



Wolters Kluwer

1040 Preparation and Planning 3: Gross Income: Compensation and Fringe Benefits (2024) Course Instructions

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Instructions to Participants

To assist the participant with navigating the learning process through to successful completion, this course has been produced with the following elements:

Overview of Topics / Table of Contents: In this electronic format you'll find a slide menu on the left side of the screen. This serves as your overview of topics for the program. You may navigate to any topic by clicking on the slide name.

Definition of Key Terms / Glossary: You'll find key terms defined for this program in the course information on the following page(s).

Index / Key Word Search: You can find information quickly in the PDF materials (slide handout plus any additional handouts) by using the search function built into your Adobe Reader.

Review Questions: Questions that test your understanding of the material are placed throughout the course. You'll see explanatory feedback pop up for each incorrect answer, and reinforcement feedback for the correct answer for every review question.

Final Exam: The final exam measures if you have gained the knowledge, skills, or abilities outlined in the learning objectives. You may submit your final exam at the end of the course. Exams are graded instantly. A minimum score of 70% is required to receive the certificate of completion. **You have one year from date of purchase to complete the course.**

Course Evaluation: Once you have successfully passed your online exam, please complete our online course evaluation. Your feedback helps Wolters Kluwer maintain its high quality standards!

About This Course

This section provides information that is important for understanding the course, such as course level and prerequisites. Please consider this information when filling out your evaluation after completing the course.

Publication Date: September 2023

Course Description

This two-hour CPE hour course, the third in the 1040 Preparation and Planning series, covers compensation and fringe benefits. It also covers the tax treatment of distributions and loans from qualified retirement plans.

Tax developments reflected in this course, including the Consolidated Appropriations Act, 2023 (which includes SECURE Act 2.0), the Inflation Reduction Act of 2022, and other tax legislation, IRS pronouncements, and court decisions, are extensive. They impact 2023 tax year returns that will be filed during the 2024 filing season and refund opportunities for earlier years; as well as point the way to strategic planning in 2024 and beyond. This course brings the tax preparer "up-to-speed" in preparing 2023 tax returns for the 2024 filing season.

Learning Objectives

Upon successful completion of this course, participants should be able to:

- Identify compensation in whatever form it is paid
- Explain entries on Form W-2 as it relates to the income tax return
- Identify various types of employee benefits plans
- Recognize which benefits are taxable and which benefits are excludable from income

NASBA Field of Study

Taxes. Some state boards may count credits under different categories—check with your state board for more information.

Course Level

Intermediate. Program knowledge level that builds on a basic program, most appropriate for CPAs with detailed knowledge in an area. Such persons are often at a mid-level within the organization, with operational and/or supervisory responsibilities.

Prerequisites

Basic understanding of Federal Tax Law

Advance Preparation

None.

Course Expiration

AICPA and NASBA Standards require all Self-Study courses to be completed and the final exam submitted within 1 year from the date of purchase as shown on your invoice. No extensions are allowed under AICPA/NASBA rules.

Key Terms

- **401(k) plan:** A qualified employer-sponsored retirement plan that eligible employees may make salary-deferral contributions to on a post-tax and/or pretax basis.
- **Economic Benefit Regime:** Applies to an “endorsement split-dollar” arrangement where the employer is the policy owner and pays the premiums.
- **Form W-2:** An information return issued by the employer to inform the employee and the IRS of compensation and certain employee benefits as well as tax payments withheld from the employee’s paycheck.
- **Loan Regime:** Applies where the employee is the owner under a “collateral-assignment” arrangement and the employer pays the premiums.
- **Roth IRA:** A retirement account that offers valuable tax benefits, including tax-free growth on your investments.
- **Split-Dollar Life Insurance:** An arrangement where a company may help key personnel to pay the cost of whole life insurance.