LAW 7632 DEFERRED COMPENSATION

**Spring 2018**

**Tues 3:00– 4:40 PM**

**Prof. Dilley**

**Office: 312K**

**Phone: 273-0916**

**E-mail:** [**dilley@law.ufl.edu/**](mailto:dilley@law.ufl.edu/)[**ped1@cox.net**](mailto:ped1@cox.net)

**Office Hours: By appointment**

**Syllabus**

# Required Materials:

**Textbook: Pensions and Employee Benefits Law, Langbein, Pratt, Stabile and Stumpff, 6th edition**

**Code and Regulations –** Volumes Required for Graduate Tax Program

**Deferred Compensation Teaching Materials [**“**Materials]** : Additional materials and problems will be available on the course web site on LEXIS. The web site for the course will be up Jan. 3rd through LEXIS’s Web Courses. Be sure you are registered with LEXIS, including giving them a valid e-mail address so that you can register for the web site and have access to course materials. If you have any difficulties either with getting to the web site, or downloading the materials, please e-mail me at dilley@law.ufl.edu. You need to bring to every class the appropriate volumes of the Code and Regulations necessary for that day's discussion.

**Course Description:** This course will provide an overview of the taxation of deferred compensation, both in the qualified and nonqualified context, as well some aspects of the labor law side of the Employee Retirement Income Security Act.

**Course Objectives:** Students should develop a sound grasp of the basic principles of deferral and of the technical requirements for qualified and nonqualified plans.

**Expected Learning Outcomes:**

**Skills:** Through the use of class discussion of cases and statutes, and of problems requiring careful reading and application of the statute, regulations and other guidance, students will develop and practice skills in statutory and regulatory interpretation that are the bedrock skill set of every tax practitioner. Students will also, thru reading and class discussion, further develop their analytical skills to enable them to identify the tax and employee benefit issues presented by clients and accurately apply the law to develop strategies to deal with those issues.

**Subject Matter Understanding:** By the end of the semester, students should have an understanding of the major components of employee benefit law, focusing on the major areas of taxation, including (for qualified plans) vesting, nondiscrimination, contribution and benefit calculations especially in the §401(k) context, and distributions, as well as some areas of the labor law aspects of ERISA, especially spousal interests. Students will also learn the major components of nonqualified deferred compensation arrangements for executives, for both cash and stock deferral plans. In all of these areas, students will gain an understanding of the basic building blocks of the various plans, and most importantly will develop the analytical and research tools to learn additional information in areas we don’t have time to cover, in order to serve their future clients’ needs.

**Student Workload/Class Preparation:** ABA Standard 310 requires that students devote at least 120 minutes to out-of-class preparation for every “classroom hour” of in-class instruction. Deferred Compensation has 2 “classroom hours” of in-class instruction each week, and you should expect to spend at least 6 hours of preparation outside of class. Because the course includes statutory and regulatory excerpts that require careful reading, as well as problems that require thoughtful advance written preparation, you should spend at least one hour on every 10-15 pages of reading. Please prepare written answers to problems in advance of class.

**Evaluation**

Grades will be based on a combination of final exam performance and class participation generally, final exam 70% and class participation 30%.

The law school’s mean and mandatory distributions are posted on the College’s website and this course will adhere to the College’s posted grading policy in your syllabus.  The following chart shows the point equivalents for the letter grades that will be used:

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| --- | --- |
| **Letter Grade** | **Point Equivalent** |
| A (Excellent) | 4.0 |
| A- | 3.67 |
| B+ | 3.33 |
| B | 3.0 |
| B- | 2.67 |
| C+ | 2.33 |
| C (Satisfactory) | 2.0 |
| C- | 1.67 |
| D+ | 1.33 |
| D (Poor) | 1.0 |
| D- | 0.67 |
| E (Failure) | 0.0 |
|  |  |

**Class Attendance Policy**

Class attendance is mandatory – if you must miss more than 2 classes during the semester for health or family reasons, please see me. More than 2 unexcused absences will result in a half a grade reduction in your final grade.

**Policy related to Make-up exams**

The law school policy on delay in taking exams can be found at: <http://www.law.ufl.edu/students/policies.shtml#12>.

**Electronics Usage**

You may use your laptop in class, but you may NOT access the internet during class for any purpose. Any other electronic devices, such as cell phones, must be turned off during class. Violation of this rule will result in your being mandatorily dropped from the class.

**University Policy on Accommodating Students with Disabilities**: Students requesting accommodation for disabilities must first register with the Dean of Students Office (<http://www.dso.ufl.edu/drc/>). The Dean of Students Office will provide documentation to the student who must then provide this documentation to the instructor when requesting accommodation. You must submit this documentation prior to submitting assignments or taking the quizzes or exams. Accommodations are not retroactive, therefore, students should contact the office as soon as possible in the term for which they are seeking accommodations.

**University Policy on Academic Misconduct**: Academic honesty and integrity are fundamental values of the University community. Students should be sure that they understand the UF Student Honor Code at <http://www.dso.ufl.edu/students.php>.

**Course Schedule (subject to change based on class progress)**

**Detailed Assignments will be posted each week at the web site**

**I.** **Background and Basic Principles**

Origins and Fundamentals of the US Pension and Retirement System (including Social Security and private sources of retirement income)

Basics of Tax Deferral and Timing (Supplemental Materials at web site)

Typology of Retirement Plans – Defined Benefit and Defined Contribution Plans

Origins of ERISA

**II. Selected ERISA Based Plan Requirements**

Preventing Forfeiture thru Vesting

Spousal Interests

**III. Tax Treatment of Qualified Pension and Profit Sharing Plans (Classes Four-Nine**

Overview

Minimum Age and Service Rules (Supplemental Materials at Web Site)

Antidiscrimination in Coverage and Benefits

Limits on DB Plan Benefits and DC Plan Contributions

Deductibility of Employer Contributions

Taxation of Participants and Beneficiaries – Distributions

Treatment of Affiliated Employers

**III. Employer-Sponsored Tax Favored Savings Plans – 401(k) and 401(m) (Classes Ten and Eleven)**

**IV. Nonqualified Deferred Compensation (Classes Twelve through Fourteen)**

A. Cash Nonqualified Deferred Compensation – Rabbi Trusts, etc.

B. Stock Based Deferred Compensation –

C. Section 409A