



Program Core Topic List

Chartered Private Wealth AdvisorSM

Section 1: Ethics

IMCA Code of Professional Responsibility
Fiduciary responsibility
Forms of compensation
Conflicts of interest
CPWA designation requirements

Section 2: Advanced Tax Planning

Overview of rate-structure and income-tax calculations for individuals

- Overview of income-tax calculation using Form 1040
- Overview of income-tax rate structure
- Limitations on itemized deductions

Alternative Minimum Tax (AMT)

- Overview of AMT calculation
- Adjustments, exclusions, preferences
- AMT rate, tax credits
- Strategies to avoid or minimize AMT

Charitable income-tax deductions and corresponding limitations

Interest-expense classification and applicable limitations

- Mortgage-interest requirements and special rules
- Investment-interest expense classification and limitations
- Interest on business activities

Income taxation of investments and stock options

- Qualified-dividend income—rules and exclusions
- Wash sale rules
- Key components of capital-gains tax rules
- Definition of short-term and long-term capital gains
- Netting of gains and losses
- Deducting net capital losses

Overview of pass-through entities and their impact on tax liability

- Character of flow-through income/deductions
- Limitations applicable at the individual level

- Classification of pass-through income as passive or non-passive
- Treatment of passive losses, disposition of passive activities

Tax-planning strategies—income recognition, itemized-deduction planning

- Requirement for a multi-year approach to tax planning
- Identification of tax-planning strategies through review of client tax returns
- Taxation of children's income and income-shifting techniques

Section 3: Portfolio Management

Impact of taxes on long-term wealth accumulation and investment returns

Measures of tax efficiency and after-tax returns

Development of after-tax asset class assumptions

Development of tax-aware investment policies

Positioning assets based on the tax characteristics of the entity

Section 4: Executive Compensation

Types of stock options

- Qualified—tax rules, advantages, and disadvantages
- Nonqualified—tax rules, advantages, and disadvantages

Strategies for exercising groups of options with differing maturities, exercise prices, and terms

- Exercise strategies for portfolios of stock options
- Incentive stock options and their impact on the overall exercise strategy
- Minimizing AMT on incentive stock-option exercises
- Simultaneous exercise of qualified and nonqualified stock options
- Cashless exercise, exercise and hold, pyramiding options
- Tax basis and holding period of option shares

Section 5: Concentrated Stock

Understanding the risks of concentrated positions and educating clients accordingly

- Quantifying downside risk from excess concentration
- Use of Monte Carlo to illustrate probable outcomes of single stock positions versus diversified portfolios

Key strategies for hedging and/or diversifying concentrated stock risk

Understanding the operation of each strategy, best use of the strategy, major tax implications including taxation of options and straddle rules, risks, and limitations of each strategy

- Outright sale of stock
- Prepaid Variable Forwards
- Costless Collars
- Exchange Funds
- Charitable Remainder Trusts
- Section 10b-5 Plans

Restrictions on senior executives of publicly traded businesses

- Short-swing profit rules
- Insider information
- Exercise “windows”
- Company policies

Section 6: Planning for the Closely Held Business

Business entity structure

Determining the appropriate type of entity for a client's business purpose

Intergenerational business transfer

Buy-sell agreement planning

Valuation and liquidity planning for closely held business interests



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Section 7: Retirement Planning

Spending policy in a “distribution” portfolio—maximizing the life of the portfolio

- Sustainable rate of withdrawal
- Impact of timing of retirement and “luck factor”
- Impact of asset allocation on the spending decision

Spending from the qualified plan or the after-tax asset pool—strategy considerations

- Identifying the optimal priority of asset distributions

Required minimum distribution (RMD) rules in retirement and estate planning

- Minimum distribution timing
- Minimum distribution calculations
- Impact of death of the account holder

Investment strategies for assets inside qualified plans—integration with the portfolio

- Determining whether to invest qualified plan money for long-term growth or income

Net unrealized appreciation (NUA) exception for employer securities

Section 8: Asset Protection

Risks that give rise to the need for asset protection
Property and casualty insurance as a component of risk protection

Use of onshore entities for asset protection

- Family Limited Partnership
- Limited Liability Company
- Domestic Asset Protection Trusts
- Life insurance products in asset protection

Offshore asset protection planning

- Selecting an appropriate jurisdiction
- Offshore protection trust structure and creation
- Cost and operation of offshore trust vehicles
- Limitations on offshore entities

Section 9: Charitable Planning

Adjusted gross income (AGI) limitations on gifts to public charities

- Limitations on gifts of cash to public charities
- Limitations on gifts of long-term capital gain to public charities

AGI limitations on gifts to private foundations

- Limitations on cash gifts to private foundations
- Limitations on gifts of long-term capital gains property to private foundations

Planning to maximize charitable deductions and interaction of multiple limitations

- Income planning to maximize charitable-contribution deductions

Gifts of ordinary income property and property subject to debt

Donor-Advised Funds

- Common uses
- Structural issues
- Advantages and limitations
- Funding strategies

Charitable Lead Trusts

- Common uses
- Structural issues
- Advantages and limitations
- Funding strategies

Charitable Remainder Trusts – CRATs, CRUTs

- Common uses
- Structural issues
- Advantages and limitations
- Funding strategies

Section 10: Estate Planning

Assets/liabilities includible in the taxable estate

- All assets owned or controlled
- Life insurance

Overview of gift, estate, and generation-skipping tax

- Tax rates
- Situations in which each tax applies

Credits allowable against estate tax liability

- Unified credit
- Charitable contributions
- Unlimited marital deduction

Calculating the estate, gift, and generation-skipping transfer tax

Overview of trusts

Strategies for reduction of the taxable estate

- Elimination of assets from the taxable estate
- Shifting future appreciation

Use of trusts, selection of trustees, succession of trustees, timing of inheritance, and amount of inheritance

Section 11: Advanced Estate Planning

Qualified retirement plan (QRP) assets in the estate plan

Stock options in the estate plan

Grantor-retained annuity Trusts (GRATs)

Valuation discounts

Family limited partnerships

Installment sales to defective grantor trusts (IDGTs)

Intra-family loans

Irrevocable life insurance trusts (ILITs)

Comprehensive estate planning

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