



# Topic List for Comprehensive Financial Planning in New Zealand

## PREFACE

This list describes the body of knowledge for comprehensive financial planning in New Zealand. It was developed specifically for New Zealand from similar lists published by the CFP Board of Standards, with wide consultation among New Zealand practitioners, and input from experts in some more specialised fields.

The list does not detail the content or substance of financial planning. It is intended as a comprehensive and authoritative list of the relevant topic areas for professional financial advisers, and for universities, training providers and others interested in financial planning in New Zealand.

The list is not final or fixed, but subject to ongoing development and review. We welcome your comments and suggestions at [info@ifa.org.nz](mailto:info@ifa.org.nz).

Some financial advisers provide advice covering the whole list, while others may specialise in only one part or in some parts such as insurance planning, or investment planning.

- *Simon Hassan, CFP<sup>CM</sup>, IFA Professional Development Director, 18 March 2002*

## GENERAL PRINCIPLES OF FINANCIAL PLANNING

### Topic 1. Financial planning process

- A. Purpose, benefits, and components
- B. Steps
  1. Establishing client-planner relationships
  2. Gathering client data and determining goals and expectations
  3. Determining the client's financial status by analysing and evaluating general financial information, special needs, insurance and risk management, investments, taxation, employee benefits, retirement, and/or estate planning
  4. Developing and presenting the financial plan
  5. Implementing the financial plan
  6. Monitoring the financial plan
- C. Responsibilities
  1. Financial planner
  2. Client
  3. Other advisers

### Topic 2. Professional association: The Institute's *Code of Ethics and Professional Conduct*, associated *Bylaws*, *Membership and Certification* and *Disciplinary Bylaws*

- A. *Code of Ethics and Professional Conduct* and associated Bylaws (the current version is available under the "Library – Institute Documents" tab on the Institute's website at: [www.ifa.org.nz](http://www.ifa.org.nz))
  - Rule 1 – Professionalism
  - Rule 2 – Competence
  - Rule 3 – Confidentiality
  - Rule 4 – Personal professional conduct
  - Rule 5 – Disclosure
  - Rule 6 – Handling of client funds
  - Rule 7 – Safe custody services
  - Rule 8 – Nominee & custodial services
  - Rule 9 – Audit procedures
  - Rule 10 – Extent and type of service
  - Rule 11 – Investment advice
  - Rule 12 – Insurance and investment products
- B. *Membership and Certification Bylaws* (most current version available under "Library – Institute Documents" tab on Institute's website at: [www.ifa.org.nz](http://www.ifa.org.nz))
- C. *Disciplinary Bylaws* (most current version available from the Institute's National Office, PO Box 5513, Wellington)

### Topic 3. Client personal financial statements

- A. Statement of Financial Position
- B. Cash flow statements, current and projected

**Topic 4. Budgeting**

- A. Discretionary vs non-discretionary
- B. Financing strategies
- C. Saving strategies

**Topic 5. Emergency fund planning**

- A. Adequacy of reserves
- B. Liquidity vs marketability
- C. Liquidity substitutes

**Topic 6. Credit and debt management**

- A. Ratios
- B. Consumer debt
- C. Home equity loan and home equity line of credit
- D. Mortgage lending: fixed, table, principle and interest (P&I), interest-only, revolving credit
- E. Rapid repayment methods
- F. Personal vs business borrowing
- G. Secured vs unsecured debt
- H. Bankruptcy
- I. Consumer protection laws

**Topic 7. Buying vs leasing**

- A. Calculation
- B. Adjustable and fixed-rate loans
- C. Effect on financial statements

**Topic 8. Function, purpose, and regulation of financial institutions**

- A. The Reserve Bank of New Zealand
- B. Banks
- C. Credit unions, building societies and finance companies
- D. Share-broking companies
- E. Insurance companies
- F. Fund managers
- G. Other

**Topic 9. Client attitudes and behavioural characteristics**

- A. Cultural
- B. Family
- C. Emotions
- D. Life cycle and age
- E. Level of knowledge, experience, and expertise
- F. Investor psychology
- G. Risk tolerance and risk profiling

**Topic 10. Educational funding**

- A. Needs analysis
- B. Savings and investment strategies
- C. Using surpluses from employment cash flows
- D. Financial requirements – public vs private (pre-school to tertiary)
- E. The student loan scheme – structure, operation and implications
- F. Scholarships
- G. Loans
- H. Other sources
- I. Ownership of assets and tax issues

**Topic 11. Financial planning for special circumstances**

- A. Property relationships
- B. Disabilities
- C. Terminal illness
- D. Job change and job loss, including severance packages
- E. Dependents with special needs
- F. Charitable trusts

**Topic 12. Economic concepts**

- A. Supply and demand
- B. Fiscal policy
- C. Monetary policy
- D. Economic indicators
- E. Business cycles
- F. Inflation, deflation, and disinflation
- G. Yield curve

**Topic 13. Time value of money concepts and calculations**

- A. Present value
- B. Future value
- C. Ordinary annuity and annuity due
- D. Net present value (NPV)
- E. Internal rate of return (IRR)
- F. Irregular cash flows
- G. Inflation adjusted earning rates
- H. Serial payments
- I. Use of proprietary computer software and financial calculators to perform calculations and project cash flows using above concepts

**Topic 14. Quantitative analysis**

- A. Probability analysis
- B. Modelling and simulation
- C. Sensitivity analysis

**Topic 15. Characteristics and consequences of types of entities**

- A. Sole trader
- B. Partnership
- C. Limited liability company (LLC)
- D. Loss attributing qualifying company (LAQC)
- E. Privately and publicly listed companies
- F. Incorporated societies
- G. Trust
- H. Acquisition and disposition

**Topic 16. Characteristics and consequences of property titling**

- A. Common law vs community property
- B. Sole ownership
- C. Joint tenancy and survivorship
- D. Tenancy in common
- E. Cross leasing
- F. Trust ownership

**Topic 17. Financial services laws, regulations and compliance**

- A. Investment Statements & product disclosure law
- B. Investment Adviser (Disclosure) Act and related legislation
- C. Laws covering insurance advice and service
- D. Overview of financial regulation in other jurisdictions
- E. Self regulation, registration and licensing

**Topic 18. Advisory services – extent of service provided by specialists and agencies**

- Legal
- Tax and accounting
- Trust support companies
- Banks
- Budgetary services
- WINZ
- IRD

**Topic 19. Business law**

- A. Relevant statutes
- B. Contracts
- C. Torts
- D. Agency
- E. Negotiable instruments
- F. Professional liability
- G. Fiduciary liability
- H. Arbitration and mediation

**Topic 20. Monetary settlement planning**

- A. Legal settlements
- B. Inheritances – joint/separate property
- C. Lottery winnings and monetary windfalls
- D. Lump sum retirement distributions
- E. Insurance proceeds
- F. Other

## INSURANCE PLANNING AND RISK MANAGEMENT

### Topic 21. Principles of insurance

- A. Definitions and application
  - 1. Risk
  - 2. Peril
  - 3. Hazard
  - 4. Law of large numbers
  - 5. Adverse selection
- B. Response to risk
  - 1. Retain
  - 2. Transfer
  - 3. Control
  - 4. Reduce
  - 5. Avoid
- C. Mortality vs morbidity

### Topic 22. Rationale, analysis and evaluation of risk exposures and insurance needs

- A. Personal
  - 1. Death
  - 2. Total and permanent disablement (TPD)
  - 3. Disability Income
  - 4. Trauma
  - 5. Poor health
  - 6. Unemployment
  - 7. Outliving one's capital
  - 8. Calculation of personal insurance needs
    - i. Liquidity and survivor income needs
    - ii. Human life value
    - iii. Capital retention
- B. Property
  - 1. Real
  - 2. Personal
  - 3. Motor vehicle
- C. Liability
  - 1. Negligence
  - 2. Defamation
  - 3. Malpractice
- D. Business-related risks and insurances
  - 1. Key person cover
  - 2. Debt management
  - 3. Business overheads and locum cover
  - 4. Share purchase and partnership cover and agreements
  - 5. Event planning
  - 6. Succession planning
- E. Calculation of benefits

**Topic 23. Legal aspects of insurance**

- A. Indemnity
- B. Insurable interest (which no longer applies as widely as it once did)
- C. Contract requirements
- D. Contract characteristics

**Topic 24. Fire and general insurance (individual and business)**

- A. Real property
- B. Motor vehicles
- C. ACC
- D. Business assets
- E. Business activity – loss of profits
- F. Personal property
- G. Umbrella liability

**Topic 25. General business liability**

- A. Professional liability
- B. Errors and omissions
- C. Directors and officers
- D. Product liability

**Topic 26. Health insurance**

- A. Hospital & surgical
- B. Comprehensive cover
- C. Entitlements under the public system
- D. Health cover and ACC
- E. Other

**Topic 27. Disability income insurance**

- A. Benefit type (agreed value, indemnity, loss of earnings)
- B. Occupational definitions and application
  - 1. Total
  - 2. Partial
  - 3. Residual
- C. Benefit period
- D. Waiting period
- E. Benefit amount
- F. Interaction with total and permanent disablement (TPD) and trauma cover
- G. Interaction with ACC
- H. Taxation of benefits and deductibility of premiums  
Personal sickness and accident policies (distinguished from permanent non cancellable, pros and cons)

**Topic 28. Trauma (critical illness) insurance**

- A. Basic provisions
- B. Types of cover
- C. Definitions
- D. Comparing and selecting policies
- E. Appropriateness of cover

**Topic 29. Long-term care insurance**

- A. Basic provisions
- B. Benefit amount and period
- C. Elimination period
- D. Inflation protection
- E. Nursing home and in-home care
- F. Appropriateness of coverage

**Topic 30. Life insurance**

- A. Fundamentals
- B. Types
- C. Contractual provisions
- D. Non-forfeiture and other options
- E. Settlement options
- F. Policy replacement
- G. Taxation
- H. Policy ownership issues and strategies, including split-dollar

**Topic 31. Sale of life insurance policies**

- A. Legal principles
- B. Requirements
- C. Tax implications
- D. Planning
- E. Ethical concepts and planning

**Topic 32. Taxation of life, disability, and trauma insurance**

- A. Income
- B. Ownership issues
- C. Beneficiary issues
- D. Withdrawals
- E. Tax treatment of insurance premiums and claim proceeds in business contexts

**Topic 33. Insurance policy selection**

- A. Purpose of coverage
- B. Length of time required
- C. Risk tolerance
- D. Cash flow constraints

**Topic 34. Insurance company selection and due diligence**

- A. Financials
- B. Ratios
- C. Ratings
- D. Mutual vs listed and privately owned
- E. Reinsurance
- F. Investments
- G. Underwriting
- H. Insurance company legislation

## EMPLOYEE BENEFITS PLANNING

### Topic 35. Employee benefit plans

- A. Group life insurance
  - 1. Types and basic provisions
    - Group term
    - Group permanent
    - Dependent coverage
  - 2. Employee benefit analysis and application
- B. Group trauma, disability, and TPD cover
  - 1. Basic provisions and limitations
    - i. Definitions of disability
    - ii. Own occupation limits
    - iii. Integration with ACC, or other income
  - 2. Employee benefit analysis and application
- C. Group medical insurance, types and provisions
- D. Group superannuation
  - 1. Subsidised and non-subsidised
  - 2. Government and private schemes
  - 3. Defined benefit and defined contribution schemes
  - 4. Inflation indexation
  - 5. Specified Superannuation Contribution Withholding Tax (SSCWT)
- E. Other employee benefits
  - 1. Fringe benefits
  - 2. Other

### Topic 36. Employee share options

- A. Basic provisions
- B. Income and fringe benefit tax implications
- C. Employee benefit analysis and application

### Topic 37. Employer/employee insurance arrangements

- A. Business continuation (buy/sell) plans
- B. Business overheads cover
- C. Salary continuance
- D. Executive/owner benefits
- E. Split-dollar
- F. Key employee insurance
- G. Transfer of ownership and tax issues

### Topic 38. Tax implications of employee benefit arrangements

## RETIREMENT PLANNING

### **Topic 39. Retirement needs analysis**

- A. Assumptions for retirement planning
  - 1. Inflation
  - 2. Retirement period and life expectancy
  - 3. Lifestyle
  - 4. Total return
- B. Financial needs
  - 1. Living costs
  - 2. Charitable and beneficiary gifting objectives
  - 3. Medical costs, including long-term care needs analysis
  - 4. Other (trust funding, education funding, etc.)
- C. Income sources
  - 1. Total return assumptions
  - 2. Probabilistic analysis assumptions
- D. Alternatives to compensate for projected cash-flow shortfalls

### **Topic 40. New Zealand Superannuation (NZS) entitlements**

- A. Eligibility and current benefit levels
  - 1. Retirement
  - 2. Migration
  - 3. Interrelationship with offshore pensions
  - 4. Transitional Benefits
- B. How benefits are calculated
- C. Working after retirement
- D. Taxation of NZS and related income

### **Topic 41. Social welfare benefits**

- A. Eligibility
- B. Widows
- C. Invalids
- D. Single parents
- E. Unemployment
- F. Disability
- G. Community Services Card
- H. Fiscal and social costs and benefits

### **Topic 42. Types and characteristics of retirement savings plans**

- A. Registered Superannuation Schemes
  - 1. Defined contribution
  - 2. Defined benefit
  - 3. Other superannuation and pension plans
- B. Insurance based savings plans
- C. Annuities
- D. Reverse annuity mortgages & other home equity plans
- E. Other approaches

**Topic 43. Employer sponsored plans and options**

- A. Feasibility
  - Client objectives
  - Constraints
- B. Coverage and eligibility requirements
  - 1. Age and service
  - 2. Coverage
  - 3. Minimum participation
- C. Vesting
- D. Integration with social welfare and NZS provisions
- E. Factors affecting employer contributions and benefits
  - 1. Tax considerations
  - 2. Remuneration
  - 3. Retention of Key Personnel
  - 4. Comparison of defined contribution and defined benefit
  - 5. Definition of compensation
  - 6. Withdrawing employer contributions
  - 7. Self-employed and Small Businesses
- F. NZ government pensions - options
- G. Loans

**Topic 44. Regulatory considerations covering registered superannuation plans**

- A. Fiduciary obligations
- B. Prohibited transactions
- C. Reporting requirements

**Topic 45. Plan selection for businesses - key factors affecting selection**

- A. Owner's personal objectives
  - 1. Tax considerations (including superannuation early withdrawal tax)
  - 2. Capital needs at retirement
  - 3. Capital needs at death
- B. Business' objectives
  - 1. Tax considerations
  - 2. Cash flow situation and outlook
  - 3. Employee demographics
  - 4. Comparison of defined contribution and defined benefit plan alternatives

**Topic 46. Investment considerations for superannuation plans**

- A. Suitability
- B. Time horizon
- C. Fiduciary considerations
- D. Prohibited transactions

**Topic 47. Distribution rules, alternatives, and taxation**

- A. Early Withdrawals
  - 1. Restrictions
  - 2. Penalties
  - 3. Taxation, including superannuation early withdrawal tax
- B. Beneficiary considerations
- C. Taxation of proceeds
  - 1. TTE
  - 2. Alternatives to TTE

## INVESTMENT PLANNING

### Topic 48. Types and use of investment vehicles

- A. Term investments
- B. Government issues
  - 1. Bills, notes, and bonds
  - 2. Inflation-adjusted securities
- C. Local Authority and SOE bonds
  - 1. General obligation – terms of issue
  - 2. Revenue
- D. Corporate bonds
  - 1. Credit rating
  - 2. Investment grade
  - 3. High-yield
  - 4. Convertible
  - 5. Subordinated
  - 6. Secured/unsecured
  - 7. Callable
- E. Promissory notes
- F. Insurance-based investments
  - 1. Insurance Bonds
  - 2. Annuities
    - i. Fixed
    - ii. Variable
    - iii. Individual and joint
    - iv. Guarantee period
- G. Shares
  - 1. Ordinary
  - 2. Convertible
  - 3. Preference
  - 4. Warrants and rights
- H. Derivatives
  - 1. Options
  - 2. Futures
- I. Non-traditional assets
- J. Exchange traded funds
- K. Index securities
- L. Managed funds
  - 1. Unit trusts and group investment funds
  - 2. Superannuation funds
  - 3. Master funds
  - 4. Wrap accounts
  - 5. Retail/wholesale investment
  - 6. Open-ended funds
  - 7. Closed-ended funds
  - 8. Open ended investment companies
  - 9. Other
- M. Real estate (direct investment)
- N. Private placements/venture capital
- O. Special partnerships
- P. Asset-backed securities
- Q. Natural resources

- R. Property Investment
  - 1. Direct vs indirect
  - 2. Listed vs unlisted
  - 3. Residential
  - 4. Commercial
  - 5. Partnerships
  - 6. Property and gearing (positive and negative)
  - 7. Cash flow planning and NPV for property investments
  - 8. Inflation and property
  - 9. Depreciation recovery
  - 10. Property indices and problems with these
  - 11. Landlord issues
  - 12. Demographics, migration, changing lifestyles
- S. Forestry and other specialties
- T. Other tangible assets
- U. Gearing and risk – property and other securities

**Topic 49. Investment markets in action**

- A. Share markets
- B. Bond markets
- C. Other

**Topic 50. Types of investment risk**

- A. Inflation
- B. Interest rate
- C. Market
- D. Business
- E. Liquidity
- F. Reinvestment
- G. Political (sovereign)
- H. Exchange rate

**Topic 51. Measures of investment risk**

- A. Coefficient of determination -  $R^2$
- B. Variability of returns
- C. Standard deviation
- D. Beta
- E. Covariance
- F. Semi-variance

**Topic 52. Measures of investment returns**

- A. Annualised return
- B. Real (inflation-adjusted) return
- C. Total return
- D. Risk-adjusted return
- E. After-tax return
- F. Holding period return
- G. Internal rate of return
- H. Yield-to-maturity
- I. Yield-to-call
- J. After-tax yield
- K. Realised compound yield

**Topic 53. Time-influenced security valuation concepts**

- A. Net present value
- B. Future value
- C. Bond duration and convexity
- D. Internal rate of return

**Topic 53. Bond and share valuation methods**

- A. Capitalised earnings
- B. Dividend growth models
- C. Ratio analysis
  - 1. Price/earnings
  - 2. Price/free cash flow
  - 3. Price/sales
  - 4. Price/earnings ÷ growth (PEG)
- D. Intrinsic value
- E. Book value

**Topic 55. Portfolio management and measurement concepts**

- A. Modern portfolio theory
- B. Post-modern portfolio theory
- C. Performance measures
  - 1. Sharpe ratio
  - 2. Treynor ratio
  - 3. Jensen ratio
- D. Investment style and policy
- E. Benchmarks
- F. Time vs dollar-weighted rate of return
- G. Probability analysis, including Monte Carlo

**Topic 56. Formula investing**

- A. Dollar-cost averaging
- B. Dividend reinvestment
- C. Bond ladders and barbells
- D. Other

**Topic 57. Investment strategies**

- A. Market timing
- B. Passive investing (indexing)
- C. Fundamental analysis
- D. Buy and hold
- E. Portfolio immunization
- F. Swaps and collars
- G. Technical analysis
- H. Efficient market anomalies
- I. Other

**Topic 58. Asset allocation and portfolio diversification**

- A. Strategic asset allocation
  - 1. Application of client lifecycle analysis
  - 2. Client risk tolerance measurement and application
  - 3. Asset class definition and correlation
- B. Tactical asset allocation (re-balancing strategies)
- C. Passive vs active portfolio management
- D. Individual stock selection
- E. Strategies for dealing with concentrated portfolios

**Topic 59. Efficient market theory**

- A. Strong form
- B. Semi-strong form
- C. Weak form
- D. Anomalies

**Topic 60. Asset pricing models**

- A. Capital asset pricing model
- B. Multi-factor asset pricing model
- C. Option pricing model (Black-Scholes)
- D. Binomial option pricing
- E. Other

**Topic 61. Margin trading**

**Topic 62. Hedging and option strategies**

- A. Options
- B. Puts and calls
- C. Short sales

**Topic 63. Tax efficient investing**

- A. Managed investments
  - 1. Passive funds and binding rulings
  - 2. Tax-paid investing
  - 3. Offshore structures
  - 4. Other
- B. Direct investments
  - 1. Shares
  - 2. Real estate
  - 3. Deemed trading
  - 4. Interest bearing investments and the accruals rules

**Topic 64. Investment strategies and tax planning**

- A. Capital gain vs income
- B. Realised and unrealised gains

**Topic 65. Taxation of investment vehicles**

- A. Managed funds
  - 1. Unit trusts and group investment funds
  - 2. Slice and reverse ordering rules (redeem/repurchase)
  - 3. Superannuation funds
  - 4. Insurance policies
  - 5. Master funds
  - 6. Wrap accounts
  - 7. Offshore structures and vehicles
  - 8. FIF regime
- B. Shares
  - 1. Dividends
  - 2. Withholding and imputation credits
  - 3. Capital gains/losses
  - 4. Liquidations
  - 5. Stock splits/dividends
  - 6. Warrants and rights
  - 7. Other
- C. Bonds – cash basis and accruals regime
- D. Annuities
- E. Cross border taxation issues
- F. Other

**Topic 66. Fee structures of investments**

- G. Brokerage, commission, initial and ongoing
- H. Planning and re-planning fees
- I. Implementation, evaluation and switching fees
- J. Management expense ratios (MER) and their components
- K. Trails

## INCOME TAX PLANNING

### **Topic 67. Income tax law fundamentals**

- A. Sources of authority
  - 1. Primary / statutes and regulations
  - 2. Secondary / court made
- B. Research sources

### **Topic 68. Tax compliance**

- A. Filing requirements
- B. Avoidance, evasion and mitigation
- C. Audits
- D. Penalties
- E. General awareness of Income Tax Act & compliance authorities

### **Topic 69. Personal income tax**

- A. Rates
- B. Filing requirements
- C. Gross income
- D. Taxation and World wide income – grey list countries
- E. Allowable deductions
  - 1. Types
  - 2. Limitations
  - 3. Treatment of financial planning fees
- F. Tax liability
- G. Tax credits
- H. PAYE, withholding and provisional tax
- I. Imputed income
- J. Treatment of rebated brokerages, trails, etc
- K. ACC liability for employer & employee

### **Topic 70. Controlled foreign company (CFC) and foreign investment fund (FIF) rules**

### **Topic 71. Tax accounting methods**

- A. Cash basis
- B. Accrual basis
- C. Hybrid basis
- D. Accounting periods

### **Topic 72. Taxation of companies and other trading entities**

- A. Tax rates
- B. Taxation at entity level
- C. Flow-through of income and losses to shareholders and others
- D. Use and transfers of losses
- E. Taxation at dissolution

**Topic 73. Income taxation of trusts and estates**

- A. General issues
  - 1. Filing requirements
  - 2. Tax treatment of distributions to beneficiaries including minor beneficiaries
  - 3. Rates
- B. Trust income
  - 1. Taxation of distributed income and gains
  - 2. Taxation of retained income
- C. Estate income tax
- D. Charitable trusts

**Topic 74. Goods and Services Tax (GST)**

- A. General rules
- B. On and offshore rules
- C. Special rules affecting financial planning fees
- D. Special rules affecting financial planning businesses

**Topic 75. Fringe benefits and Fringe Benefit Tax (FBT)**

- A. Principles and rules
- B. FBT strategies for businesses
  - 1. Special provisions for employee shareholders
  - 2. Leased and owned company assets

**Topic 76. Specified Superannuation Contribution Withholding Tax (SSCWT)**

- A. Salary sacrifice
- B. Early withdrawal tax

**Topic 77. Tax consequences of payments in kind and “green dollar” arrangements**

**Topic 78. Tax consequences of gain or loss on sale of assets**

- A. Holding period
- B. Capital assets
- C. Depreciation recovery
- D. Related parties
- E. Trading and tainting rules
- F. Significance of an investor’s dominant intention at time of investment

**Topic 79. Tax implications of changing circumstances**

- A. Transfer of assets
  - 1. Gift duties
  - 2. Estate duties (old regime)
- B. Separation and property relationships
  - 1. Child support
  - 2. Other aspects
- C. Final returns: death, business closure, GST, etc

**Topic 80. Charitable contributions and deductions**

- A. Recognised charities
- B. Deduction limitations
- C. Non-deductible contributions
- D. Charitable contributions by business entities

**Topic 81. Tax and GST treatment of financial planning fees**

## ESTATE PLANNING

### **Topic 82. Types of ownership and implications**

- A. Personal
- B. Joint tenancy and tenancy in common
- C. Trust
- D. Partnership
- E. Company
- F. Other

### **Topic 83. Methods of property transfer at death**

- A. Testate succession
  - 1. Advantages and disadvantages of probate
  - 2. Assets subject to probate
  - 3. Techniques of avoiding probate
  - 4. Ancillary probate
  - 5. Probate for offshore assets
- B. Intestate succession
- C. Operation of law (title)
- D. Transfers through trusts
- E. Transfers by contract

### **Topic 84. Estate planning documents**

- A. Relevant statutes
- B. Wills
  - 1. Legal requirements
  - 2. Types of wills
  - 3. Avoiding will contests
- C. Powers of attorney
  - 1. For health care
  - 2. For property
  - 3. Enduring
  - 4. Special or limited powers
  - 5. General powers
- D. Trusts
- E. Property and prenuptial agreements
- F. Business agreements
- G. Other

### **Topic 85. Gifting**

- A. Suitability of gifting as a planning strategy
- B. Techniques for gifting
- C. Appropriate gift property

**Topic 86. Gift Duties**

- A. Rates
- B. Filing requirements
- C. Exemptions
  - 1. Marital and charitable gifts
  - 2. Trust to trust
  - 3. Gifts under estate
  - 4. Tax liability

**Topic 87. Incapacity planning**

- A. Definition of incapacity/disability
- B. Care of client's dependents
- C. Care of person and property
- D. Disability insurance
- E. Long-term care insurance
- F. Viatical settlements
- G. Business disability coverage
- H. Social welfare benefits

**Topic 88 Compliance**

- A. Tax requirements for various structures
- B. Record keeping
- C. Audit trails
- D. Deeds of acknowledgement of debt, etc
- E. Use of trust companies, etc

**Topic 89. Types, features, and taxation of trusts**

- A. Classification
  - 1. Simple and complex
  - 2. Revocable and irrevocable
- B. Rule against perpetuities
- C. Selected provisions
  - 1. Spendthrift clauses
  - 2. Perpetuity clauses
  - 3. Other
- D. Taxation of trusts and estates: income, gift, estate
- E. Appointment and replacement of trustees and beneficiaries
- F. Resettlement

**Topic 90. Use of life insurance in estate planning**

- A. Advantages and disadvantages
- B. Ownership, beneficiary designation, and settlement options
- C. Life insurance trusts
- D. Gift and estate taxation
- E. Income taxation

**Topic 91. Property (Relationships) Act**

**Topic 92. Intra-family and other business transfer techniques**

- A. Characteristics
- B. Techniques
  - 1. Buy-sell agreements
  - 2. Sinking funds
  - 3. Loan and other arrangements

**Topic 93. Fiduciary Responsibilities**

- A. Trustee Amendment Act and prudent person rules
- B. Trustee investments
- C. Mulligan and other relevant cases
- D. Duties of trustees – record-keeping & audit trails
- E. Selection of trustees