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