insurance
  - Medicare Part D: Prescription
- e) Medigap
  - Gaps in Health Care Coverage
  - Medigaps
  - Medigap Insurance Plans
- f) Medicare Advantage Plans (Medicare Part C)
  - The Balanced Budget Act of 1997
  - Medicare Part C
- g) Medicaid
- h) Long-Term Care Insurance
  - What is Long-Term Care?
  - The Cost of Care
  - Life Insurance
  - Long-Term Care Insurance
  - Common Riders
  - Qualified Long-Term Care Policies
  - Is LTCI worth the money?
  - Medicaid Long-Term Care
  - Planning Decisions and Alternative Funding for Long-Term Care
  - Self-Funding
  - Alternative Care

**6) MAKING THE EMOTIONAL AND FINANCIAL TRANSITION TO RETIREMENT**

- a) Trends in Retirement
  - Introduction
  - Trend Toward Retiring Later
  - Low Savings Rates
  - The Future
- b) The Retirement Decision
  - Questions Facing Prospective Retirees
  - Creating a Budget
- c) Early Retirement
  - A Matter of Time
  - Reduced Benefits
  - Forced Retirement
  - Distributions and the Early Retiree
- d) Late Retirement
  - Why Retire Later?
  - Employer-Sponsored Plans
  - Savings and Distributions
  - Roth IRA
  - Where to Retire
- e) The Middle Zone: Working During Retirement
  - The Growing Middle Zone
  - The Work Penalty
- f) Corporate Early Retirement Programs
  - Voluntary or Involuntary
  - Typical Window Plans
  - Is This a Good Deal? A Framework for Analysis
  - Rules and Limits
  - Golden Parachute



**7) DESIGNING OPTIMAL RETIREMENT INCOME STREAMS**

- a) Preretirement Distribution
  - In-Service Withdrawals
  - Hardship Withdrawals
  - Loans
- b) Lump-Sum Options
  - What is a “Lump-Sum” Distribution?
  - Take the Money—Pay the Taxes
  - Defer Receipt Through a Rollover
- c) Distributions and Taxation
  - Taking Distributions Too Early
  - Taking Distributions Too Late
  - Taking Distributions that are Too Little
  - The Problem of Having Many Plans
  - Qualified Distributions
  - Employer Stock Distributions
- d) Survivors and Beneficiaries
  - Qualified Joint and Survivor Annuity (QJSA)
  - Qualified Optional Survivor Annuity (QOSA)
  - Required Minimum Distributions
  - About Taxes
  - QDROs
- e) Retirement Income Distribution Strategies
  - Variability in Retirement Planning Assumptions
  - Monte Carlo Analysis
  - Systematic Withdrawals and the 4% Rule
  - Bucket Strategies
  - Reconsidering Asset Allocation: Creating a Smarter “Glidepath”
  - Delaying Receipt of Social Security Benefits
  - Use of Annuities
  - Putting It All Together

**8) RETIREMENT PLANNING STRATEGIES FOR DOMESTIC PARTNERS AND NONTRADITIONAL FAMILIES**

- a) Definitions
- b) Joint Ownership of Property by Domestic Partners
  - The Personal Residence
  - Other Assets
  - Summary of Property Ownership Issues
- c) Application of Basic Wealth Transfer Techniques Available to Domestic Partners
  - Lifetime Transfers
  - Transfers at Death
  - Alternative Planning for Wealth Transfers by Domestic Partners
  - Lifetime Transfer Techniques for Domestic Partners
  - Wealth Transfer Techniques for Domestic Partners at Death
  - Summary of Wealth Transfer Techniques Available to Domestic Partners
- d) Alternative Federal Tax Planning for Domestic Partners
  - Alternative Income Tax Planning
  - Alternative Gift Tax Planning
  - Alternative Estate Tax Planning
- e) Retirement Planning for Domestic Partners
  - Synopsis of Benefits Available to a Spouse but Unavailable to a Domestic Partner
  - The Cause and Effect of the Differences
  - Solutions
  - Specific Techniques to Care for the Surviving Domestic Partner
  - Specific Concerns and Techniques in Transferring Qualified Plan and IRA Benefits
  - Summary of Retirement Planning Considerations
  - Domestic Partnership Agreements
- f) Other Considerations
  - The Need to Plan for Disability
  - Failing to Plan for Incompetence
  - Help With Financial Needs
  - Help With Medical Needs
  - Help with End of Life Needs

**9) INCOME TAX STRATEGIES FOR THE RETIREE**

- a) Essential Tax Concepts
  - The Determination of Income
  - When Income Is Received for Tax Purposes
  - The Progressive Federal Tax System
  - The Concept of Marginal Tax Rates
  - Capital Gains and Losses
  - Alternative Minimum Tax
  - The Basic Tax Formula
- b) Basic Tax Strategies
  - Tax Avoidance
  - Tax Reduction
  - Tax Deferral
  - Income Conversion
- c) Special Tax Issues for the Retiree
  - Managing Tax-Deferred and Taxable Accounts
  - Life Insurance Proceeds
- d) Taxation of Mutual Fund Distributions & Sales
  - Distributions
  - Sales
  - Determining Cost Basis
- e) Taxation of Stock Returns
  - Dividends
  - Charitable Contributions of Appreciated Stocks
  - Taxation of Fixed-Income Securities
  - Zero-Coupon Bonds
  - Taxation of U.S. Treasury Securities
- f) Gains or Losses on the Sale of a Personal Residence
  - Section 121
  - Basis and Adjusted Basis
  - Partial Exclusion Resulting From Nonqualified Use
- g) Taxation of Social Security Old-Age Benefits

**10) ACHIEVING ESTATE PLANNING OBJECTIVES IN RETIREMENT**

- a) Estate Planning & Its Objectives
  - What is an Estate?
  - Caution: Beware of the Unauthorized Practice of Law
- b) Fundamentals of Estate Transfer
  - Wills
  - Will Substitutes
  - Are Will Substitutes Really Necessary?
- c) An Overview of Taxes Involved in Estate Transfer
  - Evolution of the Federal Transfer Tax System
  - Valuation
  - The Federal Unified Transfer Tax System
  - Basis in Property
- d) Federal Gift Tax
  - Exemptions for Tuition and Medical Expense Payments
- e) Federal Estate Tax
  - Property Subject to the Federal Estate Tax
- f) Estate Planning Strategies for the Retiree
  - Marital Deduction and Bypass Planning
  - Trusts
  - Custodianship Arrangements
  - Qualified Tuition Plans
  - Coverdell Education Savings Account (IRC Section 530)
- g) Succession Issues for the Small-Business Owner
  - Outright Gifts
  - Installment Sales
  - Private Annuity Transactions
  - The Marital Deduction
  - Qualified Terminable Interest Property (QTIP) Trusts
  - Buy-Sell Agreements
  - Family Limited Partnerships
  - Limited Liability Company (LLC)



**1) TYPES & CHARACTERISTICS OF RETIREMENT PLANS**

- a) Retirement Plans: Overview
  - Tax-Deferred Individual Plans
  - Qualified Plans
- b) Qualified Plans
  - Characteristics
  - Types of Qualified Plans
- c) Rules & Provisions of Qualified Plans
  - Eligibility
  - Coverage and Nondiscrimination
  - Compliance Testing
  - Integration with Social Security
- d) Nonqualified Plans
  - Tax Features
  - Types of Nonqualified Plans
- e) Small-Employer Plans
  - Simplified Employee Pensions
  - SIMPLE Plans
  - SARSEPs
  - Keogh Plans
- f) Plans for Nonprofit Organizations
  - Section 403(b) Plans
  - Section 457 Plans

**2) INDIVIDUAL RETIREMENT ACCOUNTS (IRAS)**

- a) Basic Features & Benefits
  - Characteristics
  - Taxes
  - Penalties
  - Statutory Requirements
- b) Types of IRAs
  - Deductible IRAs
  - Nondeductible IRAs
- c) Rollovers
  - Advantages and Disadvantages of Rolling Qualified Plan Assets into an IRA
  - Types of IRA Rollovers
  - Qualifications
  - Rolling Over a Regular IRA to a Roth IRA
  - The 12-Month Rule
- d) Distributions
  - Taxation of Distributions to the Owner
  - Minimum Distributions
  - In Cases of Divorce
  - Death of the IRA Owner
  - Death Before RBD
  - Death After RBD
  - Substantially Equal Periodic Payments
  - Miscellaneous Distribution Rules

**3) SEP, SIMPLE & SARSEP PLANS**

- a) The Simplified Employee Pension (SEP)
  - Advantages
  - Disadvantages
  - Eligibility
  - Contributions
  - Tax Consequences
  - Integration with Social Security
  - Deadlines
  - Vesting
  - SEP Trustees and Custodians
  - Distributions
  - Managing and Moving Assets
  - Comparison of SEPS, IRAs and Defined Contribution Plans

- b) SIMPLE Plans
  - Simple IRA
  - Advantages
  - Disadvantages
  - Employer Eligibility
  - Employee Eligibility
  - Reporting
  - Contributions
  - Tax Consequences
  - Deadlines
  - Distributions
  - Establishing a SIMPLE Plan
  - The SIMPLE 401(k)
- c) SEP Versus SIMPLE
  - Maximizing Contributions
  - The Burden of Funding
  - Employer Flexibility
  - Covered Employees
- d) SARSEPs
  - Eligibility

**4) DEFINED CONTRIBUTION PLANS**

- a) An Overview of Defined Contribution Plans
- b) Profit Sharing Plans
  - Advantages
  - Disadvantages
  - Contributions
  - Vesting
  - In-Service Distributions
  - Loans
- c) Stock Bonus Plans
  - Advantages
  - Disadvantages
  - Contributions
  - Distribution Features
- d) Employee Stock Ownership Plans
  - Advantages
  - Disadvantages
  - Contributions
- e) Money Purchase Plans
  - Advantages
  - Disadvantages
  - Contributions
  - Distributions
- f) Target Benefit Plans
  - Advantages
  - Disadvantages
  - Contributions
  - Distributions
- g) Age-Weighted Profit Sharing Plans
  - Advantages
  - Disadvantages
  - Contributions
- h) Cross-Tested Profit Sharing Plans
  - Advantages and Disadvantages
- i) Defined Contribution Plans Compared
  - Similarities
  - Differences





**5) 401(K) PLANS**

- a) Basic Characteristics
  - Eligibility
  - Contributions
  - Advantages
  - Disadvantages
  - Nondiscrimination
  - Distributions
  - Permitted Disparity Not Applicable to 401(k) Elective or Matching Contributions
  - Investment Control and Choice
  - Section 404(c) Requirements for Participant-Directed Investments
  - Repeal of the Multiple Use Test
- b) Types of Plans
  - Profit Sharing Plans
  - 401(k) Keogh Profit Sharing Plans
  - 401(k) Stock Ownership Plans
  - Contributions
  - Roth 401(k) Plans
- c) SIMPLE 401(k) Plans
  - Deductibility of Contributions
  - SIMPLE 401(k) and Regular 401(k) Compared
- d) Plan Decision Factors
  - Labor Market Factors
  - Age of the Employee Population
  - Willingness to Make Investment Choices and Assume Risk
  - Business Variability
- e) Safe Harbor 401(k) Plans
  - Eligibility
  - ADP Safe Harbor Contributions
  - ACP Safe Harbor Requirements
  - Additional Discretionary Profit Sharing Plan Contributions
  - Annual Notice Requirement
  - Safe Harbor Nondiscrimination Rules for Section 401(k) Automatic Enrollment Arrangements

**6) DEFINED BENEFIT PLANS**

- a) Basic Characteristics
  - Employer Eligibility
  - Employee Eligibility
  - IRC Section 415(b) Limitations
  - Advantages
  - Disadvantages
  - Types of Plans
  - Contributions
  - Integration with Social Security (Permitted Disparity)
  - Cost of Living Adjustments
  - Accrual of Benefits
  - Vesting in Benefits
  - Discrimination
  - Distributions
  - Plan Permanency and Termination
- b) Cash Balance Pension Plans
  - Cash Balance and Pension Equity Defined Benefit Plans
  - Advantages
  - Disadvantages
  - The Pension Protection Act and Cash Balance Plans
  - Comparing Defined Benefit Pension Plans and Cash Balance Plans
- c) Defined Benefit Versus Defined Contribution
  - Funding
  - Deductibility
- d) Determining Retirement Benefits
  - Flat Benefit Plans
  - Unit Benefit Formula
  - Floor-Offset Plans
- e) Funding Defined Benefit Plans
  - Assumptions
  - Funding Methods
  - Single Employer Defined Benefit Plans

**7) NONPROFIT ORGANIZATION & GOVERNMENT PLANS**

- a) Section 403(b) Plans
  - Characteristics of Section 403(b) Plans
  - How 403(b) Plan Assets are Invested
  - Advantages
  - Disadvantages
  - Plan Document Requirements
  - Qualified Employers
  - Eligible Employees
  - Contributions
  - Limitations on Deferrals and Contributions
  - Vesting
  - Distributions
  - Discrimination
  - Plan Termination
  - Proposed Regulations for 403(b) Plans
- b) 403(b) & 401(k) Plans Compared
  - Comparison of Plans
  - Characteristics of 401(k) Plans
  - ERISA Requirements
  - Contribution Limits
  - Discrimination Testing
  - Investment Options
  - Distributions
  - Choosing Between 403(b) and 401(k) Plans
- c) Section 457 Plans
  - How Section 457 Plan Assets are Invested
  - Eligible Employers
  - Eligible Employees
  - Eligible Plan
  - Contributions
  - Distributions
  - In-Service Distributions
  - Loans
  - Rollover Rules
  - Early Distribution Penalty Under Section 72(t)
  - Transfers
  - Age 70½ Required Distribution Rules
  - Trust Requirements Under Section 457 Governmental Plans
  - Constructive Receipt Requirements for Section 457 Nongovernmental Plans

**8) QUALIFIED PLAN & IRA DISTRIBUTIONS**

- a) Distributions From Qualified Plans
  - Pension Plans
  - Profit Sharing Plans
- b) Pre-Retirement Distributions
  - Early Distributions, Penalties, and Exemptions
  - In-Service Distributions
- c) Distributions During Retirement
  - Periodic Payments – Annuities and Pensions
  - Lump-Sum Distributions
  - Employer Stock Distributions
  - Distributions From 401(k) and 403(b) Designated Roth Accounts
- d) Rollovers
  - The Advantages and Disadvantages of Rollovers
  - The Advantages and Disadvantages of Rolling Qualified Plan Assets Over Into an IRA
  - Six Types of Rollovers or Transfers
  - What Can and Cannot Be Rolled Over
- e) Penalties
  - Penalties for Late Distributions
  - Penalties for Insufficient Minimum Distributions
- f) Distribution at Death
  - Participant Dies Before Retiring—QPSA
  - Participant Dies After Retiring—QJSA
  - Participant Dies Before the Required Beginning Date
  - The Spousal Rollover
  - The Nonspousal Rollover
  - The Nonspousal IRA Beneficiary
  - Participant Dies After the Required Beginning Date
  - QDROs
  - Beneficiaries



- g) IRA Distributions
    - General Rules
    - Nondeductible IRAs
    - Choosing an IRA Beneficiary
  - h) Compliance Issues
    - Lump-Sum Distributions
    - Non-Lump-Sum Distributions
    - In-Service Distributions
    - Rollovers
    - Other Withholding
    - Distributions From IRAs
    - Reporting of Distributions
    - Reporting of Minimum Required Distributions
- 9) PLAN DESIGN, INSTALLATION, ADMINISTRATION & AMENDMENTS**
- a) Qualified Plan Appropriateness, Design & Installation
    - Design Issues
    - Step 1: Gather Data About the Employer
    - Step 2: Identify the Objectives of the Employer
    - Step 3: Identify the Type of Plan and Plan Features that Meet the Employer's Objectives
    - Retirement Plan Appropriateness & Design
    - Types of Plans
    - Plan Features
    - Plan Documents
    - The IRS Determination Letter
    - Legally Adopting the Plan
    - Giving Notice
  - a) Plan Administration
    - The Plan Administrator
    - Reporting and Disclosure Responsibilities
    - Plan Record Keeping and the Statute of Limitations
    - Plan Testing
    - Plan Expenses
    - Participant-Directed Investments and Fees
    - Plan Operations
    - Selecting a Plan Administration Firm
  - b) Plan Amendments
    - The Anticutback Rule
    - ERISA Section 204(h) – Notice of Significant Reduction in Plan Benefit Accruals
    - Proposal to Eliminate Optional Payment Forms from Defined Benefit Plans
- 10) PLAN ESTABLISHMENT, OPERATION, INVESTMENT OBJECTIVES, PENALTIES & TERMINATION**
- a) Qualified Plan Establishment & Operation
    - Employers Eligible to Establish a Plan
    - Adopting the Plan
    - The Determination Letter
    - The Adoption Agreement
    - Funding Instruments
    - Overview of Plan Funding
    - Plan Operational Requirements
  - b) Investment Objectives, Investment Policy & the Role of Trustees
    - Trustees
    - Participant-Directed Plans
    - Role of Trustees
    - Investment Policy
    - The Investment Policy Statement
    - Investment Objectives
    - Investment Constraints
  - c) The Asset Allocation Decision
    - The Four Steps of Asset Allocation
    - Asset Allocation Strategies
    - Investment Performance Measures
    - Bond Performance Measures
    - Benchmark Characteristics
  - d) Plan Termination
    - How Plans Are Terminated
    - The PBGC and Benefit Guarantees for Certain Defined Benefit Plan Participants
    - Permanency Requirement
    - Complete Termination
    - Partial Termination
    - Complete Discontinuance of Contributions
    - Frozen Plans
- Early Termination Restrictions
  - Allocation of Defined Contribution Plan Assets Following Plan Termination
  - Allocation of Defined Benefit Pension Plan Assets Following Plan Termination
  - Merger, Consolidation, Spin-off, or Transfer of Plan Assets or Liabilities
- e) Penalty Taxes
- Excess Nondeductible Contributions
  - Employer Reversions
  - Reporting, Notice, and Disclosure Failures
  - Delinquent Filer Voluntary Compliance Program (DFVCP)
  - PBGC Requirements
  - Distribution Reporting
  - Funding Deficiencies
  - Reporting and Paying of Withholding Taxes
  - Reporting of Penalties
- 11) FIDUCIARY ISSUES, PROHIBITED TRANSACTIONS, CLAIMS & EXAMINATIONS**
- a) The Fiduciary
    - Identification of Fiduciaries
    - Duties of a Fiduciary
    - Fiduciary Liability
    - Investment Requirements
    - Fiduciary Indemnification
    - ERISA Bonding Requirements
  - b) Prohibited Transactions
    - Definition of Plan Assets
    - Enforcement
    - Statutory Exceptions
    - Statutory Exceptions Enacted by the Pension Protection Act of 2006
    - Exchanges-Transfers of Real or Personal Property to a Qualified Plan
    - Individual and Class Exemptions
    - Advisory Opinions
    - Penalties
  - c) Claims of Plan Participants & Nonparticipants
    - Creditors' Claims
    - Claims in Bankruptcy
    - Claims by Nonbankruptcy Creditors
    - Tax Considerations
    - QDROs
    - Unlocatable Participants
    - Guidelines for Plans Not Being Terminated
    - Guidelines for Plans in the Process of Terminating
  - d) IRS and DOL Programs for Resolving Plan Defects
    - Employee Plans Compliance Resolution System (EPCRS)
    - Self-Correction Program (SCP)
    - Voluntary Correction Program (VCP)
    - Audit Closing Agreement Program (Audit CAP)
    - Discrepancy Adjustment Program (DAP)
    - DOL Programs for Resolving Plan Errors
    - Voluntary Fiduciary Correction Program (VFCP)

**FINANCIAL PLANNING PROCESS & INSURANCE**

**1) INTRODUCTION TO THE FINANCIAL PLANNING PROCESS**

- a) The Financial Planning Process
  - The Steps of the Process
  - Practice Standards
- b) Personal Financial Statements
  - Using Financial Statements in Business
  - Financial Statements in Financial Planning
  - Statement of Financial Position
  - Cash Flow Statement
- c) The Analysis
  - The Emergency Fund
  - Debt Management
  - Sources of Income
  - Savings and Spending Patterns
  - Ratio Analysis
  - Analyzing Sequential Financial Statements
- d) Budgeting
  - Characteristics of a Budget
  - Basic Considerations
- e) Debt Management
  - Consumer Debt
  - Mortgages
- f) Achieving Special Goals
  - Define Goals in Terms of Dollar Amounts and Time Frames
  - Determine Existing Resources
  - Determine if Additional Resources Are Needed
  - Consider Potential Strategies/Products for Achieving Goals
  - Consider Client Constraints Affecting Selection of Vehicles and Strategies
  - Select Appropriate Vehicles and Strategies
  - Implement the Action Plan, and Schedule and Monitor Results
- g) Leasing versus Buying
  - Types of Leases
  - Considerations in the Lease versus Buy Decision
- h) College Funding
  - College Funding Methods
  - Investment Vehicles
  - Other Sources of Funds for Education Goals
- i) Special Needs Planning
  - Divorce/Remarriage Planning
  - Charitable Planning
  - Needs of the Dependent Adult or Disabled Child
  - Terminal Illness Planning
  - Closely Held Business Planning

**2) REGULATORY & ETHICAL CONSIDERATIONS FOR FINANCIAL PLANNERS**

- a) Regulatory Issues in Financial Planning
  - Federal Securities Regulation
  - Investment Advisers Act of 1940
  - Exceptions and Exemptions
  - Duties and Obligations of an Investment Adviser
  - Enforcement
  - SEC View and Interpretation of the Act
  - Registration - Individual Versus Firm
  - FINRA Notices to Members, 94-44 and 96-33
  - FINRA Registration
  - Fees
- b) Ethical Issues in Financial Planning
  - Professional Codes of Ethics
  - The Fiduciary Nature of the Client-Planner Relationship
  - Duties Owed to a Client
  - Practice Standards
  - Maintaining Ethical Standards in the Profession
  - Due Care for the Financial Professional
- c) Consumer Protection Laws
  - Fair Credit Reporting Act
  - Truth in Lending
  - Bankruptcy

**3) INTRODUCTION TO THE TIME VALUE OF MONEY**

- a) Basic Time Value of Money Calculations
  - Capitalization of a Number
  - Future Value of a Single Sum
  - Present Value of a Single Sum
  - Number of Compounding Periods and Interest Rate per Compounding Period
  - Present Value of an Annuity
  - Future Value of an Annuity
  - Periodic Payment or Receipt
- b) Intermediate Time Value of Money Calculations
  - Serial Payment
  - Calculations Involving Single Sums Combined With Annuities
- c) Advanced Time Value of Money Calculations
  - Calculations Involving Unequal Cash Flows
  - Squares, Square Roots, and Nth Roots

**4) INTRODUCTION TO THE INSURANCE INDUSTRY**

- a) The Insurance Industry
  - Insurance Producers and Their Legal Relationships to Insurance Companies and Insureds
- b) Introduction to Loss Adjustment
  - The Loss Adjustment Process
- c) Choosing Insurance Agents/Companies
  - Selecting an Agent
  - Selecting a Life Insurance Company
- d) Regulation of the Insurance Industry
  - Indirect Federal Regulation of Insurance

**5) INTRODUCTION TO RISK MANAGEMENT & RELATED LEGAL ISSUES**

- a) The Risk Management Process
  - Risk
  - The Risk Management Process
- b) Rules & Elements
  - Rules of Risk Management
  - The Practical Side of Obtaining Insurance
- c) Application of Risk Management Principles
  - Methods of Handling Risk
  - Alternatives in Risk Treatment
- d) Legal Terms & Liability Exposures
  - Legal Aspects of Risk Management and Financial Planning
  - Using Risk Treatment Devices
  - Legal Considerations
  - Unauthorized Practices
  - Resolving Contract Disputes
- e) Contracts of Insurance
  - Other Insurance Contract Terms and Characteristics
  - Insurance Contract Sections and Provisions

**6) INTRODUCTION TO LIFE INSURANCE & ANNUITIES**

- a) Life Risk Exposures
  - Life Exposures
  - Personal Needs
  - Family Needs
  - Business Needs
- b) Life Insurance: Types
  - Traditional Forms of Life Insurance
  - Term Insurance
  - Whole Life
  - "Nontraditional" Forms of Life Insurance
  - Tax Treatment
  - Other Forms of Life Insurance
- c) Parts, Provisions & Issues
  - The Declarations Page
- d) Options
  - Nonforfeiture Options
  - Dividends
  - Settlement Options
- e) Optional Provisions: Riders
  - Disability Waiver of Premium

- Accidental Death Benefit
  - Common Disaster Clause
  - Spendthrift Clause
  - Other Insured Riders
- f) Annuities
- Single Premium Immediate Annuity (SPIA)
  - Income Taxation of Benefits
  - Deferred Annuities: Single Premium (SPDA) or Flexible Premium (FPDA)
- g) Pricing Fundamentals & Choosing a Policy
- Pricing Fundamentals
  - Choosing the Right Policy
  - Insurability

**7) THE LIFE INSURANCE SELECTION PROCESS**

- a) The Effect of Client Data on Life Insurance Selection Process
- Quantification of Client Life Insurance Needs and Policy Evaluation
- b) The Life Insurance Selection Process
- Establishing Goals
  - Identifying Resources
  - Identifying Economic Assumptions
  - Determining Life Insurance Needs
- c) Selecting an Appropriate, Cost-Effective Policy
- Determining Appropriate Type & Product
  - Evaluating Existing Type and Product
  - Determining Appropriate Amount
  - Evaluating Resources
  - Purchasing
- d) Deciding to Keep or Cancel a Policy
- Canceling Inappropriate Coverage
  - Modifying Goals
  - Purchasing a Lesser Amount
  - Other Approaches to Programming
  - Interest-Adjusted Cost Index Calculation

**8) HEALTH CARE PLANS**

- a) Health Care Vocabulary
- Health Care Plan Vocabulary
- b) Different Plans & What They Pay
- Kinds of Plan
  - How Claims Are Paid
  - Selecting a Plan
- c) Understanding HIPAA
- Job Lock
  - Exemptions
  - Child Health Assistance Program

**9) DISABILITY INCOME & LONG-TERM CARE INSURANCE**

- a) Disability Exposures
- Disability Income Risk Exposures
- b) Disability Income Insurance Issues
- Underwriting Considerations
- c) Disability Income Insurance Policies
- Features of Disability Income Insurance
- d) Disability Income Insurance Policy Riders
- Optional Riders
- e) Disability Income Insurance Analysis
- Analyzing Disability Income Insurance Policies
- f) Long-Term Care Insurance
- Characteristics of Long-Term Care Insurance
  - Long-Term Care Through Medicare and Medicaid

**10) PROPERTY & LIABILITY INSURANCE**

- a) Homeowners Insurance
- Homeowners Insurance
  - Personal Liability Insurance
- b) Other Policies
- Professional Liability Insurance
  - Umbrella Liability Insurance
  - Title Insurance
  - Inland Marine Insurance
- c) Automobile Insurance
- Personal Auto Policy
  - Policy Contents
- d) Commercial Insurance
- Exposures

**INVESTMENT PLANNING**

**1) SECURITY MARKETS & THE ECONOMIC ENVIRONMENT**

- a) Creation of Securities
- Investments
  - Financial Intermediaries
- b) Security Markets & Short-Term Instruments
- Buying & Selling Securities
- c) Security Laws & Regulations
- Securities Laws
  - Regulatory Agencies
  - Recent Legislation
  - Investment Advisers and Registered Representatives
- d) Taxation & Securities
- Income from Securities
  - Capital Gains from Securities Transactions
- e) Business Economics
- The Gross Domestic Product Formula
  - Supply and Demand
  - International Economics
  - The Business Cycle
- f) Fiscal & Monetary Policy
- Fiscal Policy
  - Monetary Policy

**2) INVESTMENT RISK & RETURN**

- a) Risk & Return Concepts
- Definitions of Return Measures
  - Definitions of Risk Measures
  - Risk and Diversification
  - Types of Risk
- b) Risk & Return Analysis—Standard Deviation & Correlation
- Weighted-Average Return
  - Investment Risk/Return Relationships
  - Standard Deviation of a Single Asset
  - Semi-Variance
  - Coefficient of Variation
  - Covariance Between Two Assets
  - Correlation Coefficient (R)
  - Coefficient of Determination (R-squared)
  - Portfolio Standard Deviation
- c) Risk & Return Analysis—Beta & CAPM
- Beta Coefficient
  - Weighted-Average Beta
  - Required Return
  - Quantitative Analysis
  - Selecting Individual Securities
  - Building a Portfolio

**3) MODERN PORTFOLIO THEORY**

- a) Modern Portfolio Theory
  - Modern Portfolio Theory Terminology
  - Markowitz Portfolio Theory
  - Efficient Frontier
  - Optimal Portfolio
  - Capital Asset Pricing Model
  - Arbitrage Pricing Theory
  - Diversification
  - Covariance
  - Efficient Portfolios
  - Life Cycle Analysis
  - Asset Allocation Strategies
- b) The Efficient Market Hypothesis
  - The Efficient Market Hypothesis
  - Alternative Forms of the Efficient Market Hypothesis
  - Validity of the EMH Forms
  - Stock Market Anomalies
  - Technical Analysis
  - Fundamental Analysis
  - Active Versus Passive Management
  - Arbitrage Pricing Theory
  - Foreign Investing
  - Behavioral Finance

**4) COMMON STOCK VALUATION & PERFORMANCE MEASUREMENT**

- a) Dividends on Stock
  - Importance of Dividends
  - Dividend Basics
- b) Equity Valuation
  - Definitions
  - The Zero Growth Model
  - Constant Growth DDM
  - The Non-Constant Growth Model
  - Valuation Exercise—Merck & Co
  - P/E Ratio
- c) Security Performance Evaluation
  - Investment Policy Statements
  - Jensen Index (alpha)
  - Sharpe Index
  - Treynor Index

**5) SECURITY ANALYSIS**

- a) Security Returns & Prices
  - Weighting Methods of the Stock Price Indices
  - Financial Calculator Common Errors
  - Squares, Square Roots, and Nth Roots
  - Return Calculation Methods
  - Calculations Involving Single Sums Combined With Annuities
  - Calculations Involving Unequal Cash Flows
- b) Fundamental & Technical Analysis
  - Fundamental Analysis
  - Technical Analysis
  - Relationship of MPT to Technical Analysis
  - Relationship of MPT to Fundamental Analysis
  - Dividend Growth Rate Example

**6) FEATURES OF FIXED-INCOME SECURITIES**

- a) Features of Fixed-Income Securities
  - Overview of Bond Features
  - Risks Associated With Investing in Bonds
  - The Bond Market Structure
  - Sources of Bond Information
- b) Features of Preferred Stock
- c) Yield Curves
  - Yield Curves
  - Term Structure of Interest Rates
  - Constructing a Yield Curve
  - Using Yield Curves to Make Investment Decisions

**7) VALUATION & ANALYSIS OF FIXED-INCOME INVESTMENTS**

- a) Valuation of Bonds
  - Prices and Yields
  - Bond Calculations
- b) Duration
  - Duration Computations
  - Change in Bond Price—Modified Duration
  - Convexity
- c) Bond Volatility & Constructing Portfolios
  - Risk & Volatility
  - Immunization
  - Bond Swaps
- d) Convertible Bonds
  - Conversion Value
  - Bond Investment Value
  - Investment Premium and Conversion Premium
  - Convertible Sample Calculations
  - Convertible Preferred Stock
  - Convertible Bond Relationships

**8) DERIVATIVES**

- a) Options
  - Options Basics
  - Option Strategies
  - Black-Scholes Option Pricing Model
  - Low-basis Concentrated Securities
  - Warrants
- b) Futures Contracts
  - Futures Concepts
  - Futures Terminology
  - Hedging
  - Taxation of Options and Futures

**9) REAL ASSETS & FOREIGN INVESTMENTS**

- a) Tangible Assets
  - Pros and Cons of Tangible Assets
  - Gold
- b) Real Estate
  - Real Estate as an Investment
  - Types of Real Estate
  - Advantages and Disadvantages of Real Estate Investing
  - Forms of Real Estate Ownership
  - Types of REITs
  - Factors to Consider in Selecting REITs
  - Income Property Valuation
- c) Foreign Investments
  - American Depository Receipts (ADRs)
  - International Mutual Funds
  - Weak U.S. Currency Boosts Returns of Foreign Securities

**10) MUTUAL FUNDS & OTHER INVESTMENTS**

- a) Mutual Funds
  - Mutual Funds: Types and Characteristics
  - Mutual Fund Pricing
  - Mutual Fund Taxation
  - Types of Mutual Funds
  - Income Mutual Funds
  - Growth and Value Mutual Funds
  - Closed-End Funds
  - Money Market Mutual Funds
- b) Unit Investment Trusts
  - Characteristics
  - Organization
  - Types of Unit Investment Trusts
- c) Other Investments
  - Exchange-Traded Funds (ETFs)
  - Hedge Funds
  - Fund of Hedge Funds
  - Managed Accounts
- d) Averaging
  - Dollar Cost Averaging
  - Share Averaging

- e) Selecting a Mutual Fund
  - Investment Objective
  - Investment Policies and Holdings
  - Mutual Fund Investing: Potential Pitfalls
  -

**INCOME TAX PLANNING**

**1) INCOME TAX CONCEPTS, BASIC TERMINOLOGY & TAX CALCULATIONS**

- a) The Tax Computation
  - Total (or Gross) Income
  - Adjustments to Income
  - Tax Calculation
  - Federal Income Tax
  - Total Tax Due
  - Income Tax Calculation Process
- b) Methods of Managing Tax Liability
  - Avoiding Taxes
  - Deferring Taxes
  - Conversion

**2) TAX ACCOUNTING & FORMS OF BUSINESS**

- a) Cash vs. Accrual Accounting
  - Cash Basis Method
  - Accrual Basis Method
- b) Tax Accounting Methods
  - Hybrid Method
  - Long-Term Contracts
  - Percentage-of-Completion Method
  - Look-Back Method
  - Changing Methods of Accounting
- c) Inventory Valuation
  - Methods Available
- d) Characteristics of Business Forms
  - Sole Proprietorships
  - Partnerships
  - Limited Partnerships
  - C Corporations
  - S Corporations
  - Limited Liability Companies and Limited Liability Partnerships
- e) Choosing a Business Form
  - Simplicity of Formation and Operation
  - Risk of Personal Liability
  - Transferability and Divisibility of Interests
  - Continuity of the Business
  - Availability of Capital
  - Management Characteristics
  - Basic Income Tax Characteristics
- f) Home Office Expense
  - Use of a Home
  - Business Part of a Home
  - Deduction Limitation

**3) INCOME TAX ASPECTS OF PROPERTY ACQUISITIONS & INTRODUCTION TO PROPERTY DISPOSITIONS**

- a) Types of Property
  - Classification of Property by Characteristics
  - Classification of Property by Use
- b) Property-Related Expenditures
  - Personal (Nondeductible) Expenditures
  - Currently Deductible Expenditures
  - Capital Expenses
- c) Basis Issues
  - Basis
  - Adjusted Basis
- d) Cost Recovery
  - Cost Recovery Rules
- e) Section 179
  - Requirements for Electing Section 179
- f) Property Sales
  - Sales of Business Assets

- g) Section 1231 Rules
  - Casualties and Thefts of Section 1231 Property
  - Section 1231 Netting Process

**4) INCOME TAX ASPECTS OF THE DISPOSITION OF PROPERTY**

- a) Like-Kind Exchanges
  - Qualifying Property
- b) Sale of a Principal Residence
  - Section 121
- c) Installment Sales
  - Installment Sale
- d) Casualty & Theft Losses
  - Calculations
- e) Involuntary Conversions
  - Casualties, Thefts, and Condemnations

**5) PASSIVE ACTIVITY LOSSES & RELATED TOPICS**

- a) Direct Participation Programs
  - Forms of Direct Participation Programs
  - Creation of Tax Benefits
  - Limitations on the Benefits
- b) Passive Activity Loss Rules
- c) Vacation Home Rules
  - Residence Test
  - Infrequent Rentals, Frequent Personal Use
  - Frequent Rentals, Infrequent Personal Use
  - Frequent Rentals, Frequent Personal Use

**6) INCOME TAX ASPECTS OF SECURITIES**

- a) Life Insurance
  - Life Insurance
  - The Impact of the 1988 Technical Corrections Act
- b) Annuities
  - Exclusion Ratio
  - Premature (Lump-Sum) Distributions
- c) Capital Gains & Losses
  - Capital Gain Rates
  - Netting Process
  - Mutual Funds
  - Telephone Transfer
  - Wash Sale Rule
  - Specialized Small Business Investment Companies
  - Taxation of U.S. Treasury Securities
- d) Investment Interest Expense
- e) Dividends

**7) TAX PLANNING FOR THE FAMILY**

- a) Intrafamily Transfers
  - Unearned Income Rules
  - Family Partnerships and S Corporations
  - Gift-Leaseback and Sale-Leaseback
  - Personal Exemptions Allocation
  - Clifford and Spousal Remainder Trusts
  - Outright Gifts (Other Than to Minors)
  - Gifts to Minors
  - Installment Sales
  - Private Annuities
  - Employment of Family Members
  - Educational Provisions
- b) Grantor Trust Rules
- c) Charitable Contributions
  - Time and Verification of the Charitable Deduction
  - Amount of Charitable Deduction Allowed
  - Tangible Personalty
  - Deductions in a Given Year
  - Calculating Current-Year Charitable Deductions
  - Excess Contributions
  - Nonitemizers
  - Economic Cost of Charitable Gifts
- d) Alimony Considerations
  - Alimony
  - Qualifying Alimony
  - Front-Loading Rules

- Payments to Third Parties
- Child Support
- Property Settlements
- Dependency Exemptions
- Retirement Benefits
- The Present Value of Divorce Settlement Payments
- The Premarital Agreement

**8) TAX LAW RESEARCH & SPECIAL INCOME TAX CONSIDERATIONS**

- a) Overview of Individual Income Taxation
  - Purposes of the Federal Tax Law
  - Audit Triggers
- b) Tax Law Research
  - Authoritative Sources of Tax Law
  - Secondary Sources
- c) Additional Taxes
  - Alternative Minimum Tax
  - Self-Employment Tax
- d) Tax Traps, Penalties & Penalty Taxes
  - Common Tax Traps
  - Penalties

**RETIREMENT PLANNING & EMPLOYEE BENEFITS**

**1) PLANNING FOR RETIREMENT & SOCIAL SECURITY**

- a) Retirement—A Lifestyle
  - Retirement—A Time of Growing Significance
  - Changing Demographics
  - Lack of Retirement Planning
- b) A Systematic Approach to Retirement Security
  - Stages in the Retirement Planning Process
- c) Retirement Planning Calculations
  - Processing and Analyzing Information to Determine Retirement Savings Need
- d) Social Security & Medicare
  - Background of Social Security
  - Social Security Basics
  - Social Security Benefits
  - The Family Benefit
  - Medicare
  - Medicare Coverage, Eligibility, and Benefits

**2) FUNDAMENTALS OF DEFINED BENEFIT PLANS**

- a) Defined Benefit Pension Plans
  - Characteristics of a Qualified Plan
  - Types of Defined Benefit Plans
  - Contributions
  - Traditional Defined Benefit Pension Plans
  - Benefit Formulas
  - Flat Benefit Plans
  - Unit Benefit Formula
  - Distributions
  - Floor-Offset Plans
  - Advantages of Defined Benefit Pension Plans
  - Disadvantages of Defined Benefit Pension Plans
- b) Cash Balance Pension Plans
  - Cash Balance and Pension Equity Defined Benefit Plans
  - Advantages and Disadvantages
  - Comparing Defined Benefit Pension Plans and Cash Balance Plans

- c) Plan Testing, Integration & Vesting
  - Employer Eligibility
  - Employee Eligibility: Ratio Percentage and Average Benefits Tests
  - IRC Section 415(b) Limitations
  - Integration with Social Security (Permitted Disparity)
  - Vesting in Benefits
  - Forfeitures
  - Discrimination
  - Plan Permanency and Termination
- d) Funding Defined Benefit Plans
  - The Retirement Benefit
  - Entry Age Normal and Attained Age Funding
  - Minimum Funding
- e) Defined Benefit Plan Termination
  - Overfunded Plans
  - Underfunded Plans
  - Replacing Defined Benefit Plans With Defined Contribution Plans
- f) The Pension Protection Act & Defined Benefit Plans
  - Minimum Contribution Rules
  - Determination of Liabilities
  - Survivor Annuities
  - PBGC Premiums and Guarantees
  - Ramifications of PPA and Defined Benefit Plans

**3) FUNDAMENTALS OF DEFINED CONTRIBUTION PLANS**

- a) Defined Contribution Plans
  - Types of Defined Contribution Plans
- b) Money Purchase Plans
  - Mandatory Funding
  - Advantages of Money Purchase Plans
  - Disadvantages of Money Purchase Plans
  - Safe Harbor Plan Offered by Leasing Organizations
  - Contributions
  - Distributions
- c) Target Benefit Plans
  - Advantages of a Target Benefit Plan
  - Disadvantages of Target Benefit Plans
  - Contributions
  - Distributions
- d) Profit Sharing Plans
  - Advantages of Profit Sharing Plans
  - Disadvantages of Profit Sharing Plans
  - Contributions
  - Vesting
  - In-Service Distributions
  - Loans
- e) Stock Bonus Plans
  - Advantages of Stock Bonus Plans
  - Disadvantages of Stock Bonus Plans
  - Contributions
  - Diversification Provisions
- f) Employee Stock Ownership Plans
  - Advantages of ESOPs
  - Disadvantages of ESOPs
- g) Age-Weighted Profit Sharing Plans
  - Advantages of Age-Weighted Profit Sharing Plans
  - Disadvantages of Age-Weighted Profit Sharing Plans
  - Contributions
- h) Cross-Tested Profit Sharing Plans
  - Advantages and Disadvantages of Cross-Tested Plans
- i) Keogh Plans
- j) Social Security Integration for Defined Contribution Plans
  - Integration Point
  - Permitted Disparity
  - Maximizing the Employer Allocation
- k) Defined Contribution Plans Compared
  - Similarities
  - Differences
  - Defined Contribution and Defined Benefit Plans Compared



**4) FUNDAMENTALS OF 401(K) PLANS**

- a) Basic Characteristics of 401(k) Plans
  - Profit Sharing 401(k)
  - Contributions
  - Advantages of 401(k) Plans for Employees
  - Advantages of 401(k) Plans for Employers
  - Disadvantages of 401(k) Plans
- b) Plan Testing & Vesting
  - Nondiscrimination
  - Discrimination Testing—ADP and ACP Tests
- c) Safe Harbor 401(k) Plans
  - Eligible Entities
  - Safe Harbor Requirements
  - Additional Discretionary Profit Sharing Plan Contributions
  - Annual Notice Requirement
  - Safe Harbor Nondiscrimination Rules
- d) 401(k) Plan Types: Profit Sharing Plans
  - Profit Sharing Plans
  - Solo 401(k) Plans (Keogh)
  - 401(k) Stock Ownership Plans—KSOPs
  - Roth 401(k) Plans
- e) 401(k) Plan Types: SIMPLE 401(k)s
  - SIMPLE 401(k) and Regular 401(k) Compared
- f) SARSEPs
- g) Investments in 401(k) Plans
  - Investment Control and Choice
  - Section 404(c) Requirements for Participant-Directed Investments
  - Qualified Default Investment Alternatives—A Default Investment Safe Harbor
- h) Distributions from 401(k) Plans
  - Distributions
- i) Plan Decision Factors
  - Labor Market Factors
  - Age of the Employee Population
  - Willingness to Make Investment Choices and Assume Risk
  - Business Variability

**5) TRADITIONAL, ROTH & SIMPLE IRAS**

- a) Traditional IRAs
  - IRA Basics
  - Taxes
  - Statutory Requirements
  - Deductible IRAs
- b) Traditional IRA Distributions
  - Minimum Distribution During Owner's Life
  - Nondeductible IRAs
- c) Roth IRAs
  - Roth IRA Basics
  - Roth Conversions
  - Uses of Roth IRA
  - Deemed IRAs
- d) SIMPLE IRAs
  - Basics of Simple IRAs
  - Advantages of SIMPLE IRAs
  - Disadvantages of SIMPLE IRAs
  - Employee Eligibility
  - Reporting Requirements
  - Contributions
  - Tax Consequences
  - Deadlines
  - Distributions
  - Establishing a SIMPLE Plan

- e) The Simplified Employee Pension (SEP)
  - Advantages of SEPs
  - Disadvantages of SEPs
  - Eligibility
  - Contributions
  - Tax Consequences
  - Integration with Social Security
  - Deadlines
  - Vesting
  - SEP Trustees and Custodians
  - Distributions
  - Managing and Moving Assets
  - SEPs, IRAs, and Defined Contribution Plans Compared
- f) SEP Versus SIMPLE
  - Maximizing Contributions
  - The Burden of Funding
  - Employer Flexibility
  - Covered Employees
  - Forms for Establishing Plans

**6) 403(B) PLANS & OTHER PLAN ISSUES**

- a) Section 403(b) Plans
  - Qualified Employer
  - Eligible Employees
  - General Plan Features
  - The Age 50 Catch-Up Provision
  - Distributions
  - In-Service Distributions
- b) 403(b) & 401(k) Plans Compared
  - Similarities and Differences
  - Characteristics of 401(k) Plans
  - ERISA Requirements
  - Contribution Limits
  - Discrimination Testing
  - Investment Options
  - Distributions
- c) Plan Regulatory Issues
  - Types of Plans
  - Plan Features
- d) Special Plan Administration Issues
  - Multiple Plan Limits on Contributions to Qualified Plans
  - SIMPLE Plans
  - Controlled Groups and Affiliated Service Groups
  - Incidental Benefit Rule
- e) Section 457 Plans
  - Important Difference in 457 Plans
  - Types of 457 Plans
  - Funded and Unfunded 457(b) Plans
  - Contributions
  - Distributions
  - In-Service Distributions
  - Loans
  - Rollover Rules
  - Early Distribution Penalty
  - Transfers
  - Age 70½ Required Distribution Rules

**7) RETIREMENT PLAN DISTRIBUTIONS & PLAN SELECTION**

- a) Preretirement Distributions
  - In-Service Distributions or Withdrawals
  - Hardship Withdrawals from Section 401(k) and 403(b) Plan Deferrals
  - Loans
  - Qualified Domestic Relations Orders (QDROs)
  - Early Withdrawals (Before Age 59½)
  - One-Time Switch
  - Mandatory Withholding Requirements
- b) Lump-sum Options
  - Outright Distribution
  - Rollovers
- c) Postretirement Distributions
  - Minimum Distribution Requirements
  - Distribution Alternatives
  - Selecting the Appropriate Retirement Plan Distribution Alternative
- d) Distributions After the Participant's Death
  - Survivor Annuity Rules for Qualified Pension Plans
  - Minimum Distribution Requirements Following Death



- e) Nondeductible IRA & Roth IRA Distributions
  - Nondeductible IRA Distributions
  - Roth IRA Distributions
- f) Plan Selection

**8) DEFERRED COMPENSATION & STOCK PLANS**

- a) Nonqualified Executive Retirement Arrangements
  - The Requirements of Section 409A
  - Qualified vs. Nonqualified Plans
  - Types of Nonqualified Plans Used for Retirement Funding
  - Other Executive Benefits
- b) Tax Implications of Nonqualified Deferred Compensation Plans
  - Constructive Receipt Doctrine
  - Economic Benefit Doctrine
  - Other Tax Considerations
  - Informally Funded Plans
  - Corporate-Owned Life Insurance and Annuities
- c) Restricted Stock Plans
  - Equity-Based Compensation Plans
  - Stock Options
- d) ISOs and Nonqualified Stock Options
  - Incentive Stock Options
  - Employee Stock Purchase Plans (ESPPs)
  - Nonqualified Stock Option Plans (NSOs)
  - Tax treatment of ISOs and NSOs
  - Severance Plans
  - Publicly Held Corporation's Compensation Deduction Limitation

**9) EMPLOYEE GROUP BENEFITS**

- a) Health & Welfare Benefit Plans, the Other Employee Benefits
  - ERISA
  - Employee Benefit Plans
  - Plan Design Considerations
- b) Group Life Insurance
  - Purpose of Group Life Insurance
  - Appropriate Coverage
  - Types of Basic Group Life Insurance Coverage
  - ERISA Requirements
- c) Income Tax Consequences of Group Life Insurance
  - Tax-Free Death Benefits
- d) Group Health & Disability Plans
  - Group Health Insurance
  - Funding for Group Health and Other Benefits
  - Group Disability
  - Nondiscrimination Requirements
- e) Income Tax Consequences of Group Health & Disability Coverage
  - Group Major Medical Coverage
  - Group Disability Insurance
- f) Group Insurance Provisions Required by the Federal Government
  - COBRA
  - HIPAA (Health Insurance Portability & Accountability Act)
  - Family and Medical Leave Act
- g) Noncash Fringe Benefits
  - Other Employee Benefits
- h) Workers' Compensation & Unemployment Insurance
  - Workers' Compensation
  - Unemployment Insurance

**ESTATE PLANNING**

**1) ESTATE PLANNING PROCESS & GOALS**

- a) The Definition of & Need for Estate Planning
  - Estate Planning
  - Basic Estate Planning Definitions
  - Purpose of Estate Planning
- b) The Goals of Estate Planning
  - Nonfinancial Goals
  - Financial Goals
  - Common Estate Planning Mistakes, Pitfalls, and Weaknesses
- c) The Estate Planning Process
  - Establishing and Defining the Client-Planner Relationship
  - Gathering Client Data Including Goals
  - Analyzing and Evaluating the Client's Financial Status
  - Developing and Presenting Recommendations
  - Implementing the Recommendations
  - Monitoring the Implemented Recommendations
  - Tasks and Techniques in the Estate Planning Process
- d) The Estate Planning Team
  - Members
  - Formulation, Coordination, and Monitoring of the Plan
  - The Practice of Law
  - Regulation of Estate Planning

**2) METHODS OF ESTATE TRANSFER AT DEATH**

- a) Probate
  - Property Interests Affected by Probate
  - The Meaning of Probate
  - The Objectives and Process of Probate
  - Laws and Circumstances Affecting Estate Distribution at Death
  - The Location of Probate
  - Probate Advantages
  - Probate Disadvantages
  - The Requirements for a Valid Will
  - Types of Wills
  - The Clauses of a Will
  - Amendment or Revocation of a Will
  - Intestate Situations
  - Characteristics of Intestate Succession Laws
  - Disadvantages of Intestacy
- b) Will Substitutes
  - Right of Survivorship
  - Beneficiary Designation
  - Advantages of a Will Substitute
  - Disadvantages of a Will Substitute
- c) Achieving Estate Planning Goals at Death
  - Estate Planning Goals

**3) THE FEDERAL ESTATE TAX**

- a) Basic Features of the Federal Estate Tax
- b) Calculation of the Estate Tax
  - Estate Tax Calculation
  - Gross Estate
  - Estate Tax Deductions
  - Adjusted Taxable Gifts: Code Section 2001
  - Credits Allowed Against the Tentative Tax
- c) Planning Issues Involved in Meeting Estate Tax Objectives
  - Estate Tax Planning
  - Marital Deduction Planning
  - Bypass Planning
  - Charitable Deduction Planning
  - Estate Tax Status
  - Client Objectives

**4) THE FEDERAL GIFT TAX**

- a) Basic Features of the Federal Gift Tax
  - Federal Gift Tax
  - Special Valuation for Certain Intrafamily Transfers
  - Lifetime Transfer
  - Gifted Asset
- b) Calculation of the Gift Tax
  - Characteristics of a Gift
  - Transfers That Are Exempt From the Gift Tax
  - Reductions in Total Calendar Year Gifts
- c) Planning Issues to Meet Gift & Estate Tax Objectives
  - Effect Upon Future Lifetime Gifts
  - Effect Upon a Donee Spouse's Estate Tax Calculation

**5) ESTATE PLANNING ISSUES RELATED TO GENERATION-SKIPPING TRANSFER TAX & INCOME TAX**

- a) Generation-Skipping Transfer Tax Issues
  - Direct Skips
  - Indirect Skips
  - Credits Against the GSTT
- b) Income Tax Issues
  - Individual Taxpayers
  - Trusts as Taxpayers
  - Estates as Taxpayers
  - Businesses as Taxpayers

**6) METHODS OF ESTATE TRANSFER DURING LIFE**

- a) Intrafamily Estate Transfer Planning
  - Inter Vivos Versus Testamentary Transfers
  - Intrafamily Gifts
  - Intrafamily Transfers Involving a Sale
  - Selecting an Asset
- b) Transfer of Closely Held Business Interests
  - A Closely Held Business With Multiple Owners
  - The Solely Owned Business
  - Gift Tax Implications
  - Nontax Implications
- c) Life Insurance Planning
  - Uses for Life Insurance
  - Planning Objectives

**7) ESTATE LIQUIDITY & POSTMORTEM ACTIONS**

- a) Estate Liquidity Analysis
  - Estate Shrinkage
  - Estate Liquidity Planning
- b) Premortem Liquidity Planning
  - Reducing the Cash Needs of an Estate
  - Increasing the Cash Available to an Estate
  - Reducing Cash Needs—Client Analysis
  - Increasing the Cash Available to an Estate—Client Analysis
- c) Postmortem Liquidity Planning
  - Postmortem Actions Available to the Personal Representative
  - Postmortem Actions Available to Persons Other Than the PR

**8) ESTATE PLANNING FOR SPECIAL SITUATIONS: INCAPACITY, FAMILY ARRANGEMENTS & SELECTING FIDUCIARIES**

- a) Managing Personal & Financial Affairs of an Incompetent Person
  - Incompetency
  - Consequences of Not Preplanning for an Incompetent Person's Personal Care or Financial Affairs
  - Preplanning for an Incompetent Person's Personal Care and Financial Affairs
- b) Providing for an Incompetent Person's Medical & End-of-Life Needs
  - Consequences of Not Preplanning an Incompetent Person's Medical Care
  - Preplanning for Medical Care and Disposition of the Remains of an Incompetent Person
- c) Estate Planning for Selected Variations in Traditional Family Arrangements
  - Divorce (Non-Child-Related Issues)
  - Divorce and Remarriage (Blended Families)
  - Adoption
  - Wealth Transfers by or to Noncitizens
- d) Estate Planning for Cohabitation or Nontraditional Family Arrangements
  - Variations from a Traditional Family Arrangement
  - Clarifying Obligations and Property Rights for Nonmarried Cohabitants
  - Controlling One's Estate and Benefiting Nonrelatives in a Nontraditional Family at Death
  - Eliminating or Minimizing Transfer Taxes in a Nontraditional Family
  - Tax Planning Techniques for Nonmarried Cohabitants
  - Controlling Medical Treatment and Disposition of Remains in a Nontraditional Family
- e) Selecting a Fiduciary
  - Fiduciaries

**1) THE FINANCIAL PLANNING PROCESS**

- a) Personal Financial Planning Defined
  - The Personal Financial Planning Process
  - Areas of Financial Planning
- b) How Financial Planning Helps Individuals Achieve Their Goals
  - Why People May Not Plan
  - How the Financial Planning Process Helps to Accomplish Goals
- c) Steps in the Personal Financial Planning Process
  - Step 1: Establishing and Defining the Relationship With the Client
  - Step 2: Gathering Client Data, Including Goals
  - Step 3: Analyzing and Evaluating the Client's Financial Status
  - Step 4: Developing and Presenting Financial Planning Recommendations and/or Alternatives
  - Step 5: Implementing the Financial Planning Recommendations
  - Step 6: Monitoring the Financial Plan Performance
  - How the Financial Planner Gets Paid
- d) Knowledge Required for Appropriate Analysis & Plan Creation
  - Knowledge Required for Analysis and Development of Recommendations
- e) Ethical & Regulatory Issues & the Financial Planning Professional
  - Ethical Issues
  - The Fiduciary Standard
  - Too Many Titles Lead to Confusion
  - Regulatory Issues
  - A Promising Future

**2) CASH MANAGEMENT & THE USE OF DEBT**

- a) Financial Statements
  - Overview
  - Statement of Financial Position (Balance Sheet)
  - Cash Flow Statement
- b) Financial Situation Analysis
  - Financial Ratios
- c) Credit and Debt
  - Credit and Debt
  - Types of Credit
  - Mortgage Market Participants
  - Buying versus Leasing
  - Protecting the Credit User
  - How much debt is acceptable?
- d) Budgeting

**3) THE TIME VALUE OF MONEY**

- a) Basic Calculator Functions and Terminology
  - Getting Started
  - Setting Up the Calculator
  - Basic Steps for Working Problems
- b) Calculator Keystrokes Relating to Time Value of Money
  - Calculating Future Value
  - Calculating Present Value
  - Calculating Rates of Return
  - Calculating Periodic Payments
- c) The Importance of Rate Assumptions
  - Deciding Which Rates to Use
  - Overstating Rate Assumptions
  - The Impact of Inflation Rates

**4) INSURANCE BASICS & PROPERTY INSURANCE**

- a) Principles of Risk Management
  - The Basic Need for Financial Security
  - Types of Personal Risk
  - Risk Management
  - Principles of Insurance
  - Insurance Distribution
- b) Homeowners Insurance
  - Section I Coverages
  - Section II
  - Specific Types of Coverage
  - C.L.U.E. Personal Property Reports
  - How much insurance is needed?
- c) Automobile & Umbrella Liability Insurance
  - Automobile Insurance
  - Umbrella Liability Coverage

**5) LIFE & HEALTH INSURANCE**

- a) Life Insurance
  - Group Life Insurance
  - Individual Life Insurance
  - Types of Life Insurance and Pertinent Features
  - Common Features and Provisions of Individually Owned Life Insurance
  - How much life insurance is needed?
- b) Health Care Plans
  - Sources of Coverage
  - Types of Medical Expense Insurance Contracts
  - How much and what type of coverage is appropriate?
- c) Disability Income Insurance
  - Sources of Coverage
  - Common Features of Disability Insurance
  - How much and what type of coverage is appropriate?
- d) Long-Term Care Insurance
  - Sources of Coverage
  - Common Features of Long-Term Care Individual Insurance Policies
  - How much and what type of coverage is appropriate?
- e) Annuities
  - Definitions
  - Immediate and Deferred Annuities
  - Fixed Annuities
  - Variable Annuities
  - Annuity Variations
  - Selection of an Annuity (and a Company)

**6) INVESTMENT BASICS & STRATEGIES**

- a) Asset Classes
  - Cash and Cash Equivalents
  - Stocks
  - Bonds
  - Real Estate
  - Other Investments
- b) Types and Measurements of Risk
  - Types of Investment Risk
  - Measuring Stock & Bond Risks
- c) Mutual Funds and ETFs
  - Mutual Funds
  - Exchange-Traded Funds (ETFs)
- d) Investments and Financial Planning
  - SWOT Analysis
  - Using Historical Risk and Return Data

**7) RETIREMENT PLANNING**

- a) Opportunities and Challenges Associated with Retirement Planning
  - Reasons People Delay Saving for Retirement
  - Retirement—A Time of Growing Significance
  - Changing Demographics
- b) Sources of Retirement Income
  - Personal Savings and Investments
  - Individual Retirement Accounts (IRAs)
  - Roth IRA Basics
  - Employer-Provided Retirement Plans
  - Not-for-Profit Plans
  - Small Business Plans
  - Employer Stock
  - Deferred Compensation
  - Required Minimum Distribution (RMD)
  - Vesting
- c) Social Security
  - Social Security
  - Background of Social Security
  - Social Security Basics
  - Social Security Benefits
  - Social Security Strategies
  - Medicare
- d) Financial Planning for Retirees
  - Pitfalls to Retirement Savings and Retirement Funds

**8) TAX IMPLICATIONS OF FINANCIAL DECISIONS**

- a) The Variety of Taxes Payable by an Individual
  - Types of Taxes to Which Individuals Are Subject
- b) The Federal Tax Calculation on Form 1040
  - The Federal Forms Jungle
  - Who Should File
  - Filing Status
  - Exemptions
  - Determining Taxable Income
  - Income
  - Tax Computation
  - Credits
  - Additional Taxes
  - Payments
- c) Tax Consequences of Selling Property
  - Basis
  - Holding Period
  - Class of Property
  - Calculating Capital Gain or Loss
  - Taxation of Annuities
  - Nonperiodic Distribution (Lump-Sum)
  - Taxation of Collectibles
  - Nonrecognition Provisions
- d) How Are Employee Benefits and Compensation Taxed?
  - Group Term Life and Health Insurance
  - Cafeteria Plans
  - Flexible Spending Accounts
  - Noncash Fringe Benefits
  - Retirement Plans
- e) Keeping the Proper Records
  - Property Owned for Investment Purposes, Personal Use, or Business Use
- f) Tax Planning Strategies
  - Eliminating or Reducing Tax
  - Shifting Tax to Others
  - Deferring Receipt of Taxable Income
  - Section 529 Plan

**9) ESTATE PLANNING**

- a) Estate Planning Terminology
  - Step-up in Basis
  - When to Review an Estate Plan
- b) Estate Transfer Tools
  - Wills
  - Intestate Succession Statutes
  - Will Substitutes
  - Gifts
- c) Estate Transfer Expenses
  - Estate Taxes
- d) Incapacity Planning
  - Management of Property
  - Personal and Medical Care Decision Making

College for Financial Planning  
9000 E. Nichols Ave., Ste 200  
Centennial CO 80112  
P: 800-237-9990  
F: 303-220-5146  
[www.CFFPalum.org](http://www.CFFPalum.org)