

## ESTATE PLANNING

A total of 72 Principal Knowledge Topics (PKTs) were derived from the 2015 Job Task Analysis. These topics serve as a blueprint for the CFP® Certification Examination and form the curriculum framework for CFP Board’s education requirement. Only content that can be tied directly to one of these topics is accepted for continuing education.

**How to Use this Document:** CE Sponsors are encouraged to use this series of documents as a resource and guide when offering programs or creating self-study courses on any PKT. The stated learning objectives (LOs), along with their level of complexity, when used singularly or in combination, are specific and measurable. They set the learning expectation for the participant and when used as the basis for an assessment will accurately measure learning outcomes.

CFP Board encourages CE Sponsors to periodically review the breakdown of courses by PKT category and consider establishing programs and courses to fill content gaps. That breakdown, which is updated each month, can be found [here](#).

| H. Estate Planning   | Overview | Intermediate | Advanced |
|--|----------|--------------|----------|
| <b>H.63. Characteristics and consequences of property titling</b>  |          |              |          |
| a. Compare and contrast the most common types of titling property (sole ownership, joint tenancy with rights of survivorship, tenants in common, and tenants by the entirety.) | ✓        |              |          |
| b. Identify community property interests and compare tax and non-tax characteristics with common law property.   |          | ✓            |          |
| c. Recognize the uses and tax implications of life estates and remainder interests held in real property and trusts.   |          | ✓            |          |
| d. Recommend the appropriate property titling mechanism given the client’s lifetime and estate distribution objectives, and tax situation.                                     |          | ✓            |          |

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|--|----------|--------------|----------|
| <b>H.64. Strategies to transfer property</b>   |          |              |          |
| a. Describe the probate process, its advantages, disadvantages, and costs  | ✓        |              |          |
| b. Explain the characteristics and consequences of property transfers at death, including transfers made by will, will substitutes, beneficiary designations, trusts (revocable and irrevocable), contracts, and intestate succession.   |          | ✓            |          |
| c. Select the most appropriate property transfer mechanism and property interests for a client's situation. (Special property interests and Water/Mineral)   |          | ✓            |          |
| d. Identify a client's probate assets and calculate the probate estate.  |          | ✓            |          |
| e. Develop a spreadsheet for a client indicating how property is currently owned and transferred at death, noting fair market values, probate assets, designated recipients such as beneficiaries/charities/ trusts, inherited basis, assets included in the gross estate, and any inheritance tax/income tax consequences to beneficiaries. |          | ✓            |          |
| <b>H.65. Estate planning documents</b>   |          |              |          |
| a. Identify and describe the components of estate planning documents, such as wills, power of attorneys, trusts, and marital property agreements that are used to facilitate the transfer of one's assets.   | ✓        |              |          |
| b. Explain the roles of the parties used in estate planning including executor, trustee, attorney-in-fact, health care agent, beneficiary(ies), heirs, and guardians.  | ✓        |              |          |
| c. Recommend appropriate estate planning documents to meet a client's goals and objectives.  | ✓        |              |          |
| d. Develop a strategy for managing incapacity utilizing trusts, government benefits, estate planning documents, health/ disability/ LTC insurance, Medicare, Medicaid etc. as appropriate.   |          | ✓            |          |
| <b>H.66. Gift and estate tax compliance and tax calculation</b>  |          |              |          |
| a. Calculate the gift tax for lifetime transfers to individuals, trusts, business entities, Section 529 plans, custodial accounts and charities and recommend when filing a gift tax return is necessary.  |          | ✓            |          |
| b. Calculate the income tax consequences of lifetime transfers to individuals and charities.   |          | ✓            |          |
| c. Identify property interests included in the gross estate and calculate the estate tax.  |          | ✓            |          |
| d. Calculate the generation-skipping transfer tax for lifetime and testamentary transfers to individuals.  |          | ✓            |          |
| e. Develop gifting strategies to meet client objectives and identify appropriate assets to gift.   |          | ✓            |          |

|   | Overview | Intermediate | Advanced |
|---|----------|--------------|----------|
| <b>H.67. Sources for estate liquidity</b>   |          |              |          |
| a. Determine the need for estate liquidity and identify sources for liquidity planning.   | ✓        |              |          |
| b. Explain how an irrevocable life insurance trust may provide estate liquidity, maintain estate value, and provide financial protection to beneficiaries.                  |          | ✓            |          |
| c. Develop a cash flow plan for maintaining a client's estate from date of death to final distribution including the payment of tax liabilities.                            |          |              | ✓        |
| <b>H.68. Types, features, and taxation of trusts</b>  |          |              |          |
| a. Define and describe the uses of the four types of trusts including revocable, irrevocable, living, and testamentary trusts.  | ✓        |              |          |
| b. Describe the basic components of charitable and non-charitable trusts including identifying the parties to a trust, and the operating terms of a trust.                  | ✓        |              |          |
| c. Identify the basic income tax consequences of a trust including basis, deductions, exemptions, credits, tax rates, and penalties for non-compliance.                     |          | ✓            |          |
| d. Explain the income tax implications of trust income and distributions to beneficiaries.  | ✓        |              |          |
| e. Identify appropriate trusts for meeting client objectives.   |          | ✓            |          |
| f. Explain the gift and estate tax consequences of creating grantor and non-grantor trusts.   |          | ✓            |          |
| g. Recognize the use and tax consequences of lifetime and testamentary powers of appointment such as general and special POAs, 5-and 5 powers, and Crummey powers.          |          | ✓            |          |
| <b>H.69. Marital deduction</b>  |          |              |          |
| a. Describe the appropriate use of the marital deduction in estate planning including for both domestic and non-U.S. citizen spouses.                                       | ✓        |              |          |
| b. Explain the relationship between the marital deduction and the qualified terminable interest election (QTIP).  |          | ✓            |          |
| c. Compare and contrast the types and characteristics of marital trusts with the by-pass trust.   | ✓        |              |          |
| d. Develop estate tax minimization strategies utilizing estate equalization, A-B-Q trusts, qualified disclaimer, and/or portability as needed to achieve client objectives. |          | ✓            |          |

|  | Overview | Intermediate | Advanced |
|--|----------|--------------|----------|
| <b>H.70. Intra-family and other business transfer techniques</b>   |          |              |          |
| a. Recommend appropriate business transfer techniques such as:   |          | ✓            |          |
| i. Buy/sell agreements: o Cross purchase agreements<br>o Repurchase/Entity agreements  |          |              |          |
| b. Grantor Retained Trusts/Retained Interest Trust: GRITs, GRATs, GRUTs, PRT, QPRT   |          | ✓            |          |
| 2. Intentionally Defective Grantor Trusts  |          | ✓            |          |
| iii. Family Limited Partnerships or Family LLCs  |          | ✓            |          |
| iv. Private Annuity  |          | ✓            |          |
| v. Installment Sale  |          | ✓            |          |
| vi. Gift and Sale  |          | ✓            |          |
| <b>H.71. Postmortem estate planning techniques</b>   |          |              |          |
| a. Describe when an executor should elect to value estate assets using the alternative valuation date.   | ✓        |              |          |
| b. Outline the rules that must be followed in order to use a qualified disclaimer estate planning strategy.  | ✓        |              |          |
| c. Describe other forms of postmortem planning, including estate tax installment payments, stock redemptions for tax payments, special-use valuations, QTIP elections, and elections against a will. |          | ✓            |          |
| <b>H.72. Estate planning for (non-traditional?) relationships</b>  |          |              |          |
| a. Identify the impact of divorce and/or remarriage on an estate plan including asset titling and distribution, estate planning documents, changes in beneficiary status, and selection of heirs.    |          | ✓            |          |
| b. Recommend strategies that can be implemented to help ensure the appropriate management and transfer of assets to non-married partners.  |          | ✓            |          |

This is a product of the Council on Education as part of CFP Board's CE Quality Initiative.

We encourage you to review *Guidelines for Developing a Quality Live Program or Online Course* and other helpful documents found under [Resources for CE Sponsor](#).

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