

# Outline for the CWPP™ Certification Course

## **Section 79 Plans** **(1 Hour; 20 Pages of Text)**

- 1) Introduction
- 2) Requirements of Code Section 79
  - a) Group term life insurance
  - b) \$50,000 of term life coverage
  - c) Employee funding formulas
    - i) Full time employees
  - d) Discriminatory funding
  - e) Individual employee selection
- 3) Group Term Life and “Permanent” Benefits
  - a) Benefits not considered permanent
  - b) Cash value life insurance
  - c) Federal income taxes
    - i) Cost of permanent benefits
  - d) Example
  - e) Treatment of dividends with cash value life
  - f) Allocation of permanent benefits to various employees tax years
- 4) Employee Payments for Permanent Benefits
  - a) Individual life policies as group policies
  - b) Deduction of Premiums
    - i) Business deduction
- 5) Section 79 Plans after IRS adjustments to Split-Dollar Life Insurance
- 6) Practical Use of Section 79 Plans
- 8) What’s Wrong With Section 79 Plans
- 9) Potential Penalty Exposure
  - a) Code section 6662