

CDFA[®] Exam Blueprint

Based on 2015 JTA

KNOWLEDGE DOMAIN (% OF EXAM)

- A. Professional Responsibilities **8%**
- B. Divorce Law and Legal Terminology **12%**
- C. Property and Taxation **18%**
- D. Retirement Plans and Taxation & Social Security Benefits **19%**
- E. Spousal and Child Support and Taxation **13%**
- F. Financial Analysis and Planning **17%**
- G. Specialty Areas **13%**

A. PROFESSIONAL RESPONSIBILITIES

- A.1 Knowledge of the difference between giving legal and/or tax advice and providing a financial opinion
- A.2 Knowledge of the types of situations that might be a conflict of interest for a CDFA[®]
- A.3 Knowledge of the difference between the CDFA role 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 fact witness
- A.5 Knowledge of the various roles of the CDFA (e.g., *collaborative, mediated, litigated*)
- A.6 Knowledge of CDFA Practice Standards
- A.7 Knowledge of CDFA Code of Ethics and Professional Responsibility

B. DIVORCE LAW AND LEGAL TERMINOLOGY

- B.1 Knowledge of common financial mistakes made in divorce settlements
- B.2 Knowledge of common legal terms used during a divorce case
- B.3 Knowledge of the difference between a temporary order and a permanent order
- B.4 Knowledge of the different approaches to a settlement (parties or lawyers directing the settlement)
- B.5 Knowledge of the different types of alternative dispute resolution (e.g., mediation, arbitration, collaborative divorce, cooperative divorce)
- B.6 Knowledge of the difference between formal (i.e., *depositions, interrogatories, requests for production of documents, and expert opinions*) and informal discovery
- B.7 Knowledge of the purpose of a deposition
- B.8 Knowledge of the types of divorce (e.g., *fault or no-fault divorce*)
- B.9 Knowledge of the divorce process (e.g., *pre-filing considerations, attorney selection, waiting periods, trial, appeals*)

- B.10 Knowledge of the content and purpose of a financial affidavit and how to prepare, review, and evaluate it
- B.11 Knowledge of the differences between how community property states and equitable distribution states define and divide marital assets
- B.12 Knowledge of the difference between equal and equitable distribution of property

C. PROPERTY AND TAXATION

- C.1 Knowledge of the tax impacts of dividing assets and liabilities
- C.2 Knowledge of how to identify possible marital and separate property
- C.3 Knowledge of how to inventory assets
- C.4 Knowledge of how to determine the value of property and allocate the value between the spouses, including segregating partial separate versus marital
- C.5 Knowledge of how separate property can be used as an offset in division of marital property
- C.6 Knowledge of what constitutes a career asset and whether it can be valued
- C.7 Knowledge of the options for valuing and dividing a family business
- C.8 Knowledge of the options for valuing intellectual property and including it in the assets
- C.9 Knowledge of the options for the marital home in a divorce
- C.10 Skill to calculate equity, cost basis, and capital gain on the marital home
- C.11 Skill to calculate equity, cost basis, and capital gain on other real property (non-marital home)
- C.12 Knowledge of the rules and tax implications of the sale of the marital home versus other real property, including ownership and use periods
- C.13 Knowledge of how most property transfers are taxed and exceptions relative to divorce
- C.14 Knowledge of the tax treatments and implications of dividing US savings bonds, annuities, and life insurance
- C.15 Knowledge of the recapture of tax benefits when dividing property
- C.16 Knowledge of how to identify an improvement to the principal residence
- C.17 Knowledge of how to deal with income/appreciation from separate property
- C.18 Knowledge of executive compensation (e.g., *qualified and nonqualified stock options, restricted stock units, performance units, deferred income*)
- C.19 Knowledge of the tax treatment and rules of Qualified Principal Residence Indebtedness (e.g., *short sale, foreclosure*)

D. RETIREMENT PLANS AND TAXATION & SOCIAL SECURITY BENEFITS

- 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
- 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 Qualified Domestic Relations Orders (QDROs) and how they work
- D.8 Knowledge of survivor benefits in defined benefit plans
- D.9 Knowledge of the common pitfalls of dividing a pension
- D.10 Knowledge of net unrealized appreciation of company stock in qualified retirement accounts
- D.11 Knowledge of the difference between defined contribution plans and defined benefit plans
- D.12 Knowledge of QDRO requirements and how they work relative to retirement plan tax issues
- D.13 Knowledge of distributions from retirement plans and how they are taxed
- D.14 Knowledge of mandatory withholding requirements for retirement plans
- D.15 Knowledge of individual retirement accounts (IRAs) and how they are taxed
- D.16 Knowledge of the rules regarding dividing an individual retirement account (IRA) in a divorce
- D.17 Knowledge of when an ex-spouse qualifies or multiple ex-spouses qualify for Social Security retirement benefits
- D.18 Knowledge of how an ex-spouse can qualify for Social Security widow's benefits
- D.19 Knowledge of other divorce-related Social Security issues (e.g., *windfall elimination provision*, *government pension offset*, *child benefits*, and *same-sex married couples and benefits*)
- D.20 Knowledge of Social Security offsets and how they work
- D.21 Knowledge of the Medicare program

E. SPOUSAL AND CHILD SUPPORT AND TAXATION

- E.1 Knowledge of how, when, and why spousal support can be modified
- E.2 Knowledge of the tax issues for spousal support and benefits of proper planning
- E.3 Knowledge of front-loading of spousal support and how to avoid recapture
- E.4 Knowledge of child support guidelines and their applications
- E.5 Knowledge of how, when, and why child support can be modified
- E.6 Knowledge of whether spousal support is a disguised property transfer
- E.7 Knowledge of the Internal Revenue Code definition of alimony/spousal support
- E.8 Skill to calculate recapture of spousal support relative to tax issues
- E.9 Knowledge of the implications of declining maintenance/spousal support (e.g., *rehabilitative alimony*) and how it works

- E.10 Knowledge of child-related contingency rules and how to avoid the recharacterization of spousal support as child support (e.g., *Six-Month Rule*, *Multiple Reduction Rule*)
- E.11 Knowledge of the assignment of dependency exemptions
- E.12 Knowledge that taxable spousal support is considered earned income for purposes of IRA contributions
- E.13 Knowledge of imputed income for support purposes
- E.14 Knowledge of criteria for awarding spousal support

F. FINANCIAL ANALYSIS AND PLANNING

- F.1 Knowledge of the rules regarding tax deductibility of divorce expenses
- F.2 Knowledge of the information needed to analyze client financial data (e.g., *pay stubs or other income information, tax forms, information on credit card or other debt*)
- F.3 Knowledge of how to read and interpret client's financial information (e.g., *identify hidden assets or changes that could provide more cash*)
- F.4 Knowledge of the various forms of compensation and taxation
- F.5 Knowledge of pre-tax payroll deductions
- F.6 Skill to calculate gross pay
- F.7 Skill to calculate take-home pay (e.g., *FICA, Social Security*)
- F.8 Knowledge of how to look for missing and/or inconsistent financial information (e.g., *duplicated expenses, missing income, reimbursed business expenses*)
- F.9 Knowledge of how to review expenses
- F.10 Knowledge of how to find hidden assets by reviewing tax returns and other documents and transactions
- F.11 Knowledge of how to determine the financial viability of one spouse keeping the residence
- F.12 Knowledge of various tax credits (e.g., *childcare credit, child tax credit, earned income credit, and Retirement Savings Contribution Credit (i.e., tax credit for low income individuals)*)
- F.13 Knowledge of how to allocate income, deductions, estimated tax payments, and tax carryforwards
- F.14 Knowledge of the Innocent Spouse Rule
- F.15 Knowledge of how to read and interpret IRS personal and business tax returns, supporting schedules and attachments
- F.16 Knowledge of tax filing status and its implications
- F.17 Knowledge of the concept of "double dipping"
- F.18 Knowledge of the components of a report (e.g., *professional qualifications, scope, assumptions, facts, analysis, findings, conclusions*)

G. SPECIALTY AREAS

Includes insurance and risk management; debt, credit, and bankruptcy; and other specialty areas (e.g., *military, same-sex, late-life divorce, disabilities*)

- G.1 Knowledge of methods for guaranteeing spousal support through life insurance, disability insurance, or an annuity
- G.2 Knowledge of health insurance and benefits governed by Consolidated Omnibus Budget Reconciliation Act (COBRA)
- G.3 Knowledge of life insurance and its use in divorce, including ownership privileges
- G.4 Knowledge of the types of insurance policies (e.g., *cash value, term, variable*)
- G.5 Knowledge of the rules regarding secured debt, unsecured debt, and tax debt and how to classify debt as marital or separate
- G.6 Knowledge of how credit and debt work in a divorce and potential post-divorce liability
- G.7 Knowledge of the general rules regarding types of bankruptcy as it relates to divorce
- G.8 Knowledge of loans on insurance policies and 401(k) plans
- G.9 Knowledge of personal loans and/or guarantees
- G.10 Knowledge of pre-nuptial and post-nuptial agreements
- G.11 Knowledge of issues related to military divorces (e.g., *income, health benefits, retirement income, combat pay, CBS/redux, thrift savings plan*)
- G.12 Knowledge of the ownership of family-limited partnerships and other asset transfer strategies and private equity (e.g., *ownership, nondilution clauses, capital calls, transferability*)
- G.13 Knowledge of the issues related to same-sex marriage
- G.14 Knowledge of issues related to late-life divorce (e.g., *retirement benefits, disability, long-term care needs, no current earned income*)
- G.15 Knowledge of government-based healthcare programs (e.g., Medicaid, Medicare) and need-based and entitlement-based government benefits (e.g., SSI versus SSDI)

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Breakdown by Knowledge Domain

