

Accounts Receivable
Asset Protection
(1 Hour; 27 Pages of Text)

- 1) A/R Financing: The Basics
 - a) Shielding the A/R from creditors and lawsuits
 - b) Converting a stagnant asset

- 2) Common Elements
 - a) Loan collateralized by A/R
 - b) Cash value life as an investment

- 3) The First Generation of A/R Financing Plans
 - a) borrow from a third-party lender
 - b) single premium immediate and life insurance purchase
 - c) “modified endowment contract”
 - d) Forfeiture
 - e) Pledging assets
 - f) Plan termination
 - g) Payment shortfall

- 4) The Problems
 - a) Deductibility of Loan Interest
 - b) Timing of Inclusion of Income
 - c) Substantial Risk of Forfeiture
 - d) Prohibited ERISA Transaction

- 5) Tax Consequences to Client
 - a) Application of Split-Dollar Rules to Life Insurance Policy
 - i) the loan regime
 - ii) the economic benefit regime.
 - b) Determining “Owner” of Life Insurance Policy
 - c) General Tax Law Principles Apply
 - d) Taxation of Cash Value Build-up
 - i) The IRS, in TAM 9604001
 - ii) Section 72(e)(6) of the Internal Revenue Code
 - e) Guidance from the split dollar regulations
 - f) General Rules of Section 83
 - g) Single Shareholder Practices
 - h) Deductibility of Interest
 - i) Single Premium Policies
 - j) Systematic Borrowing

- 6) Application of ERISA

Outline for the CWPP™ Certification Course

- 7) Other Considerations
 - a) Choice of Product-
 - b) Non-MEC

- 8) Types of Plans Currently Marketed
 - a) The Practice Loan Approaches
 - b) The Pass-through Entity
 - c) Other approaches
 - i) LLC approach
 - ii) Capital gains approach

- 9) The Personal Loan Approach; The “Right” Approach
 - a) The Mechanics
 - b) Example

- 10) A/R Financing and Non-Physician Entities

- 11) Conclusion