

# **Using the Internet in Estate Planning**

## **Learning Assignments & Objectives**

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

### **ASSIGNMENT**

### **SUBJECT**

#### **Chapter 1**

#### **Estate Planning & the Internet**

At the start of Chapter 1, 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 1, participants will able to:

1. Recognize ways that the Internet is changing the tax and legal professions so that adaptations can be made efficiently, recall the evolution of the Internet noting contributing organizations and determine the differences between the Internet and the World Wide Web.
2. Identify Internet resources safely and state how to use them by:
  - a. Specifying basic parts of an Internet connection noting how to optimize the connection and the various ways to connect to the Internet discerning their various speeds; and
  - b. Determining what browser software allows users to do including how the browser retrieves Web documents or pages.
3. Determine how to “Surf the net” by typing a URL into an address bar identifying the function each part of the address, specify how to securely and politely send and receive e-mail with attachments, choose mailing lists and newsgroups, and identify ways to improve Internet performance including starting with a blank page or by using multiple windows.

4. Cite the strengths and weaknesses of researching on the Web, identify the best way to research tax issues, and locate legal and tax resources on the Web using various online law libraries and site lists.

5. Identify several tax-planning resources for current federal and state law, locate Web articles, commentaries and treatises on tax and estate law, determine how to stay up to date with current developments in tax and estate planning by finding related Web newsletters, and specify the connection between Usenet newsgroups and how they can be used for tax planning purposes.

6. Determine how to prepare and file federal tax forms using the IRS's helpful Web sites and use specialize search tools, and locate an all-in-one site for a case, legislation and regulation search.

After studying the materials in this chapter, answer the exam questions 1 to 40.

## **ASSIGNMENT**

## **SUBJECT**

### **Chapter 2**

### **Building an Estate**

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

- \* Types of income
- \* Rules of budgeting
- \* Cash
- \* Savings
- \* Acquisition
- \* Assets
- \* Rules of management
- \* Managing risk
- \* Taxes
- \* Leverage

### **Learning Objectives**

After reading Chapter 2, participants will able to:

1. Identify money management goals noting types of income, recognize the causes of increased taxable income for itemizing taxpayers, and specify the types of taxable income and their proper reporting.
2. Determine the distinctions between tax-free municipal bonds from fringe benefits in generating tax-free income, cite the benefits of tax deferral, and identify tax-deferred investments.
3. Specify ways to shelter income noting how income sheltering amplifies investment return.
4. Recognize the budgeting of income into cash by containing expenditures with the author's six step process and the development of discretionary in-

come noting important variables, identify a client's negative outlook on budgeting, determine how to convert income into assets by purchasing investments, and specify asset acquisition rules for improved investment return.

5. Identify tax-advantage investments using six basic management rules, and recognize the economic impact of accelerating deductions, postponing tax liability, and leveraging.

After studying the materials in this chapter, answer the exam questions 41 to 62.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 3</b>	<b>Preserving the Estate</b>

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

- \* Obstacles to preservation
- \* Tracking spending
- \* Building savings
- \* Designing a budget
- \* Determining worth
- \* Analyzing net worth
- \* Ignorance
- \* Inflation
- \* Taxes
- \* Tax planning tactics

**Learning Objectives**

After reading Chapter 3, participants will be able to:

1. Identify spending habits noting how to design a budget to increase discretionary income, determine net worth using a balance sheet, and select assets and liabilities for an inventory on which to base financial goals.
2. Specify why individuals should take primary responsibility for the investment planning including necessary self-education, determine the allocation of financial resources among investments to maximize return, and recognize the impact of inflation, risk versus return, and basic income tax planning tactics.

After studying the materials in this chapter, answer the exam questions 63 to 78.

<b>ASSIGNMENT</b>	<b>SUBJECT</b>
<b>Chapter 4</b>	<b>Distribution of the Estate</b>

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

- \* Unlimited marital deduction
- \* Applicable exclusion amount
- \* Stepped-up basis
- \* Basic estate planning goals
- \* Simple will
- \* Types of trusts
- \* Charitable trusts
- \* Insurance trusts
- \* Family documents
- \* Private annuities

### **Learning Objectives**

After reading Chapter 4, participants will be able to:

1. Identify estate planning for business clients by:
  - a. Selecting elements of estate tax planning that have remained unchanged by recent legislation;
  - b. Recognizing the unlimited marital deduction and its effect on the gross estate of the value of property; and
  - c. Specifying the applicable exclusion amounts for various years of death.
2. Determine the differences between “stepped-up basis” and repealed “modified carryover basis” for estate tax purposes.
3. Specify estate-planning goals and the benefits and drawbacks of the primary dispositive plans.
4. Identify the various types of trusts noting their estate planning uses.
5. Specify family documents that every taxpayer should consider.
6. Determine the advantages and disadvantages of the former private annuity format.

After studying the materials in this chapter, answer the exam questions 79 to 100.

### **ASSIGNMENT**

### **SUBJECT**

#### **Chapter 5**

#### **Plans, Devices & Techniques**

At the start of Chapter 5, participants should identify the following topics for study:

- \* Disposition of property without a will
- \* Disposition of property with a will
- \* Joint tenancies & tenancies in common
- \* Retirement plans & IRAs & life insurance
- \* Gifts & payable on death accounts
- \* Transfers using a trust

- \* Annual gift tax exclusion & unlimited marital deduction
- \* Annuities & trusts
- \* Grantor retained income trusts
- \* Buy-sell agreements

### **Learning Objectives**

After reading Chapter 5, participants will be able to:

1. Identify the process of property disposition within probate under a will and intestate succession noting impact on an estate and its beneficiaries.
2. Specify ways to make transfers outside the probate system including the use of a trust.
3. Identify special exclusions, deductions, and transfers to be used as estate-planning tools permitting clients to pass more wealth to heirs and save death taxes while retaining maximum control where possible.
4. Recognize how specialized trusts, valuations, and entities can reduce estate taxes, determine how to take advantage of the annual gift tax exclusion and provide a tax deduction or offer income, estate and gift tax savings.
5. Identify a grantor retained income trust as an estate-planning device noting variations of this trust and specifying their benefits to the grantor and beneficiaries.

After studying the materials in this chapter, answer the exam questions 101 to 120.

### **ASSIGNMENT**

#### **Appendix A**

### **SUBJECT**

#### **Bookmarks**

- \* This Appendix is a reference chapter only listing Internet bookmarks.

### **Notice**

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