

## **Asset Protection** **(3 Hours; 85 Pages of Text)**

### **Domestic Asset Protection**

- 1) Introduction
  - a) Why advisors need to know asset protection
  - b) Why other certification programs ignore asset protection
  - c) Which clients need asset protection?
  - d) Negligence (The legal definition with examples)
  - e) Directors and officers, employees
  - f) Personal service exceptions
  
- 2) Fraudulent Transfers
  - a) Actual Fraud
  - b) Constructive Fraud
    - i) FMV
    - ii) Damages known
    - iii) Insolvency
  - c) Defenses
    - i) Legitimate business purpose
    - ii) Transferring assets
  
- 3) Existing Laws
  - a) Homestead exemption
  - b) Life insurance
  - c) Annuities
  - d) Wage protection
  
- 4) Retirement Plans
  - a) Retirement Plans
    - i) ERISA plans
    - ii) Non-ERISA plans
    - iii) IRAs
  
- 5) Typical Asset Protection Plans (that do not always work)
  - a) Co-Ownership
    - i) Joint tenancy
    - ii) Tenants in common
    - iii) Tenants by the entireties
  - b) Community property states
  
- 6) Corporate Entities
  - a) Sole proprietors
  - b) Partnerships

## Outline for the CWPP™ Certification Course

- c) Corporations (C- and S-corporations)
  - d) Limited liability companies
  - e) Piercing the corporate veil
  - f) Keeping the entity valid
  - g) Types of Creditors
    - i) Inside
    - ii) Outside
  - h) Director's and officer's liability
  - i) Trustee/Fiduciary liability
- 7) Limited Liability Companies/Family Limited Partnerships
- a) Differences between LLCs/FLPs and C-or S-corporations
  - b) Charging orders
  - c) Potential problems with LLCs/FLPs
  - d) What types of assets should be held in LLCs/FLPs
  - e) Where to incorporate
- 8) Trusts as Asset Protection Tools
- a) Types of trusts
    - i) revocable
    - ii) irrevocable
    - iii) intervivos
    - iv) testamentary
  - b) Dynasty trusts
  - c) Alaskan asset protection trusts (and other self settled trusts)
- 9) Personal Residence Protection
- a) Homestead exemption
  - b) Tenants by the entirety
  - c) Qualified Personal Residence Trust (QPRT)
  - d) LLCs and FLPs
  - e) Debt Shields (Equity Stripping)
- 10) Accounts Receivable (A/R) Asset Protection
- a) A/R Leveraging overview
  - b) A/R Leveraging done right
  - c) The finances of A/R Leveraging Plan
  - d) Is A/R Leveraging right for your clients?

## **Offshore Asset Protection**

- 1) Offshore Asset Protection
  - a) Why offshore
  - b) Pitfalls to offshore planning
  - c) The Anderson Case

- 2) Offshore Limited Liability Companies (LLCs)
- 3) Offshore Trusts
  - a) Typical offshore setup
  - b) Potential problems with a Foreign Trustee
  - c) The Protector
  - d) Contempt of court
  - e) What defenses are available for contempt?
- 4) Closely Held Insurance Companies (CICs)

**Estate Planning**  
**The Basics**  
**(1 Hour; 21 Pages of Text)**

- 1) Introduction
- 2) Wills
  - a) How often should a will be updated?
  - b) Holographic wills
  - c) Disinheriting a spouse
- 3) Durable Powers of Attorney
  - a) What is a Durable Power of Attorney (DPA)?
  - b) Why would such a document save time and money?
  - c) Types of Durable Powers
  - d) “springing powers”
  - e) Delegating medical treatment options and/or directives
  - f) What is a Living Will?
- 4) A&B, Marital, or Living Trusts
  - a) What are the benefits of A&B trusts?
  - b) Avoid Probate
  - c) Maximize Estate Tax Exemptions
  - d) Examples
  - e) Revocable
- 5) Irrevocable Life Insurance Trusts (ILIT)
  - a) Life Insurance
  - b) Income tax free death benefit
  - c) Estate tax free death benefit
  - d) ILIT has to own the policy
- 6) Dynasty Trusts

- 7) Divorce Protection
  - a) How do Clients Protect Inherited Assets in a Divorce?
  - b) Prenuptial Agreement
- 8) Generation Skipping Tax (GST)
  - a) GST Exemptions
  - b) Why use a Generation Skip?
  - c) Limits on the Dynasty

## **Life Insurance**

### **(1 Hour; 28 Pages of Text)**

- 1) Introduction
  - a) The Basics
- 2) Type of Life Insurance Policies
  - b) Term Life Insurance
    - i) Guaranteed Level Term (GLT)
    - ii) Annually Renewable Term (ART)
    - iii) Return of Premium Term (ROPT)
    - iv) Conversion privileges
    - v) Conclusion on term life
- 3) Cash Value Life Insurance
  - a) Cash Surrender Value (CSV)
  - b) Cash Account Value (CAV)
  - c) Policy Withdrawals
  - d) Modified Endowment Contract (MEC)
    - i) MEC tax treatment
    - ii) Technical definition of a modified endowment contract
    - iii) The seven-pay test
    - iv) Refund of Excess Premiums
    - v) Benefit reductions within the first seven contract years
    - vi) Reductions of Benefits Attributable to Nonpayment of Premiums
    - vii) Conclusion on the MEC rules
  - e) Policy Loans
- 4) Whole Life Insurance
  - a) 10 Pay and 20 pay Whole Lives
  - b) Full Pay Whole Life
  - c) Whole Life Insurance Conclusion

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- 5) Universal Life
  - a) Fixed Universal Life
  - b) Accumulation Universal Life
  - c) No-Lapse (Secondary Guarantee) Universal Life (Also known as “no-cash value” UL)
- 6) Variable Universal Life
- 7) Equity Indexed Universal Life (EIUL)
  - a) How are investment returns calculated in an EIUL?
  - b) Pros and Cons of the “new” EIUL policy:
  - c) EIUL vs. Whole Life
- 8) Survivorship or "2nd-to-die" Life Insurance
- 9) Policy Riders
- 10) Underwriting

## **Section 79 Plans** **(1 Hour; 20 Pages of Text)**

- 1) Introduction
- 2) Requirements of Code Section 79
  - a) Group term life insurance
  - b) \$50,000 of term life coverage
  - c) Employee funding formulas
    - i) Full time employees
  - d) Discriminatory funding
  - e) Individual employee selection
- 3) Group Term Life and “Permanent” Benefits
  - a) Benefits not considered permanent
  - b) Cash value life insurance
  - c) Federal income taxes
    - i) Cost of permanent benefits
  - d) Example
  - e) Treatment of dividends with cash value life
  - f) Allocation of permanent benefits to various employees tax years
- 4) Employee Payments for Permanent Benefits
  - a) Individual life policies as group policies
  - b) Deduction of Premiums
    - i) Business deduction

- 5) Section 79 Plans after IRS adjustments to Split-Dollar Life Insurance
- 6) Practical Use of Section 79 Plans
- 7) Potential Penalty Exposure
  - a) Code section 6662

## **College Planning-A Wealth Preservation Challenge** **(2 Hour; 57 Pages of Text)**

- 1) Saving for college and paying for college.
  - a) Taking control of the cost
  - b) Other ways to lower costs
  - c) Make sure to know the true costs
- 2) Paying for College
  - a) Other People's Money to Pay for College
    - i) Financial Aid
      - Criteria for financial aid
    - ii) Need Based Aid
      - Needs Analysis Formula
      - Cost of Attendance (COA)
      - Expected Family Contribution (EFC)
      - Federal Methodology Formula (FM) and the FAFSA forms
      - Institutional Methodology Formula (IM) and the CSS Profile forms
      - Simplified EFC formula example (FM)
      - EFC formula discussion
        - Parents' Contribution
        - Student's Contribution
  - b) Dates of Assessment
  - c) Need vs. Aid
  - d) Applying for Financial Aid-Forms and Timelines
  - e) EFC in depth
    - i) Non-Assessable Assets
    - ii) Non-Assessable Income
    - iii) Financial Aid Income and Benefits:
      - Untaxed Income and Benefits (add backs):
      - Financial Aid Income Deductions:
    - iv) Resources
  - f) Merit Based Aid
  - g) Private scholarships:
  - h) Student Loans
  - i) Tax incentives (Federal)
    - i) Hope Scholarship Credit:

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- ii) Lifetime Learning Credit:
  - iii) Student loan interest deduction:
  - iv) Deduction for qualified higher education expenses:
  - v) Penalty free IRA withdrawals:
  - j) Tax strategies
  - k) Funds from extended family
  - l) Controlling the Cost of College
  - m) Using Parents' Money to Pay for College
    - i) Increasing cash flow for both retirement, lifestyle and college funding
    - ii) Debt Consolidation
    - iii) Parent loans for college
- 3) Saving for College and Retirement Investments
- a) Investment Options:
    - i) EE bonds
    - ii) I-Bonds
    - iii) Traditional IRA's
    - iv) Roth IRA's
    - v) Tax efficient mutual funds
    - vi) Annuities
    - vii) QTP's or 529's
    - viii) Coverdell Education Savings Accounts: (CESA)
- 4) The Safe College Plan™
- A) College funding with NO stock market risk using FIAs (in a tax free and penalty free environment)
- 5) College Planning Using Cash Value Life Insurance
- a) CAUTION:
  - b) Industry speak
  - c) Pros and Cons
  - d) Using Equity Indexed Life Insurance "properly"
    - i) Example 1- it doesn't work
    - ii) Example 2-it still doesn't work
    - iii) Example 3-one that gets closer being financially viable
    - iv) Example 4-one that works
  - e) Overfunding a cash value life insurance policy for college planning and retirement income (it works!)
    - i) Example 5
- 6) College Planning Summary

## **Mortgages/Equity Harvesting** **(1 Hour; 27 pages of Text)**

- 1) Introduction
  - a) Help your clients and build a more profitable practice through the use of mortgages
- 2) Conventional loans
  - b) Amortization schedules
  - c) Protecting the client
- 3) Types of Mortgages
  - a) Conventional and Government Loans
    - i) FHA
    - ii) VA
    - iii) RHS Loan Programs
    - iv) State and Local Housing Programs
    - v) Conforming Loans
    - vi) Jumbo Loans
    - vii) B/C Loans
    - viii) Fixed Rate Mortgages
    - ix) Balloon loans
    - x) Adjustable Rate Mortgages (ARMs)
      - Margins
      - Negatively amortizing loans
- 4) Indexes
  - a) Constant Maturity Treasury (CMT) Indexes
  - b) Treasury Bill (T-Bill) Indexes
  - c) 12-Month Treasury Average (MTA)
  - d) 11th District Cost of Funds Index (COFI)
  - e) London Inter Bank Offering Rates (LIBOR)
  - f) Certificates of Deposit (CD) Indexes
  - g) Prime Rate
- 5) Should clients pay off their mortgages?
- 6) The Cash Flow/Option Arm Mortgage
  - a) 1% Cash Flow Arm Mortgage
  - b) Mechanics of the 1% CFA Mortgage
  - c) Real World Planning
- 7) Equity Harvesting (also known as equity stripping)
  - a) Why would a client want to equity harvest?
  - b) Real World

- c) Interest deduction
  - d) Not for everyone
  - e) Getting to the numbers behind equity harvesting
  - f) Non-1% cash flow arm equity harvesting
- 8) Should you be selling mortgages?
- a) Why should you sell mortgages?
  - b) Aren't mortgages a pain in the neck to sell?
  - c) What kind of money can be made selling mortgages?
- 9) Summary on Mortgages

## **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

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- 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
- 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

## **Tax Deferred Annuities** **(1 Hour; 28 Pages of Text)**

- 1) Introduction
- 2) What is an Annuity?
  - a) Annuitant
  - b) Beneficiary
  - c) Accumulation period.
- 3) What are the common characteristics of all annuities?
  - a) Variable annuities
  - b) Tax-deferral
  - c) Withdrawals
  - d) Asset protection
  - e) 1035 exchanges

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- f) Investment protection
  - g) Payment options
  - h) Death benefits
  - i) Surrender charges
  - j) Market Value Adjustment
  - k) Penalties
- 4) General Feature & Benefits of Annuities
- a) Borrowing from an annuity
  - b) Bonus premiums
  - c) Penalty free withdrawals
  - d) Spousal option
  - e) Annuitization
  - f) Taxation
  - g) Sales Loads
  - h) Aggregation rule
  - i) Minimums and maximum premiums
- 5) What are the Different Classifications of Annuities?
- a) Variable annuities
  - b) Fixed annuities
  - c) Single premium immediate annuity
  - d) Single premium deferred annuity
  - e) Tax shelter annuities
- 6) The Single Premium Immediate Annuity (“SPIA”)
- 7) Traditional Fixed Annuities
- 8) Index Linked Fixed Annuities (“FIA”)
- a) Crediting methods
  - b) Participation rate
  - c) **Guaranteed income riders**
- 9) Total Return Fixed Annuities
- 10) Variable Annuities
- 11) Two-Tier Annuities
- 12) Who are the most likely candidates for annuities?
- 13) If clients only knew
- 14) Summary

## **The Maximizer** **(1 Hour; 23 Pages of Text)**

- 1) Introduction
  - a) What are your client's investment goals these days?
  - b) Background
  - c) The Independent Studies
  - d) Chronic Underperformance
- 2) Downside Protection
- 3) Mutual Fund Expenses
  - a) Sales Commissions
  - b) Expense
  - c) 12b-1
  - d) Turnover
- 4) Chasing "Star" Funds
- 5) Unethical Behavior
- 6) Index Approach
- 7) The Maximizer Alternative
  - a) Recovering From Losses
  - b) How Does This Actually Work?
  - c) How do the insurance companies stay profitable with EIAs?
  - d) Crossover point compared to traditional investing is 15%
  - e) Recovery
- 8) Summary

## **Qualified Retirement Plans I & II** **(2 Hours; 47 Pages of Text)**

- 1) Introduction
  - a) Employers
  - b) Employees
- 2) Individual Retirement Account (IRA); Simplified Employee Pension (SEP-IRA); Savings Incentive Match Plan for Employees IRA (SIMPLE-IRA)
- 3) The Solo 401(k)

## Outline for the CWPP™ Certification Course

- 4) 401(k) Plans
  - a) “Next Level” 401(k) Plans
  - b) Salary Deferrals
  - c) The Problem
  - d) Key Issues for Consideration
  - e) Who is “Highly Compensated?”
  - f) “Top Heavy” Concern
  - g) New “Safe Harbors”
  - h) Safe Harbor “Match”
  - i) Safe Harbor “Non-Elective”
  - j) How to Use These Safe Harbors
  
- 5) Money Purchase Plans
  
- 6) Profit Sharing Plans
  - a) Contributions
  - b) Three “Next Level” Tools to Consider
  - c) Integrated Profit Sharing Plans
  - d) Age-Weighting
  - e) New Comparability
  - f) Nondiscrimination Testing
  
- 7) Defined Benefit Plans
  - a) The Problem
  - b) The Solution
  - c) A defined benefit plan works in reverse
  - d) Who Should Consider This Plan?
  - e) How Do These Plans Work?
  - f) Plan Design
  - g) Making a Commitment
  - h) Survivor Benefits
  - i) Envelope Funding vs. Split Funding
  
- 8) “Carve-Out” Defined Benefit Plans
  - a) Example
  - b) “Carve-Out” Planning
  
- 9) Cash Balance Plans
  - a) Legally discriminate under the new regulations
  
- 10) 412(e)3 Defined Benefit Plans
  - a) Overview
  - b) Requirements
  - c) Advantages
  - d) Disadvantages
  - e) Client Profile

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- g) Plan Design
  - h) How They Work
  - i) Investments and Gains
  - j) Benefits
  - k) Top-Heavy Benefit
  - l) Retirement Benefits
  - m) Lump Sum Distribution
  - n) The “GATT Concern”
  - o) New Law
  - p) Taking a Lump Sum from a 412(i) Plan
  - q) Benefits Taxation
  - r) Retirement Benefits
  - s) Life Insurance Taxation
  - t) Recent IRS Guidance.
- 11) Survivor Benefits
- a) Life Insurance Limits
  - b) Recent IRS Guidance
  - c) Case Study
  - d) Recent IRS Guidance
  - e) 412(i) Survivor Benefit Alternatives
  - f) “PS 58” Cost
  - g) Recent IRS Action
  - h) Life Insurance–Beyond Retirement
- 12) Administration
- a) Annual Service
  - b) Conversions
  - c) Over-Funded Plans
  - d) Under-Funded Plans
  - e) Plan Funding
- 13) Compliance
- a) Life Insurance Contracts
  - b) Related Employers
  - c) Parent-Subsidiary Controlled Group
  - d) Brother-Sister Controlled Group
  - e) Combined Group
  - f) Affiliated Service Group
- 14) 412(i) Abuses
- a) Rev. Proc. 2004-16
  - b) Rev. Ruling 2004-20
  - c) Rev. Ruling 2004-21
  - d) Abusive Tax Shelter?

**Employee Stock Ownership Plans**  
**ESOPs**  
**(1 Hour; 28 Pages of Text)**

- 1) What is an ESOP?
  - a) A Brief History
- 2) How do ESOPs Work?
- 3) Uses of ESOPs
  - a) Buying the Stock of a Retiring Owner
  - b) Employee Benefit or Incentive
- 4) Tax Advantages for Business Planning
  - a) Introduction
  - b) Deductibility of ESOP Contributions
  - c) Deductibility of Dividends
- 5) Types of ESOPs
  - a) Non-Leveraged ESOP
  - b) The Leveraged ESOP
    - i) Setting up a Leveraged ESOP
  - c) A “Seller Financed” ESOP
- 6) Employee Vesting
- 7) Distributions
  - a) ESOP Rollover (Tax Deferral)
  - b) Floating Rate Notes
- 8) How to Establish an ESOP
- 9) Exploring the ESOP Concept
- 10) Designing the Specifics
- 11) Special Planning Techniques with an ESOP
  - a) The use of a Charitable Trust
  - b) The use of a Family Limited Partnership
- 12) S-Corporations/Special Tax Considerations

- 13) Special Fiduciary Liability Rules under ERISA for ESOPs
  - a) The purchase price does not exceed fair-market value
  - b) The prudent man standard also is complied with
  - c) Prohibited Transactions and Special Exemptions
- 14) Accounting Considerations
  - a) Liabilities
  - b) Equity
  - c) Income
  - d) Dividends
  - e) Earnings per Share
  - f) Disclosures
- 15) Repurchase Liability

## **Life Settlements**

**(1 Hour; 27 Pages of Text)**

- 1) Introduction
- 2) Why should all advisors learn about life settlements?
- 3) Why sell a life insurance policy?
  - a) What type of life insurance policies works for life settlements?
  - b) When would a client consider selling a life insurance policy?
  - c) Statistics about the life settlement market
  - d) Who is involved in Life Settlements?
- 4) The Process
  - a) Due Diligence by an advisor regarding Life Settlements
  - b) Tax considerations
  - c) Tax Diagram
  - d) NAIC Disclosures
  - e) What if a client changes his/her mind after selling a life policy?
  - f) What if a client dies shortly after completing a life settlement sale?
  - g) Will a Provider contact clients about their health status?
- 5) Examples of Life Settlements
  - a) No future need for life insurance
  - b) Term conversion
  - c) Unplanned health change
  - d) Additional insurance needed
  - e) Key-man

## Outline for the CWPP™ Certification Course

- 6) Life Settlements without a Broker
  - a) How the client receive more money

### **Viatical Settlements**

- 7) What are viatical settlements?
- 8) Why would a terminally ill client sell their life insurance policy?
- 9) How does a typical Viatical Settlement work?
  - a) Are the investment returns of Viatical Settlements Guaranteed?
  - b) Are viatical settlement investments appropriate for the small investor?
  - c) Isn't investing in viatical settlements a humanitarian thing to do?
  - d) What happens if the underlying policy was obtained based on misrepresentations of health status?
- 10) What questions should be asked to the person trying to sell a viatical settlement?
- 11) HIPPA
- 12) What can go wrong with a Viatical Settlement?
- 13) Conclusion on Life Settlements and Viaticals

## **IRAs** **Advanced Investment Planning** **(1 Hour; 25 Pages of Text)**

- 1) Introduction
- 2) Could Real Estate be the Answer?
- 3) Investment Limitations of IRAs
  - a) S-Corporation Stock
  - b) Annuities
  - c) Principal protection
  - d) Equity indexed annuities
  - e) Variable annuities
- 4) Roth and Traditional IRAs
  - a) Contributions
  - b) Deductibility
  - c) Tax Credits
  - d) Withdrawals

## Outline for the CWPP™ Certification Course

- e) Roth IRA Withdrawals
  - f) IRA Rollovers and Transfers
  - g) IRA to Roth IRA Conversions
- 5) Educational IRAs
- a) Contributions
  - b) Requirements to Open an E-IRA Account
  - c) Distributions
  - d) Prohibited Transaction Rules
- 6) Prohibited Transactions
- 7) Unrelated Business Income Taxes (UBIT)
- 8) Active Business Income
- 9) Debt Financed Income
- 10) Controlling IRA Assets from the Grave

## **Closely Held Insurance Companies** **(1 Hour; 30 Pages of Text)**

- 1) Types of Captives
- a) Single-Parent Captives (Wholly-Owned)
  - b) Group Captives
  - c) Entrepreneurial Captives
- 2) Why are Captives formed?
- a) The Biggest Concern of Small Business Owners
- 3) What are the benefits of a CAPTIVE?
- a) Three ways to reduce your Cost of Risk:
- 4) What Are They, and Why Would a Client Want One?
- a) The Purpose of a Captive
  - b) Captives versus Traditional Insurance
  - c) Structuring a Captive
- 5) Determining the Feasibility and Goals of a Captive
- a) Domicile Selection
  - b) Partner Selection
- 6) Operating a Captive

- 7) Captive Advantages
- 8) Captive Structures
  - a) Common Characteristics
  - b) Single Parent Captive
  - c) Group or Association Captive
  - d) Rental Captives
  - e) Segregated Protected Cells
- 9) Choosing the Right Captive Domicile
  - a) Political Stability
  - b) Enlightened Regulation
  - c) Access
  - d) Support Services
  - e) Capitalization and costs

**Premium Finance**  
**Life Insurance**  
**(1 Hour; 27 Pages of Text)**

- 1) Introduction
- 2) Theory Behind Premium Financing
- 3) Client Profile
- 4) Benefits of Premium Financing Using an ILIT
  - a) No up-front out-of-pocket cost
  - b) Borrowed premiums are not subject to gift or income taxes
  - c) Policy owner receives all the tax advantages of life insurance
  - d) Other benefits of premium financing
- 5) Types of Premium Financing Plans
  - a) Type I – Only Annual Premium Payments are Financed
  - b) Type II – Both Premiums and Loan Interest are Financed
  - c) Various Other Financing Arrangements
- 6) Objectives of a Premium Finance Plan
  - a) Objectives of Type I Plan (Interest Due in Cash)
  - b) Objectives of Type II Plan (Interest Accumulated on the Loan)

## Outline for the CWPP™ Certification Course

- 7) Two Separate Financial Transactions
  - a) Step 1 – Choosing the Correct Life Insurance Policy
  - b) Step 2 – Negotiating the Financing
  - c) Basic Premium Financing Flowchart
    - i) Process During Life
    - ii) Process at Death
- 8) What are the Economics of Premium Financing?
  - a) Interest Rates
  - b) Policy Crediting Rate
  - c) Collateral Requirements
  - d) Additional Collateral
  - e) Recourse Loan
- 9) Exit Strategy
  - a) Scenario 1 – Loan repaid at death of insured.
  - b) Scenario 2 – Loan repaid from cash value within the policy
  - c) Scenario 3 – The cost of borrowing (LIBOR plus) increases faster than the crediting rate within the policy
  - d) Scenario 4 – Selling the life insurance policy in the secondary market
- 10) Overcome Obstacles
- 11) A Simpler Way
  - a) Side-Account Theory
- 12) Tax Issues
  - a) Gift Tax Considerations
  - b) Personal Guarantees and the tax consequences
  - c) Estate Tax Considerations – Incident of Ownership
- 13) Non-recourse Loan Arrangements
  - a) Why No Additional Collateral?
  - b) Client Profile
  - c) Advantages
- 14) Conclusion

## **“Advanced” Estate Planning** **(2 Hours; 36 Pages of Text)**

- 1) Family Limited Partnerships
  - a) Section 721
  - b) General partner
  - c) Limited partners
  - d) Supercharging an Estate Plan with FLPs
  - e) Supercharged Gifting
    - i) Example:
  - f) Keeping it Within the Family
  - g) Managing the General Partner's Liability Exposure
  
- 2) Estate Tax Issues with the Senior Generation
  - a) General Partner
  - b) Limited Partners
  - c) Estate Planning with FLPs
  
- 3) IRS Challenges
  - a) Challenges to the Legal Status and Operations of FLPs:
  - b) Challenges Involving Gifts of FLP Interests
  
- 4) “Freeze Partnerships”
  - a) Overview
    - i) Example:
  - b) **Multiplying the Discounts of a Traditional FLP**
    - i) The use of preferred/non-preferred interests
    - ii) Example
  - c) Incorporating the use of life insurance
    - i) Example
  - d) Summary of the preferred non-manager/non-preferred
  
- 5) Grantor Retained Annuity Trusts
  - a) Overview
  - b) Zeroed-out GRAT” or “Walton GRAT”
  - c) GRAT Structure
    - i) Irrevocable
    - ii) Payment Structure
  - d) Maximizing Wealth Transfer Planning Through Zero Gift Tax GRATs.
  - e) Other Tax and Administration Issues
  - f) Income Taxes
  - g) Estate or Generation-Skipping Tax Planning Issues

- 6) Intentionally Defective Grantor Trusts
  - a) Overview
  - b) Powers that Create a “Defective” Grantor Trust
  - c) The Power to Reacquire Trust Property.
  - d) Power to Borrow Trust Assets without Adequate Interest or Security
  - e) The Power to Use the IDGT’s Income for the Purpose of Paying Insurance Premiums
  - f) Structuring the Sale
    - i) Example
  - g) Benefits of the Transaction
  - h) Planning Risks
- 7) Self-Canceling Installment Note Transactions (SCIN)
  - a) Overview
  - b) Interest-premium SCIN
  - c) Principal premium SCIN
  - d) Income and Estate Tax Consequences of SCIN Transactions
    - i) Example
  - e) Additional Considerations
- 8) Conclusion on “Advanced” Planning Techniques

## **Charitable Planning** **(1 Hour; 28 Pages of Text)**

- 1) Introduction
  - a) Interesting Statistics
  - b) Why don’t more clients implement planned giving into their financial plans now?
  - c) Who will serve this \$25 *trillion* market?
  - d) Objectives
  - e) Opportunity
- 2) Understanding the Benefits of Charitable Planning
  - a) Split Interest Gift Overview
  - b) Recognizing Charitable Intent
- 3) Charitable Gift Annuities (CGA)
  - a) CGA Quick Facts
  - b) Substantial Tax Benefits
  - c) Guaranteed Benefits – Income
  - d) Guaranteed Benefits - Charitable Legacy
  - e) Charitable Gift Annuity Program Schematic
  - f) CGA Program Insured Benefits

- 4) Charitable Remainder Trusts (CRT)
  - a) Charitable Remainder Annuity Trust (CRAT) Program
  - b) CRAT Program Highlights
  - c) Substantial Tax Benefits
  - d) Guaranteed Benefits
  - e) GRAT Program Schematic
  - f) CRAT Program Insured Benefits
- 5) Program Comparisons
  - a) Example 1
  - b) Example 2
  - c) Wealth Replacement (Example 3)
- 6) Donor Advised Funds
  - a) Quick Benefits of Donor Advised Funds
  - b) How Donor Advised Funds Work
- 7) Charitable Lead Trusts
  - a) General Description of Charitable Lead Trusts
  - b) Grantor Lead Trusts
  - c) Non-grantor Lead Trusts
  - d) Grantor Lead Trusts
  - e) Non-grantor Lead Trusts
  - f) Illustrations
- 8) Private Foundations
  - a) Section 4942
  - b) Section 4944
  - c) Section 4945
  - d) Difference between Private Foundation (PF) and a CGA/CRT?
- 9) Summary on Charitable Giving

## **Medicaid Planning** **(2 Hours; 41 Pages of Text)**

- 1) Introduction
  - a) What is Long Term Care?
  - b) Won't Medicaid pay for long term care expenses?
  - c) Won't Medicare cover a client's long-term care costs?
- 2) Three ways to pay for nursing home care
- 3) Medicaid Planning

## Outline for the CWPP™ Certification Course

- 4) Planning in Advance of a Nursing Home Stay
  - a) Long-Term Care Insurance
  - b) New LTC products
  - b) Ethics of Medicaid Planning
  
- 5) Divestment Planning
  - a) What is a "divestment penalty period?"
  - b) Serial Divestment
  - c) Half-a-Loaf Planning
  - d) Reverse half-a-loaf planning
  - e) Reverse half-a-loaf planning with a Medicaid compliant annuity
  
- 6) Pre-"Look Back" Planning
  
- 7) Annuities and Trusts
  - a) Annuities that May Qualify for Exclusion
  - b) Trusts that Qualify for Exclusion
  - c) Medicaid Annuity Trust
  - d) Supplemental Needs (d)(4)(A) Trusts and (d)(4)(C) Pooled Trusts
  
- 8) Immediate Need Medicaid Planning
  - a) Establishing Medicaid Eligibility
  - b) "Spending" Assets
  - c) Major Asset Exclusions
    - Homestead
    - Vehicle
    - Life Insurance
    - Burial Spaces and some Funeral Contracts.
    - Personal/Household Goods
    - Retirement accounts
    - Medicaid Annuities or Medicaid Trusts.
    - Ongoing Business Concerns
    - Immediate Medicaid
  
- 9) Countable Resources Spending Assets
  - a) Major asset exclusions
  - b) Homestead
  - c) Vehicle
  - d) Life Insurance
  - e) Irrevocable funeral and burial contracts or insurance policies
  - f) Personal/Household Goods
  - g) Promissory Note
  - h) Medicaid annuities or Medicaid trusts
  - i) Ongoing Business Concerns

## Outline for the CWPP™ Certification Course

- 10) How to Categorize and Protect Resources
  - a) A Closer look at the resources
    - Cash
    - Checking accounts
    - Investments
    - Non-qualified accounts
    - IRAs/401(k) plans
  - b) Paying off debt
  - c) Home improvements
- 11) Medicaid Compliant Annuities
- 12) Medicaid Trusts
- 13) Too Much Income Can Be a Bad Thing
  - a) Income qualification rules
    - Single person
    - Case 1: Single person
    - Income cap states vs. spend-down states
    - Married person
    - Case 2: Married
  - b) The Minimum Monthly Maintenance Need Allowance
  - c) How to pay nursing home costs during the penalty period
- 14) Divorce as an Option
- 15) Follow up (Post-Eligibility) Planning
- 16) Estate Recovery
  - a) What is Estate Recovery?
  - b) Whose estates are subject to Estate Recovery?
  - c) What are "undue hardship" waivers?
  - d) When will estate recovery be delayed?
  - e) What about property that is not in the estate?
  - f) Exempt Transfers