Course Title: Estate Planning and Taxation

Course Number: Fin. 475. Room 169 Rusche College of Business

Name of Instructor: Dr. Banker Phares

Semester: Spring, 2016

Instructor: Dr. Banker Phares
E-Mail of Instructor: pharesb@sfasu.edu
Phone Number of Instructor: 936.234.9196 or 936.468.1783

Office: Room 169A, SFA College of Business Building
Office Hours: Monday 9-12 and 1-2:30. Tuesday 1-5. Wednesday 1-2:30. Instructor is available after each class to discuss topics and answer questions.

Class Meeting time and Place: The class will meet twice a week with hours arranged by the instructor and the student. The student and the instructor will meet three hours each week.

Prerequisites for Course: None. This course is the equivalent of Finance 448. It is recommended that other finance courses be taken prior to enrolling in this course. The course level is Upper division baccalaureate

Course Credit Given for Certified Financial Planner Program
Course credit given as elective for Degree in Finance.


Program Learning Outcomes:

Program learning outcomes define the knowledge, skills, and abilities students are expected to demonstrate upon completion of an academic program. These learning outcomes are regularly assessed to determine student learning and to evaluate overall program effectiveness. You may access the program learning outcomes for your major and particular courses at http://www.sfasu.edu/cob/ug-plo.asp.

Student Learning Outcomes:

In general, SLOs in a course that support the PLOs are specific and include the exact knowledge, skill or behavior taught in the course that supports the more global PLOs.
Bankruptcies and debt collections have dramatically increased in recent years. In large part, this is due to inadequate financial planning by individuals and businesses. To prepare the student to deal with a constantly changing economy by having the student: 1) Learn the importance, and have a basic understanding of, planning techniques; 2) Develop and identify analytical skills, by lecture and class discussion to facilitate effective financial decision-making, including informed decisions regarding budgets, investment, insurance, retirement, and estate planning. Upon course completion, the student should have the ability to have a working knowledge of the materials covered in the course, thereby providing the student with the ability to make – and, if necessary access, sources – for making appropriate financial decisions, both personal and business.

Academic Integrity

Academic integrity is a responsibility of all university faculty and students. Faculty members promote academic integrity in multiple ways including instruction on the components of academic honesty, as well as abiding by university policy on penalties for cheating and plagiarism.

Definition of Academic Dishonesty

Academic dishonesty includes both cheating and plagiarism. Cheating includes but is not limited to (1) using or attempting to use unauthorized materials to aid in achieving a better grade on a component of a class; (2) the falsification or invention of any information, including citations, on an assigned exercise; and/or (3) helping or attempting to help another in an act of cheating or plagiarism. Plagiarism is presenting the words or ideas of another person as if they were your own. Examples of plagiarism are (1) submitting an assignment as if it were one's own work when, in fact, it is at least partly the work of another; (2) submitting a work that has been purchased or otherwise obtained from an Internet source or another source; and (3) incorporating the words or ideas of an author into one's paper without giving the author due credit. Please read the complete policy at http://www.sfasu.edu/policies/academic_integrity.asp

Students with Disabilities

To obtain disability related accommodations, alternate formats and/or auxiliary aids, students with disabilities must contact the Office of Disability Services (ODS), Human Services Building, and Room 325, 468-3004 / 468-1004 (TDD) as early as possible in the semester. Once verified, ODS will notify the course instructor and outline the accommodation and/or auxiliary aids to be provided. Failure to request services in a timely manner may delay your accommodations. For additional information, go to http://www.sfasu.edu/disabilityservices/.

Withheld Grade Policy
Ordinarily, at the discretion of the instructor of record and with the approval of the academic chair/director, a grade of WH will be assigned only if the student cannot complete the course work because of unavoidable circumstances. Students must complete the work within one calendar year from the end of the semester in which they receive a WH, or the grade automatically becomes an F. If students register for the same course in future terms the WH will automatically become an F and will be counted as a repeated course for the purpose of computing the grade point average.

Course Requirements:

1) Exams for Course: Three, each of equal value. The Final will be one of the three tests and will have a value equal to a test. There will be no quizzes or homework (unless needed to make up for an unexcused absence). There will be an advance reading assignment each week. A legitimate excuse must be presented in order to make-up a missed exam. If a student has a D or lower average for the first two tests, the student will be required to take a comprehensive final.

2) Grading Policy: For the most part, the tests will primarily require short specific answers; i.e. objective. Tests will be announced two weeks in advance.

3) Required Attendance for Course: Three absences from each class meeting is allowed without excuse. Other absences require acceptable excuse. If absent without acceptable excuse, additional course work may be assigned.

Course Description:

Estate Planning and Taxation focuses on the efficient conservation and transfer of wealth, consistent with the client’s goals. It is a study of the legal, tax, financial and non-financial aspects of this process, covering topics such as trusts, wills, probate, advanced directives, charitable giving, wealth transfers and related taxes.

Course Objectives:

Note: In recent years many of the tax laws governing the taxation of estates and gifts were radically changed, and are expected to stay in effect for the next two years. However, the subject is very dynamic and therefore the leading professionals must be committed to lifelong learning. The course will also emphasize non-tax aspects of estate planning. These aspects are just as – if not more important – than the impact of estate and gift taxes.

The student should be able to understand, explain, analyze and evaluate estate planning needs and taxation and recommend appropriate techniques for meeting estate planning and objectives, including:

- Determine client estate planning needs and objectives, taking into account financial and non-financial (behavioral/social/emotional) aspects of estate planning
- Understand the effects of lack of estate planning, including state laws of intestacy
• Project estate taxation and liquidity needs in various situations
• Recommend appropriate and efficient methods of wealth transfer for a client’s situation, including, without limitation
  ➢ Lifetime gifting strategies and taxation
  ➢ Planning for minors
  ➢ Incapacity planning
  ➢ Planning related to tax-favored retirement assets
  ➢ Planning for non-citizen spouse
  ➢ Planning for adequate liquidity
  ➢ Planning to conserve assets and minimize expenses, including taxes
• Understand, analyze and evaluate client need for various estate documents, including, without limitation, wills, trusts, powers of appointment and medical directives
• Recommend appropriate life insurance arrangements, including, without limitation, life insurance trust planning
• Be able to explain the probate system, including its purpose and pros and cons
• Recommend appropriate titling of assets to meet estate planning and other objectives
• Understand and recommend appropriate techniques for charitable giving during life and as part of an estate plan
• Recommend estate planning techniques for traditional and non-traditional families, relationships and needs
• Recommend planning techniques for married couples, including pre-nuptial agreements and use of trusts
• Recommend planning techniques for owners of closely-held businesses and farms and ranches
• Recommend planning techniques for multi-generational planning
• Recommend techniques to mitigate post-death problems for survivors of the decedent, including pre-death planning techniques, planning for income adequacy and post-mortem planning techniques such as qualified disclaimers
• Evaluate a client’s situation and available estate planning strategies and techniques to recommend an appropriate plan to meet client objectives; monitor and recommend modifications based on changing circumstances
• Evaluate possible future changes in the client’s situation and legal/tax situation to provide forward-looking estate planning advice
• Learn to work appropriately with other members of the client’s estate planning team

In addition to developing technical expertise in the course subject matter, this course develops and fosters:
• Communication skills, both written and oral
• Critical thinking
• Decision-making
• Team work
• Intellectual curiosity and lifelong learning

**Supplementary Graduate Reading:**

- The Estate and Financial Planning Review
- Trusts and Estates: The Journal of Wealth Management for Estate-Planning Professionals
- Journal of Financial Planning
- Financial Services Review
- Journal of Financial Services Professionals
- Journal of Personal Finance
- Financial Counseling and Planning

**Assessment Techniques:**

- Homework (primarily advance reading from text for class preparation)
- Two Exams (closed book)
- Final (closed book) The Final counts the same as an Exam; thus each Exam will count one-third of grade, and the Final will count one-third of grade. The two Exams and the Final will be averaged to produce the final class grade.
- If the course includes graduate students seeking graduate credit for the course, the graduate students will be required, in addition to the tests, to prepare two papers containing responses to factual situations involving estate planning. The graduate students will meet with the instructor to discuss the papers and defend their suggestions. For graduate students, the combined papers will constitute one-third of the overall final grade for the course.

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**Course Attendance**

Three absences without any need for excuse. Additional absences with advance permission. Each additional absence without permission will cause of two point deduction from overall class grade.

**Course Outline – the professor retains the right to modify this outline:**

The following outline is organized to meet twice each week and requires the class to meet for at least three hours per week for 15 weeks. Each class meeting will deal with one chapter in the Required Textbook. For example week 1 covers the topics “Introduction to Estate Planning,” (Chapter 1 of Required Textbook). The chapters from the text book pertaining to these weeks are set forth in order to allow the student to prepare for class in advance. Class lectures will amplify the material from the Required Text. Tests and Final will be from material in Required Text.

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<thead>
<tr>
<th>Week</th>
<th>Content; Assignment</th>
<th>Reading and Preparation</th>
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<tbody>
<tr>
<td>1</td>
<td>Introduction to Estate Planning</td>
<td>Chapter 1</td>
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<tr>
<td>2</td>
<td>Estate Planning Documents</td>
<td>Chapter 2</td>
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<td>3</td>
<td>Types of Property</td>
<td>Chapter 3</td>
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<tr>
<td>4</td>
<td>The Probate Process</td>
<td>Chapter 4</td>
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<td>5</td>
<td>First Test</td>
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<tr>
<td>6</td>
<td>Gift Tax</td>
<td>Chapter 5</td>
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<tr>
<td>7</td>
<td>Estate Tax</td>
<td>Chapter 6</td>
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<tr>
<td>8</td>
<td>Transfers During Life &amp; Death</td>
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<td>9</td>
<td>Trusts</td>
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<tr>
<td>10</td>
<td>Charitable Giving</td>
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<td>11</td>
<td>Second Test</td>
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<td>12</td>
<td>Unlimited Marital Deduction</td>
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<td>Life Insurance</td>
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<td>Special Elections</td>
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<tr>
<td>15</td>
<td>Generation Skipping Transfers</td>
<td>13</td>
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**Final Exam** – Shown on university schedule