

Compensation and Taxation

Course Description

This mini-course examines the various ideas, methods, and techniques capable of optimizing the overall compensation package for key employees and principals in small to medium sized businesses. Qualified and non-qualified deferred compensation, benefit targeting, insurance programs, statutory fringe benefits, interest free loans, and investment planning are investigated. Consideration is given to indirect compensation in the form of business entertainment, expense accounts, auto use, travel, and transportation. The new field of professional services is probed to provide tax, financial and estate planning to the key executive.

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.

CPE Credits: 3 (CPA, EA)

Category: Taxation

Prerequisite: General understanding of federal income taxation.

Advanced Preparation: None

Course Learning Objectives

Lesson 1: Getting Cash Out Of Your Business

1. Identify types of income, from a financial and tax perspective, to be budgeted into cash so that income-producing assets can be acquired and managed for an effective investment plan.
2. Determine compensation to maximize the net dollar return using strategies that involve all aspects of how the client relates to the company for which they may be an owner, employee, or both.
3. Specify the differences between qualified deferred compensation plans and nonqualified deferred compensation plans, and recognize defined contribution plans from defined benefit plans noting the characteristics of each so that business owners may choose the most suitable plan to accomplish their financial and worker incentive objectives.

4. Recognize the scope and variety of excluded fringe benefits including tax treatment, operational details, and level of incentive based compensation.
5. Identify the directly related test and the associated test to insure that entertainment expenses can be deducted, determine the tax treatment of reimbursements paid under accountable and unaccountable plans, and recognize deductible travel expenses undertaken for business.
6. Specify types of insurance that a company can provide its employees, denies the various types of equity participation available from which companies may choose, and identify the basic types of buy sell agreements.