

Kaplan Review for the CFP Certification Examination 11th Edition

ERRATA

The following document contains corrections for Volumes I - VIII of the 11th Edition CFP Review.

Updates/Corrections are added periodically, so please check this document on a regular basis.

*Corrections appear **bold** and in **red**.

Volume I: Fundamentals:

1. Page 50: Calculation 1 – First sentence should read: “The answer is shown graphically as a timeline (Exhibit **8**).

Volume II: Insurance Planning:

1. Page 143: Question 22: Choice “e” should read:
“A revocable beneficiary is nothing more than a potential recipient of the policy proceeds subject to all the rights and privileges that the **owner** may exercise in the contract.”
2. Page 193: Correct letter answer to #115 should read: “**b**”
3. Page 216: Correct letter answer to #115 should read: “**b**” and rationale should read: “Gambling winnings are **not** considered earned income for Social Security purposes.”
4. Page 219: Solution #132: Rationale should read: “All mentioned have dollar limits: watercraft **\$1,500**, cash \$200, jewelry \$1,500, and guns **\$2,500**.”

Volume III: Investments:

No errata at this time.

Volume IV: Income Tax:

1. Page 29: **M. FICA Tax, 2** should read: “For OASDI, a rate of 6.2% is applied to wages, with a base cap of **\$97,500** in 2007 (indexed to changes in average wages). Employers must match this rate for employees. Self-employed pay a total OASDI rate of 12.4% on net income.

Volume V: Retirement Planning:

1. Page 11: **III. OVERVIEW OF QUALIFIED PLANS B.1.a.3.)** should read:

“In-service withdrawals are permitted for employees age 62 or over, if still actively employed by the plan sponsor.”

2. Page 12: In table at top of page: Middle column, second row should read: **“If age 62 or over”**

3. Page 102: **H. Distributions After Death 1.a and 1.b** should read:

“a. The beneficiary must be determined and designated as of **September 30** following the year of the participant’s death

b. Plans may disregard any beneficiary eliminated by disclaimer or distribution of the benefit during the period between the participant’s death and **September 30** of the following year”

4. Page 103: **H. Distributions After Death 2.c** should read:

“c. No beneficiary—if no beneficiary has been named by **September 30** of the year following the owner’s death (or the beneficiary is the decedent’s estate or charity)”

5. Page 272: Solution #74, second paragraph should read:

“Option (b) is incorrect because a SEP is not a qualified plan. In addition, a SEP requires 100% immediate vesting for all employer contributions. **Because** Barry would like to retain employees, a **3-year** cliff or **2-6-year** graduated vesting schedule (which is **required for employer contributions** in a profit-sharing plan) would be more appropriate.”

Volume VI: Estate Planning:

No errata at this time.

Volume VII: Case Book:

1. Page 191: Solution #17, dollar figure for Net Expense should read: **\$3,700**

2. Page 442: Solution #1, second-to-last sentence should read:

“The business book value is **\$286,000.**”

3. Page 444: Solution #9:

In second and fourth lines, \$90,000 should be replaced with **\$100,000.**”

In eighth line, “4 is correct.” should read: **“4 was correct before 2007.”**

4. Page 458: Item Set Scenario 6: #5: Third line: Replace “2006” with **“2007”**

Volume VIII: Mock Exam and Solutions:

No errata at this time.