

AGEC 425: Estate Planning and Wealth Transfer

Fall 2017

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Textbook: Estate Planning for Financial Planners, 6th or 7th ed. Authors: Michael A. Dalton & Thomas P. Langdon. Money Education Publications.

Additional supplements: The Millionaire Next Door, ISBN: 978-1589795471, Thomas J. Stanley & William D. Danko, Reissue Edition (2010), Taylor Trade Publishing, **Required**.

Money Education Quick Sheets: Estates. This study guide is available from the publisher. You may be able to find less expensive copies online. **Optional**.

Course Website: Access the Blackboard link on Purdue University's website or directly at www.mycourses.purdue.edu.

Class Materials: A No.2 pencil.

Course Objectives

Estate planning is a process where individuals plan for the accumulation, conservation, and distribution of wealth. This is an on-going process over one's adult life and requires synthesizing financial, legal, and personal considerations in order to achieve one's estate planning and wealth transfer goals. This class will introduce you to the tools and techniques available to individuals to achieve these goals and should be beneficial to students interested in financial planning as a profession, to owners/managers of personal and commercial property, and to business owners/managers including those in the agricultural sector.

Specific class objectives include:

1. To acquaint students with selected tools, techniques, and strategies associated with estate planning and property transfers
2. To acquaint students with property ownership and transfer alternatives
3. To teach students subject matter useful in managing their personal and business finances
4. To increase students' understanding of the role of the human factor in the process of solving estate planning and wealth transfer problems
5. To help students develop their ability to recognize when estate planning is needed and to anticipate the future consequences of their decisions about how to own property
6. To provide opportunities for students to develop problem solving and critical thinking skills

Class Policies

1. **Office Hours:** Office hours are Friday at 3:00 pm in Krannert 683. You may also e-mail me at kbm@hereforlife.com with questions/comments.
2. **Attendance:** Attendance is mandatory. There are incentives in place to encourage attendance. If you miss a class, you are responsible for all material covered in class during your absence.
3. **Academic Integrity:** Cheating will not be tolerated. If found cheating will result, at a minimum, in a failing grade for that assignment, and, at the instructor's discretion, you will be dismissed from the class with a grade of an F. Instances of academic dishonesty of any kind will be referred to the Office of Student Rights and Responsibilities (OSSR) for disciplinary action. If you are unsure about whether an action constitutes cheating, ask in advance. Observed cell phone or PDA activity during a quiz or exam will result in an F for that graded activity. Purdue University's student guide to academic integrity is available at http://www.purdue.edu/odos/osrr/resources/documents/academic_integrity.html. As a Boilermaker pursuing academic excellence in taking this course, you pledge to be honest and true in all that you do.

Academic integrity is one of the highest values that Purdue University holds. Individuals are encouraged to alert university officials to potential breaches of this value by either emailing integrity@purdue.edu or by calling 765-494-8778. While information may be submitted anonymously, the more information that is submitted provides the greatest opportunity for the university to investigate the concern.

Our lives are being recorded. Do not risk your academic legacy or your future career. Video cameras are recording your every move.

4. **Cell Phones and Other Electronic Devices:** Cell phones must be turned off and be put away during class. Other electronic devices may be used for note taking purposes only. No surfing of the internet or other similar activity will be tolerated. Self-police your activity or beware.
5. **Class Seating:** A seating chart may be utilized. Names cards may be provided to assist me in learning your names. Any student may be reassigned to a different seat at the instructor's discretion at any time. Students who have a special seating request must notify the instructor before the second class session.
6. **Class Note Taking:** Lectures, notes, and other material presented in class or as part of the course are protected by copyright law. Always assume the materials presented by an instructor are protected by copyright. Students enrolled in, and authorized visitors to, this course are permitted to take notes, which they may use for individual/group study or for other non-commercial purposes reasonably arising from enrollment in the course or the University generally.

Notes taken in class are, however, generally considered to be "derivative works" of the instructor's presentations and materials, and they are thus subject to the instructor's copyright in such presentations and materials. No individual is permitted to sell or otherwise barter notes, either to other students or to any commercial concern, for a course without the express written permission of the course instructor.

7. **Students with Disabilities:** Students needing special academic accommodation should schedule to meet with me in the first week of the semester so that we can make the necessary adjustments. It is important that we identify these needs at the beginning of the semester. Note that university policy requires all students with disabilities to be registered with Adaptive Programs in the Office of the Dean of Students before classroom accommodations can be provided.
8. **CAPS Information:** Purdue University is committed to advancing the mental health and well-being of its students. If you or someone you know is feeling overwhelmed, depressed, and/or in need of support, services are available. For help, such individuals should contact Counseling and Psychological Services (CAPS) at (765)494-6995 and <http://www.purdue.edu/caps> during and after hours, on weekends and holidays, or through its counselors physically located in the Purdue University Student Health Center (PUSH) during business hours.
9. **Emergency Preparedness and Pandemic Mitigation:** In the event of a major campus emergency the course requirements, deadlines, and grading schemes outlined in this syllabus are subject to change in order to accommodate a potential revised semester calendar or other circumstances beyond the instructor's control. To access information about changes to the course, check Blackboard, e-mail me at kbm@hereforlife.com, or call my office phone (765-742-9068).

Evaluation Protocol

1. **Lecture schedule:** See attached page for proposed lecture content per class. Note that this schedule is intended as a guide however, the pace of the class and content covered may vary.
2. **Graded Activities (Class Participation, Homework, Quizzes, Exams)**

Scores accumulated in the class will be based on graded assignment scores and a class participation grade. *No bonus points or extra credit points should be expected during the semester.*

Class Participation: Approximately ten percent of your grade will be based on class participation.

Homework: There will be a minimum of 4 homework assignments throughout the semester. Homework assignments must be turned in at the beginning of class on the day they are due. There will be no credit given for homework turned in late. If you know you will be out on the day an assignment is due, you need to e-mail it to me prior to class meeting.

Quizzes: There will be a minimum of 8 quizzes throughout the semester. Each quiz is worth 25 points. Quizzes will be both announced and unannounced. All quizzes will be taken in class thus emphasizing the importance of attendance.

Exams: There will be 2 exams during the semester, each one worth 100 points.

These exams will be administered during class. The final exam day, location, and time will be announced as soon as the exam schedule is determined by the university.

NOTE: There will only be one opportunity to take the final exam – when the university schedule dictates.

3. Grading Procedures

The course grade will be based on the percentage of the total points you accumulate relative to the total points possible. Fractions of a percent will not be rounded up to the next whole percentage point in calculating your final grade. For example, an 89.9 grade point percentage will result in a B+, not an A-. Your final letter grade in the course may be adjusted at the instructor’s discretion due to student conduct as described in the following section.

Grade	Break Percentage	Grade	Break Percentage
A+	97	C+	77
A	93	C	73
A-	90	C-	70
B+	87	D+	67
B	83	D	63
B-	80	D-	60

Graded Assignments – Minimum Score Calculation

	Possible Points
Homework: minimum of 4 @ 25 points each	100
Quizzes: 8 @ 25 points each	200
Exams: Midterm 1	100
Midterm 2	100
Final Exam	100
Class participation	60
Total possible points – all assignments	660

4. Grade Documentation

Grades will be posted to the class website on Blackboard. It is your responsibility to make sure your grades are accurate and complete. Please notify me immediately if you find an error in grade

calculation. Do not wait until the end of the semester to notify me of errors. Keep graded assignments in case you need to later document a score.

5. Conduct and Academic Performance in the Classroom

Quality participation in class is expected of every student. A pattern of skipping class, late arrival, failure to participate when called upon, or disruptive classroom behavior (e.g., incessant talking with other students, use of electronics) will negatively impact a student's final grade for the course regardless of how many points have been accumulated for other graded activities. No warning is required to have your grade penalized. The expectation is that students will be courteous to, and respectful of, other students and behave professionally in class.

Lecture Schedule

Monday, Aug 21	Syllabus review
Wednesday, Aug 23	Chapter 1: Overview & Ethics, Ethics Discussion Problems
Friday, Aug 25	James Case Discussion
Monday, Aug 28	Smith Case Discussion
Wednesday, Aug 30	Chapter 3: Property Interests, Lecture 1
Friday, Sept 1	Chapter 3: Property Interests, Lecture 2
Monday, Sept 4	No Class – Labor Day
Wednesday, Sept 6	Chapter 3: Property Interests, Lecture 3
Friday, Sept 8	Chapter 3: Property Interests, Lecture 4
Monday, Sept 11	Chapter 2: Basic Documents, Lecture 1
Wednesday, Sept 13	Chapter 2: Basic Documents, Lecture 2
Friday, Sept 15	Chapter 2: Basic Documents, Lecture 3
Monday, Sept 18	Chapter 2: Basic Documents, Lecture 4
Wednesday, Sept 20	Chapter 4: Probate, Lecture 1
Friday, Sept 22	Chapter 4: Probate, Lecture 2
Monday, Sept 25	Review
Wednesday, Sept 27	Midterm 1
Friday, Sept 29	Chapter 7: Lifetime & Death time Transfers, Lecture 1
Monday, Oct 2	Chapter 11: Life Insurance, Lecture 1
Wednesday, Oct 4	Chapter 11: Life Insurance, Lecture 2
Friday, Oct 6	Chapter 8: Trusts, Lecture 1
Monday, Oct 9	Fall Break – No Class
Wednesday, Oct 11	Chapter 8: Trusts, Lecture 2
Friday, Oct 13	Chapter 8: Trusts, Lecture 3
Monday, Oct 16	Chapter 5: Gift Tax, Lecture 1
Wednesday, Oct 18	Chapter 5: Gift Tax, Lecture 2
Friday, Oct 20	Chapter 5: Gift Tax, Lecture 3
Monday, Oct 23	Chapter 5: Gift Tax, Lecture 4
Wednesday, Oct 25	Federal Estate Tax Formula
Friday, Oct 27	Federal Estate Tax – The Federal Gross Estate
Monday, Oct 30	Federal Estate Tax – The Federal Gross Estate Continued
Wednesday, Nov 1	Estate Tax Calculation Problem Set
Friday, Nov 3	Federal Estate Tax – The Unlimited Charitable Deduction
Monday, Nov 6	Federal Estate Tax – The Unlimited Marital Deduction
Wednesday, Nov 8	Review
Friday, Nov 10	Midterm 2
Monday, Nov 13	Asset Valuation
Wednesday, Nov 15	Asset Valuation
Friday, Nov 17	Asset Valuation
Monday, Nov 20	Asset Valuation
Wednesday, Nov 22	Thanksgiving Holiday Break
Friday, Nov 24	
Monday, Nov 27	Asset Valuation Problem Set
Wednesday, Nov 29	Case Study
Friday, Dec 1	Case Study
Monday, Dec 4	
Wednesday, Dec 6	Review (Dead Week)
Friday, Dec 8	
Dec 11 - 16	Final Exam Week

EMERGENCY PREPAREDNESS – A MESSAGE FROM PURDUE

To report an emergency, **call 911**. To obtain updates regarding an ongoing emergency, sign up for Purdue Alert text messages, view www.purdue.edu/ea.

There are nearly 300 **Emergency Telephones** outdoors across campus and in parking garages that connect directly to the PUPD. If you feel threatened or need help, push the button and you will be connected immediately.

If we hear a **fire alarm** during class we will immediately suspend class, evacuate the building, and proceed outdoors. Do not use the elevator.

If we are notified during class of a **Shelter in Place requirement for a tornado** warning, we will suspend class and shelter in [the basement].

If we are notified during class of a **Shelter in Place requirement for a hazardous materials release, or a civil disturbance**, including a shooting or other use of weapons, we will suspend class and shelter in the classroom, shutting the door and turning off the lights.

Please review the Emergency Preparedness website for additional information.
http://www.purdue.edu/ehps/emergency_preparedness/index.html



EMERGENCY PREPAREDNESS SYLLABUS ATTACHMENT

EMERGENCY NOTIFICATION PROCEDURES are based on a simple concept – if you hear a fire alarm inside, proceed outside. If you hear a siren outside, proceed inside.

- **Indoor Fire Alarms** mean to stop class or research and immediately evacuate the building.
 - Proceed to your Emergency Assembly Area away from building doors. **Remain outside** until police, fire, or other emergency response personnel provide additional guidance or tell you it is safe to leave.
- **All Hazards Outdoor Emergency Warning Sirens** mean to immediately seek shelter (**Shelter in Place**) in a safe location within the closest building.
 - “Shelter in place” means seeking immediate shelter inside a building or University residence. This course of action may need to be taken during a tornado, a civil disturbance including a shooting or release of hazardous materials in the outside air. Once safely inside, find out more details about the emergency*. **Remain in place** until police, fire, or other emergency response personnel provide additional guidance or tell you it is safe to leave.

**In both cases, you should seek additional clarifying information by all means possible...Purdue Emergency Status page, text message, Twitter, Desktop Alert, Albertus Beacon, digital signs, email alert, TV, radio, etc....review the Purdue Emergency Warning Notification System multi-communication layers at http://www.purdue.edu/ehps/emergency_preparedness/warning-system.html*

EMERGENCY RESPONSE PROCEDURES:

- Review the **Emergency Procedures Guidelines**
https://www.purdue.edu/emergency_preparedness/flipchart/index.html
- Review the **Building Emergency Plan** (available on the Emergency Preparedness website or from the building deputy) for:
 - evacuation routes, exit points, and emergency assembly area
 - when and how to evacuate the building.
 - shelter in place procedures and locations
 - additional building specific procedures and requirements.

EMERGENCY PREPAREDNESS AWARENESS VIDEOS

- "Shots Fired on Campus: When Lightning Strikes," is a 20-minute active shooter awareness video that illustrates what to look for and how to prepare and react to this type of incident. See: <http://www.purdue.edu/securePurdue/news/2010/emergency-preparedness-shots-fired-on-campus-video.cfm> (Link is also located on the EP website)

MORE INFORMATION

Reference the Emergency Preparedness web site for additional information:
https://www.purdue.edu/ehps/emergency_preparedness/