



Wolters Kluwer

1040 Preparation and Planning 7: Other Income and Exclusions (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 course, the seventh in the 1040 Preparation and Planning series, covers various types of income not discussed in other courses in this series, as well as exclusions from gross income.

Tax developments reflected in this course, including the Consolidated Appropriations Act, 2023 (including 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:

- Explain how to report income from a commercial annuity
- Explain how to calculate Required Minimum Distributions (RMDs)
- Explain distribution rules for Roth IRAs
- State the withholding rules for distributions from qualified retirement plans and IRAs
- Explain the concept of an exclusion
- Describe the tax treatment of gifts and inheritances
- Recognize how to distinguish between taxable and tax-free damages

NASBA Field of Study

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

Course Level

Basic. Program knowledge level most beneficial to CPAs new to a skill or an attribute. These individuals are often at the staff or entry level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

Prerequisites

None.

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

- **Annuity Policy:** An insurance contract that entitles the insured to receive fixed monthly, quarterly, or yearly payments.
- **Beneficiary:** A person who derives advantage from something, especially a trust, will, or life insurance policy.
- **Exclusion:** The concept that money, property, or services received may not be taxed for one of several reasons.
- **Rollover:** A distribution of assets from an IRA or a retirement plan, followed by the contribution of some or all of those assets into another IRA or retirement plan.
- **Roth IRA:** A retirement account that offers valuable tax benefits, including tax-free growth on your investments.
- **SIMPLE IRA:** A retirement plan that may be established by employers, including self-employed individuals (sole proprietorships and partnerships), for the benefit of their employees.