

2020 CDFA[®] Exam Blueprint (US)

KNOWLEDGE DOMAIN (% OF EXAM)

- A. Professional Responsibilities 7%
- B. Divorce Law and Terminology 10%
- C. Property and Taxation 17%
- D. Retirement Plans and Taxation 14%
- E. Social Security and Other Government Benefits 4%
- F. Spousal and Child Support Taxation 8%
- G. Financial Analysis and Planning 15%
- H. Insurance and Risk Management 5%
- I. Employee Benefits 7%
- J. Debt, Credit, and Bankruptcy 6.5%
- K. Specialty Areas 6.5%

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[®] professional
- A.3 Knowledge of the difference between the role of CDFA[®] 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[®] professional and specific divorce processes (e.g., *collaborative, mediated, litigated*)
- A.6 Knowledge of the components of a professional curriculum vitae for a CDFA[®] professional required to accurately reflect qualifications
- A.7 Knowledge of CDFA[®] professional's Practice Standards
- A.8 Knowledge of CDFA[®] Code of Ethics and Professional Responsibility

B. DIVORCE LAW AND TERMINOLOGY

- B.1 Knowledge of the common financial mistakes made in divorce settlements
- B.2 Knowledge of the common legal terms used during a divorce case
- B.3 Knowledge of your state's divorce laws and their impact on divorce proceedings
- B.4 Knowledge of the difference between a temporary order and a permanent order
- B.5 Knowledge of the different types of settlement options (e.g., alternative dispute resolution, litigation, 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 grounds for 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 purpose and content 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
- B.13 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 possible marital and separate property (e.g., *gifts and inheritance*)
- C.3 Knowledge of how to inventory assets and liability documents
- 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 other real property (non marital home)
- C.11 Knowledge of the rules and tax implications of the sale of the marital home versus other real property, including ownership and use periods
- C.12 Knowledge of how most property transfers are taxed and exceptions relative to divorce
- C.13 Knowledge of the unique tax treatments and implications of dividing assets such as bonds, annuities, and life insurance
- C.14 Knowledge of how to identify a capital improvement to the principal residence
- C.15 Knowledge of how to deal with income/appreciation from separate property
- C.16 Knowledge of capital loss carryforwards, net operating loss, charitable deduction carryforwards, and whether they can be divided
- C.17 Skill to calculate equity, cost basis, and capital gain on the marital home
- C.18 Knowledge of depreciation recapture of tax benefits when dividing real property
- C.19 Knowledge of the tax treatment and rules of Qualified Principal Residence Indebtedness (e.g., *short sale, foreclosure*)

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
- 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 Qualified Domestic Relations Orders (QDROs) 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 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
- E.4 Knowledge of taxation of state-provided and federal disability programs
- E.5 Knowledge of government-based healthcare programs (e.g., *Medicaid*, *Medicare*) and need-based and entitlement-based government benefits (e.g., *SSI versus SSDI*)

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 and related issues
- F.5 Knowledge of imputed income for support purposes
- F.6 Knowledge of criteria for awarding spousal support
- F.7 Knowledge of the history of spousal support taxation
- F.8 Skill to calculate recapture of spousal support relative to tax issues (applicable until 2021)
- F.9 Knowledge of the differences between how states address alimony/spousal support
- F.10 Knowledge of the differences between how states address child support

G. FINANCIAL ANALYSIS AND PLANNING

- G.1 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*)
- G.2 Knowledge of how to read and interpret client's financial information (e.g., *identify hidden assets* or *changes that could provide more cash flow*)
- G.3 Knowledge of how to look for missing and/or inconsistent financial information (e.g., *duplicated expenses*, *missing income*, *reimbursed business expenses*)

- G.4 Knowledge of how to review and evaluate current and projected expenses for reasonableness
- G.5 Knowledge of how to find hidden assets by reviewing tax returns and other documents and transactions
- G.6 Knowledge of how to determine the financial viability of keeping the residence and future ownership options
- G.7 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*), *American Opportunity Tax Credit, and Lifetime Learning Tax Credit*)
- G.8 Knowledge of how to allocate income, deductions, and estimated tax payments
- G.9 Knowledge of post-divorce management of custodial plans (e.g., *education savings plans, Uniform Gifts to Minors Act (UGMA), or Uniform Transfers to Minors Act (UTMA)*)
- 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*)
- G.14 Knowledge of dissipation of assets (e.g. *gambling, drugs*)
- G.15 Knowledge of use of Roth conversions as a tax consideration in negotiations
- G.16 Knowledge of bunching deductions
- G.17 Knowledge of the Innocent Spouse Rule

H. INSURANCE AND RISK MANAGEMENT

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

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 Consolidated Omnibus Budget Reconciliation Act (COBRA)
- I.4 Knowledge of the various forms of compensation and taxation
- I.5 Knowledge of pre-tax payroll deductions
- I.6 Ability to calculate gross compensation
- I.7 Ability to calculate take-home pay to demonstrate mandatory versus discretionary withholdings

- I.8 Knowledge of health savings accounts (HSAs) and flexible spending accounts (FSAs), and how they are taxed
- I.9 Knowledge of options for providing health insurance for children

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 loans on insurance policies and 401(k) plans
- J.7 Knowledge of personal loans and/or guarantees

K. SPECIALTY AREAS (e.g., Military, Same-Sex, Special Needs, Late-Life Divorce, Disabilities)

- K.1 Knowledge of the financial implications of pre-nuptial 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
- K.4 Knowledge of issues related to late-life divorce (e.g., *retirement benefits, disability, long-term care needs, no current earned income*)
- K.5 Knowledge of trust and estate planning
- K.6 Knowledge of college funding and divorce impact on filling out financial aid (FAFSA form)
- K.7 Knowledge of issues related to military divorces (e.g., *income, disability, health benefits, retirement income, combat pay, CBS/redux, 76thrift savings plan*)
- K.8 Knowledge of the federal and state issues related to same-sex marriage

CDFA Exam Blueprint: US

Breakdown by Knowledge Domain

