

# 2024 CDFA<sup>®</sup> Exam Blueprint

KNOWLEDGE DOMAIN	% OF EXAM
<b>A.</b> Professional Responsibilities _____	<b>7%</b>
<b>B.</b> Divorce Law and Legal Terminology _____	<b>9%</b>
<b>C.</b> Property and Taxation _____	<b>18%</b>
<b>D.</b> Retirement Plans and Taxation _____	<b>15%</b>
<b>E.</b> Social Security and Other Government Benefits _____	<b>5%</b>
<b>F.</b> Spousal and Child Support and Taxation _____	<b>4%</b>
<b>G.</b> Financial Analysis and Planning _____	<b>15%</b>
<b>H.</b> Insurance and Risk Management _____	<b>4%</b>
<b>I.</b> Employee Benefits _____	<b>8%</b>
<b>J.</b> Debt, Credit, and Bankruptcy _____	<b>7%</b>
<b>K.</b> Specialty Areas _____ (e.g., military, special needs, late-life divorce, disability)	<b>8%</b>

## A. PROFESSIONAL RESPONSIBILITIES

- A.1 Knowledge of the difference between giving legal and/or tax advice and providing a financial opinion or information
- A.2 Knowledge of the types of situations that might be a conflict of interest for a CDFA<sup>®</sup> professional
- A.3 Knowledge of the difference between the role of CDFA<sup>®</sup> professionals and that of other financial advisors or professionals
- A.4 Knowledge of the role of an expert witness and the difference between trial consultant and expert witness
- A.5 Knowledge of the various roles of the CDFA<sup>®</sup> professional and specific divorce processes (e.g., collaborative, mediated, litigated)
- A.6 Knowledge of CDFA<sup>®</sup> professional's Practice Standards
- A.7 Knowledge of CDFA<sup>®</sup> Code of Ethics and Professional Responsibility

## B. DIVORCE LAW AND LEGAL TERMINOLOGY

- B.1 Knowledge of the common legal terms used during a divorce case
- B.2 Knowledge of the difference between a temporary order and a permanent order
- B.3 Knowledge of the different types of settlement options (e.g., alternative dispute resolution, litigation, mediation, arbitration, collaborative divorce, cooperative divorce)
- B.4 Knowledge of the purpose, use of and the difference between formal (i.e., depositions, interrogatories, requests for production of documents, and expert opinions) and informal discovery

- B.5 Knowledge of the purpose and content of a financial affidavit and how to prepare, review, and evaluate it
- B.6 Knowledge of the differences between how community property states and equitable distribution states define and divide marital assets
- B.7 Knowledge of the difference between equal and equitable distribution of property
- B.8 Knowledge of the components of a report (e.g., professional qualifications, scope, assumptions, facts, analysis, findings, conclusions)

## C. PROPERTY AND TAXATION

- C.1 Knowledge of the tax impacts of dividing assets and liabilities
- C.2 Knowledge of how to identify and determine the value of property and allocate the value between the spouses, including segregating partial separate versus marital (e.g., gifts and inheritance)
- C.3 Knowledge of how to inventory assets and liability documents
- C.4 Knowledge of how separate property can be used as an offset in the division of marital property.
- C.5 Knowledge of the options for valuing and dividing a family business, intellectual property, or non-liquid assets.
- C.6 Knowledge of the options for the marital home in a divorce.
- C.7 Skill to calculate equity, cos basis, and capital gain on the marital home.
- C.8 Knowledge of the rules and tax implications of the sale of the marital home versus other real property (non-marital)
- C.9 Skill to calculate equity, cost basis, depreciation recapture, and capital gain on other real property (non-marital home)
- C.10 Knowledge of how most property transfers are taxed and exceptions relative to divorce
- C.11 Knowledge of the unique tax treatments and implications of dividing assets such as bonds, annuities, and life insurance.
- C.12 Knowledge of how to deal with income/appreciation from separate property
- C.13 Knowledge of capital loss carryforwards, net operating loss, charitable deduction carryforwards, and whether they can be divided.
- C.14 Knowledge of the tax treatment and rules of Qualified Principal Residence Indebtedness (e.g., short sales, foreclosure)
- C.15 Knowledge of issues related to difference between value at time of settlement and time of division.

## D. RETIREMENT PLANS AND TAXATION

- D.1 Knowledge of how 401(k) and other discretionary retirement contributions are treated
- D.2 Knowledge of defined contribution plans and how they work (including vesting and/or loans)
- D.3 Knowledge of how to transfer assets from a defined contribution plan
- D.4 Knowledge of defined benefit plans and how they work

- D.5 Knowledge of different methods for dividing a pension (e.g., coverture, shared interest, separate interest)
- D.6 Knowledge of how to calculate the present value of a defined benefit pension, including the marital portion
- D.7 Knowledge of survivor benefits in defined benefit plans
- D.8 Knowledge of the common pitfalls of dividing a pension
- D.9 Knowledge of net unrealized appreciation of company stock in qualified retirement accounts
- D.10 Knowledge of the need for a QDRO and how they work relative to retirement plan tax issues
- D.11 Knowledge of mandatory withholding requirements for retirement plans
- D.12 Knowledge of all types of individual retirement accounts (IRAs) and how they are taxed
- D.13 Knowledge of the rules regarding dividing an individual retirement account (IRA) in a divorce
- D.14 Knowledge of distributions from retirement plans and how they are taxed

## **E. SOCIAL SECURITY AND OTHER GOVERNMENT BENEFITS**

- E.1 Knowledge of when an ex-spouse qualifies, or multiple ex-spouses qualify for Social Security retirement, spousal, or survivor benefits.
- E.2 Knowledge of other divorce-related Social Security issues (e.g., windfall elimination provision, government pension offset, or child benefits)
- E.3 Knowledge of taxation of Social Security benefits

## **F. SPOUSAL AND CHILD SUPPORT AND TAXATION**

- F.1 Knowledge of how, when, and why spousal support can be modified
- F.2 Knowledge of child support guidelines and their applications
- F.3 Knowledge of how, when, and why child support can be modified
- F.4 Knowledge of the assignment of child dependency, child tax credit, and related issues
- F.5 Knowledge of imputed income for support purposes
- F.6 Knowledge of factors for awarding spousal support
- F.7 Knowledge of the history of spousal support taxation

## **G. FINANCIAL ANALYSIS AND PLANNING**

- G.1 Knowledge of the common financial mistakes made in divorce settlements
- G.2 Knowledge of the information needed to analyze client financial data
- G.3 Knowledge of how to read and interpret client's financial information
- G.4 Knowledge of how to look for missing and/or inconsistent financial information

- G.5 Knowledge of how to review and evaluate current and projected expenses for reasonableness
- G.6 Knowledge of how to find unidentified assets by reviewing tax returns and other documents and transactions
- G.7 Knowledge of how to determine the financial viability of keeping the residence and future ownership options
- G.8 Knowledge of various tax credits (e.g., childcare credit, child tax credit, earned income credit, Retirement Savings Contribution Credit (i.e., tax credit for low income individuals), American Opportunity Tax Credit, and Lifetime Learning Tax Credit)
- G.9 Knowledge of how to allocate income, deductions, and estimated tax payments
- G.10 Knowledge of how to read and interpret IRS personal and business tax returns, supporting schedules and attachments
- G.11 Knowledge of tax filing status and its implications
- G.12 Knowledge of the concept of "double dipping"
- G.13 Knowledge of various types of income (e.g., wages, K-1, 1099, dividend, interest, self employment, S-Corp)
- G.14 Knowledge of dissipation of assets (e.g., gambling, drugs)
- G.15 Knowledge of the Innocent Spouse Rule
- G.16 Knowledge of how to identify and/or distribute cryptocurrency assets in a divorce settlement

## H. INSURANCE AND RISK MANAGEMENT

- H.1 Knowledge of various methods for protecting spousal support, including life insurance, disability insurance, or an annuity and appropriate ownership designations
- H.2 Knowledge of the types of insurance policies (e.g., permanent or term), and their cash value and loans
- H.3 Knowledge of insurability issues (e.g., issues affecting ability to acquire life disability, and/or long-term care insurance)
- H.4 Knowledge of property and casualty (e.g., personal liability) insurance issues (e.g. maintaining appropriate coverage, child's car insurance)
- H.5 Knowledge of issues related to long-term care insurance
- H.6 Knowledge of the process for changing beneficiaries and how to handle changes to insurance policies post-divorce

## I. EMPLOYEE BENEFITS

- I.1 Knowledge of how to identify, value, and offset accrued vacation and sick time and its ramifications
- I.2 Knowledge of executive compensation (e.g., qualified and non-qualified stock options, restricted stock units, performance units, deferred income)
- I.3 Knowledge of health insurance and benefits governed by the Consolidated Omnibus Budget Reconciliation Act (COBRA)
- I.4 Knowledge of the various forms of compensation and taxation
- I.5 Knowledge of payroll deductions

- I.6 Ability to calculate take-home pay to demonstrate mandatory vs. discretionary withholdings
- I.7 Knowledge of health savings accounts (HSAs) and flexible spending accounts (FSAs), and how they are taxed
- I.8 Knowledge of options for providing health insurance for children
- I.9 Knowledge of how vesting schedules, loans, and hardship withdrawals affect the division of employee benefits in a divorce

## J. DEBT, CREDIT, AND BANKRUPTCY

- J.1 Knowledge of the rules regarding secured debt, student loan debt, unsecured debt, and tax debt and how to classify debt as marital or separate
- J.2 Knowledge of how credit and debt work in a divorce and potential post-divorce liability
- J.3 Knowledge of the general rules regarding types of bankruptcy as it relates to divorce
- J.4 Knowledge of credit reports and ratings
- J.5 Knowledge of margins and short positions on investment accounts
- J.6 Knowledge of personal loans and/or guarantees

## K. SPECIALTY AREAS (e.g. military, special needs, late-life divorce, disability)

- K.1 Knowledge of the financial implications of prenuptial and post-nuptial agreements
- K.2 Knowledge of the ownership of family-limited partnerships and other asset transfer strategies and private equity (e.g., ownership, non-dilution clauses, capital calls, transferability)
- K.3 Knowledge of the financial implications for spouses and/or children with special needs (including the impact of child support, medical expenses, special needs trust, and government benefits)
- K.4 Knowledge of trust and estate planning
- K.5 Knowledge of college funding and divorce impact on filling out financial aid (FAFSA form)
- K.6 Knowledge of issues related to military divorces (e.g., income, disability, health benefits, retirement income, combat pay, CBS/redux, thrift savings plan, the Survivor Benefit Plan (SBP) and the Uniformed Services Former Spouses' Protection Act (USFSPA))
- K.7 Knowledge of the financial implications of late-life divorces, including the division of retirement assets, Social Security benefits, and long-term care planning

# CDFA Exam Blueprint

## Breakdown by Knowledge Domain

