

# **Estate Planning Essentials**

## **Course Description & Study Guide**

"Just the facts ma'am; just the estate planning facts." Designed to give a quick overview of estate planning essentials, this course surveys wills, living trusts, gifts, marital property, and probate avoidance with an Internet flair. Will and trust types are examined in the context of general estate and gift taxation. Designed to eliminate estate problems and death taxes, the emphasis is on practical solutions that are cost effective. Talk about having it all in an overview course - there is even a quick review of immediate postmortem death tax planning and filling out the Form 706.

**Completion Deadline & Exam:** This course, including the examination, must be completed within one year of the date of purchase. In addition, unless otherwise indicated, no correct or incorrect feedback for any exam question will be provided.

**Course Level: Overview.** This program is appropriate for professionals at all organizational levels.

**Field of Study:** Taxes

**Prerequisite:** General understanding of federal income taxation.

**Advanced Preparation:** None

## **Learning Assignments & Objectives**

As a result of studying each assignment, you should be able to meet the objectives listed below each assignment.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 1</b>	<b>Estate Planning</b>

At the start of Chapter 1, participants should identify the following topics for study:

- \* Build, preserve & distribute
- \* Legal documents
- \* Estate planning team
- \* Estate administration
- \* Transfers within probate
- \* Transfers outside probate
- \* Transfers using a trust
- \* Special planning tools
- \* Facts

**Learning Objectives**

After reading Chapter 1, participants will be able to:

1. Identify basic estate planning elements noting the importance of well-drafted legal documents and specify the key team participants including their roles in estate planning process.
2. Determine the major steps in the probate process, identify ways to make transfers outside the probate system including the use of a trust, specify estate tax techniques that save death taxes while retaining maximum control, and select categories estate-planning facts.

After studying the materials in Chapter 1, answer the exam questions 1 to 6.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 2</b>	<b>Estate &amp; Gift Taxes</b>

At the start of Chapter 2, participants should identify the following topics for study:

- \* Taxable estate
- \* IRS valuation
- \* Estate tax return & payment
- \* Tax basis for estate assets
- \* Generation-skipping transfer tax
- \* Application of gift taxes and valuation
- \* Gift tax annual exclusion
- \* Gift tax marital and charitable deductions
- \* Gift tax advantages and disadvantages
- \* Shifting income & gain

**Learning Objectives**

After reading Chapter 2, participants will be able to:

1. Identify potential death taxes including federal estate tax as it applies to various size estates, specify the principal taxes that impact death taxation, and determine the expiration of the death tax credit.

2. Determine what constitutes a taxable estate under §2501 noting what assets are included in a gross estate using basic categories of property and transfers.
3. Specify estate deductions allowed under federal estate tax law noting their tax advantages and disadvantages.
4. Determine the value a decedent's assets using permitted elections, recognize the use of the Form 706 to pay any estate tax due, select the tax basis of estate assets noting how common transactions affect property basis under §1014.
5. Recall the advantages of gift planning including estate reduction noting the impact of the GST, specify the steps to compute gift tax identifying the gift tax exclusion amount, and determine the value of gifts including those that are split.
6. Identify the various gift tax exclusions, specify the tax treatment of below-market loans, recall the gift tax marital deduction requirements, determine the tax consequences of giving various assets noting factors to consider when gifting, and recognize the use of the Form 709 to compute and pay federal gift tax.

After studying the materials in Chapter 2, answer the exam questions 7 to 26.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 3</b>	<b>Wills &amp; Probate</b>

At the start of Chapter 3, participants should identify the following topics for study:

- \* Provisions of wills
- \* Requirements of wills
- \* Executors and guardians
- \* Types of wills
- \* Title implications
- \* Changes to a will
- \* Advantages of a will
- \* Simple will
- \* Probate pros and cons
- \* Probate avoidance

**Learning Objectives**

After reading Chapter 3, participants will be able to:

1. Specify types of wills noting functions a will can perform, identify types of bequests, determine the duties of executors and guardians, and recall ways to hold title and their tax ramifications.

2. Identify advantages of a properly drafted will, determine the distribution flow of simple wills, and specify the pros and cons of probate proceedings.

After studying the materials in Chapter 3, answer the exam questions 27 to 32.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
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<b>Chapter 4</b>	<b>Trusts</b>
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At the start of Chapter 4, participants should identify the following topics for study:

- \* Purpose of trusts
- \* Common elements of trusts
- \* Types of trusts
- \* Living trusts
- \* Income tax & trusts
- \* Gift tax & trusts
- \* Estate tax & trusts
- \* Identification, recital & property transfer clauses
- \* Income and principal & revocation and amendment clauses
- \* Trustee & trust termination clauses

**Learning Objectives**

After reading Chapter 4, participants will be able to:

1. Identify the relationship of parties in a trust, reasons to establish a trust, and types of trusts noting their estate planning function.
2. Specify recommended living trust provisions, identify the application of gift and income tax including the use of a grantor trust and an unlimited marital deduction, and determine what constitutes an “A-B” and “A-B-C” trust format.

After studying the materials in Chapter 4, answer the exam questions 33 to 42.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
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<b>Chapter 5</b>	<b>Post-Mortem Planning &amp; Tax Return Requirements</b>
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At the start of Chapter 5, participants should identify the following topics for study:

- \* After death planning
- \* Federal returns
- \* Decedent’s estate tax
- \* Preparation of the Form 706
- \* Estate income tax return
- \* Filing requirements of decedent’s final income tax return

- \* Included income
- \* Exemptions & deductions
- \* Filing the gift tax return
- \* Special applications & traps of the gift tax return

### **Learning Objectives**

After reading Chapter 5, participants will be able to:

1. Determine post-mortem estate planning action in the face of funeral and administrative expenses using elections and disclaimers.
2. Cite the due dates of post-mortem federal forms, specify the filing requirements of a decedent's estate tax return, and identify exceptions to the general rule of estate tax payment.
3. Determine the processes and procedures necessary in preparation and filing of the Form 706.
4. Identify the filing requirements for estate income tax and decedent's final income tax returns by:
  - a. Determining the estate income tax under available tax accounting methods and tax years; and
  - b. Specify the use of Form 1310 for a decedent or a joint return for a decedent and their surviving spouse.
5. Determine total income to be included on the decedent's final income tax return using available exemptions or deductions.
6. Identify how to avoid penalties when filing a gift tax return, recognize gift splitting to reduce gift taxes, and recall special gift applications and traps noting ways to avoid their tax consequences.

After studying the materials in Chapter 5, answer the exam questions 43 to 61.

### **ASSIGNMENT**

### **SUBJECT**

#### **Chapter 6**

#### **Estate Planning & The Internet**

At the start of Chapter 6, participants should identify the following topics for study:

- \* Internet tax research
- \* Strengths & weaknesses of Web research
- \* Law libraries & site lists
- \* Existing law
- \* Proposed law
- \* Articles, commentaries & treatises
- \* Developments & newsletters
- \* Tax forms
- \* Administrative agencies

\* Search sites

### **Learning Objectives**

After reading Chapter 6, participants will be able to:

1. Identify how the Internet is changing the tax profession, recognize the evolution of the Internet noting its main contributors and influential organizations, and determine the distinction between the Internet and the World Wide Web.
2. Recognize how to utilize Internet resources safely and to their fullest by:
  - a. Identifying basic parts of an Internet connection and how to optimize the connection;
  - b. Determining the various ways to connect to the Internet noting their data speeds;
  - c. Specifying what browser software allows users to do and how a browser retrieves Web documents or pages;
  - d. Identifying basic browser features to improve Web surfing.
3. Determine how to use the World Wide Web by typing a URL into the address bar, sending and receiving e-mail using appropriate e-mail etiquette, subscribing to a mailing list or a newsgroup, improving Internet performance, and identifying the purpose for each part of an Internet address.
4. Identify the strengths and weaknesses of the Web as they apply to researching tax issues, and select legal and tax resources on the Web using various online law libraries and site lists.
5. Recognize reliable and trusted websites to obtain primary and commentary tax information on:
  - a. Federal and State tax statutes and case law,
  - b. Tax articles, commentaries and treatises,
  - c. Current developments, legislation and newsletters, and
  - d. Tax discussion forums and newsgroups.
6. Choose federal tax forms using IRS websites, determine how to refine searches on search sites using specialize (Boolean) tools, and identify all-in-one sites for case, legislation and regulation search.

After studying the materials in Chapter 6, answer the exam questions 62 to 80.

### **Notice**

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vice and assumes no liability whatsoever in connection with its use. Since laws are constantly changing, and are subject to differing interpretations, we urge you to do additional research and consult appropriate experts before relying on the information contained in this course to render professional advice.