

Course Objective

This course was created to teach advisors (CPAs, EAs, accountants, attorneys, financial planners, and insurance advisors) about an emerging area of consulting known as “college planning.” Paying for a loved one’s college education has become a huge financial burden for parents and grandparents who choose to help pay and for students who do not have help from loved ones. *Advisors who do not know how to help their clients with this ever growing financial burden will be falling behind the times.*

This module is unlike any other educational piece in the market place today. The basics of college planning will be covered to help advisors understand the college aid system and how to help posture students to receive the most possible financial aid available. In addition, this module will go into detail on the Safe College Plan[™] (the only college funding plan in the marketplace today using Fixed Indexed Annuities (FIAs) in a tax- and penalty-free setting for college funding). Finally, this module will explain in detail when cash value life (CLV) insurance works as a viable solution to help clients grow wealth in a tax-favorable environment for college funding (this is a key portion of the module due to the misinformation in the marketplace today on the value of using CVL insurance as a college funding vehicle).

College Planning-A Wealth Preservation Challenge

- 1) Saving for college and paying for college.
 - a) Taking control of the cost
 - b) Other ways to lower costs
 - c) Make sure to know the true costs

- 2) Paying for College
 - a) Other People’s Money to Pay for College
 - i) Financial Aid
 - Criteria for financial aid
 - ii) Need Based Aid
 - Needs Analysis Formula
 - Cost of Attendance (COA)
 - Expected Family Contribution (EFC)
 - Federal Methodology Formula (FM) and the FAFSA forms
 - Institutional Methodology Formula (IM) and the CSS Profile forms
 - Simplified EFC formula example (FM)
 - EFC formula discussion
 - Parents’ Contribution
 - Student’s Contribution
 - b) Dates of Assessment
 - c) Need vs. Aid
 - d) Applying for Financial Aid-Forms and Timelines
 - e) EFC in depth
 - i) Non-Assessable Assets

- ii) Non-Assessable Income
- iii) Financial Aid Income and Benefits:
 - Untaxed Income and Benefits (add backs):
 - Financial Aid Income Deductions:
- iv) Resources
- f) Merit Based Aid
- g) Private scholarships:
- h) Student Loans
- i) Tax incentives (Federal)
 - i) Hope Scholarship Credit:
 - ii) Lifetime Learning Credit:
 - iii) Student loan interest deduction:
 - iv) Deduction for qualified higher education expenses:
 - v) Penalty free IRA withdrawals:
- j) Tax strategies
- k) Funds from extended family
- l) Controlling the Cost of College
- m) Using Parents' Money to Pay for College
 - i) Increasing cash flow for both retirement, lifestyle and college funding
 - ii) Debt Consolidation
 - iii) Parent loans for college

3) Saving for College and Retirement Investments

- a) Investment Options:
 - i) EE bonds
 - ii) I-Bonds
 - iii) Traditional IRA's
 - iv) Roth IRA's
 - v) Tax efficient mutual funds
 - vi) Annuities
 - vii) QTP's or 529's
 - viii) Coverdell Education Savings Accounts: (CESA)

4) The Safe College Plan™

A) College funding with NO stock market risk using FIAs (in a tax free and penalty free environment)

5) College Planning Using Cash Value Life Insurance

- a) CAUTION:
- b) Industry speak
- c) Pros and Cons
- d) Using Equity Indexed Life Insurance "properly"
 - i) Example 1- it doesn't work
 - ii) Example 2-it still doesn't work
 - iii) Example 3-one that gets closer being financially viable
 - iv) Example 4-one that works

e) Overfunding a cash value life insurance policy for college planning and retirement income (it works!)
i) Example 5

6) College Planning Summary