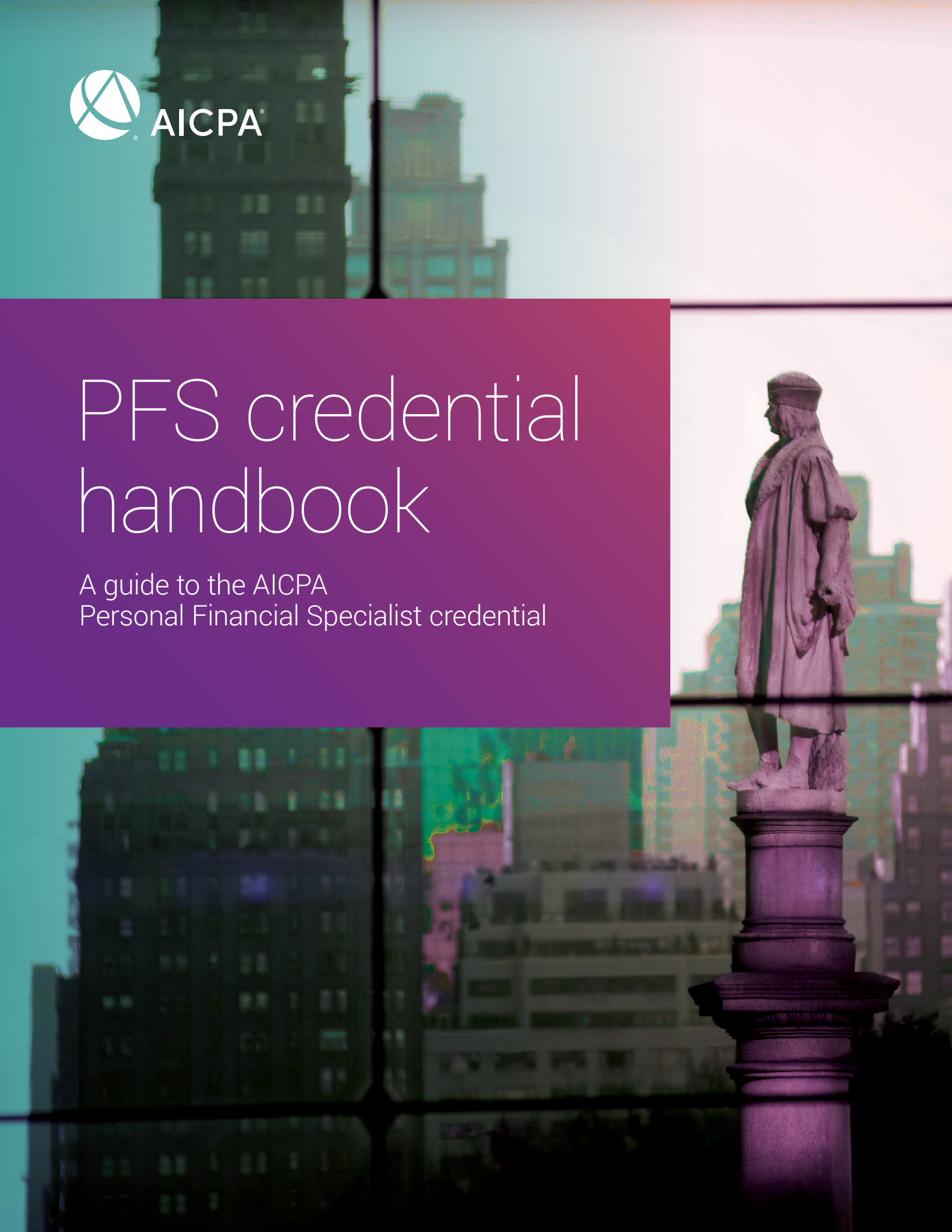


AICPA

PFS credential handbook

A guide to the AICPA
Personal Financial Specialist credential

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What is the CPA/PFS credential?

All financial planners are not created equal. The AICPA's Personal Financial Specialist (PFS™) credential is granted exclusively to CPAs with the powerful combination of extensive tax expertise and comprehensive knowledge of financial planning. This knowledge is critical for obtaining the most valuable, objective advice possible. All areas of personal financial planning — including estate, retirement, investments and insurance — have tax implications, and only CPA/PFS professionals have the experience, ethics and expertise to get the job done right.

The CPA/PFS credential program has several key objectives:

- Standardize and enhance the quality of PFP services that CPA financial planners provide by serving as the CPA exclusive mark of excellence in financial planning
- Increase practice development and career opportunities for CPA/PFS credential holders
- Help credential holders promote their practices through the PFP website and the development of CPA/PFS marketing tools
- Increase professional and public awareness of CPA/PFS as the preferred personal financial planning credential

Six great reasons to obtain the CPA/PFS credential

1. Enables you to **become recognized** for providing financial planning services by prospects, clients and referral sources
2. **Distinguishes you** from other financial planners — only CPAs can hold the CPA/PFS credential
3. **Affirms your value** to current and potential clients and employers, and inspires a **greater level of confidence** in your expertise
4. Indicates your **continual dedication** to delivering the best service possible to your clients by **honing your financial planning skills** and expertise
5. Enhances your image as a **trustworthy financial planner**; only active AICPA members who abide by the AICPA Code of Conduct can hold the CPA/PFS credential
6. Affords access to a **CPA community** in which you can share, debate, network and grow with other personal financial planning experts



CPA/PFS pathway — your professional development roadmap

Use the following steps to guide your thinking as you approach the CPA/PFS credential. This handbook (and aicpa.org/PFS) provide more information on the CPA/PFS requirements and body of knowledge.

First

Consider joining the PFP Section.

The PFP Section provides discounts on the education, review and exam materials that exceed the membership fee. Additionally, members have access to resources to use as they gain experience and participate in a community of like-minded CPA financial planners.

Second

Decide on your pathway to the PFS credential.

All pathways require a valid and unrevoked CPA license and an AICPA membership. As you select a pathway, factors such as your experience, the time you have available to study and costs will influence your decision. CPAs holding the CFP® or ChFC designations are deemed to have met the PFS credential exam requirement.

Develop PFP competency — Regardless of the pathway, the AICPA has in-depth online learning courses covering the entire PFP Body of Knowledge. With five courses, totaling 92 hours of CPE broken into 35 modules, they not only provide the technical knowledge needed, but emphasize the planning process, income tax planning in each area, and integration with the client's entire financial plan.

Pathway benefits and action steps

Standard pathway	Certificate pathway	Experienced pathway
Good for a CPA with some experience (up to the 3,000 hours) and some knowledge who wants to expand their learning and get the exam requirement done all at one time. • Obtain the learning you need based on your experience • Sit for the comprehensive PFS exam	Good for less experienced CPA practitioners looking for a systematic, methodical approach to learning looking to fit the education and exam modules into a busy schedule. • Complete all four technical PFP certificates — with online education followed by web-proctored exams on your computer – Retirement Planning – Estate Planning – Investment Planning – Risk Management/Insurance Planning • Complete the PFP Practical Applications certificate — covering the PFP process, regulatory environment, and practical case studies	Good for experienced CPA practitioners (more than 7,500 hours) looking for a streamlined and cost-effective approach that takes into account the competency and expertise their substantial experience provides. • Complete the PFS Experienced CPA Education — a 13-hour self-study CPE course focusing on the PFP process, professional responsibilities, and practical case studies. • Sit for the PFS Experienced CPA Assessment — multiple-choice exam based on the CPE case studies.

Third

Obtain your required PFP experience.

While you are working through your selected PFS credential education and exam pathway, you should also focus on your PFP-related experience needed for that particular pathway. Verify that you have either met it, or work with your firm to obtain the needed hours.

Fourth

Apply online for the PFS credential.

Verify that you have met all of the requirements for the credential and go to **aicpa.org/PFS** to apply.

Valuable resources, tools and information

CPA/PFS credential holders receive:

CPA/PFS Marketing Toolkit — Includes CPA/PFS logos and guidelines, media and public relations resources, PowerPoint templates, sample press releases, press releases and talking points on current topics, copy-ready print advertisements and client brochures

Consumer Referral Program — Clients can visit findaCPAPFS.org to both learn why they should choose a CPA/PFS, and to search for a local CPA/PFS in an online directory.

Public and Media Awareness Program — Public relations opportunities, e.g., writing, speaking and media interviews, plus media training for CPA/PFS credential holders

Plus, these PFP Section benefits:

Technical resources — Tools and information via the PFP website

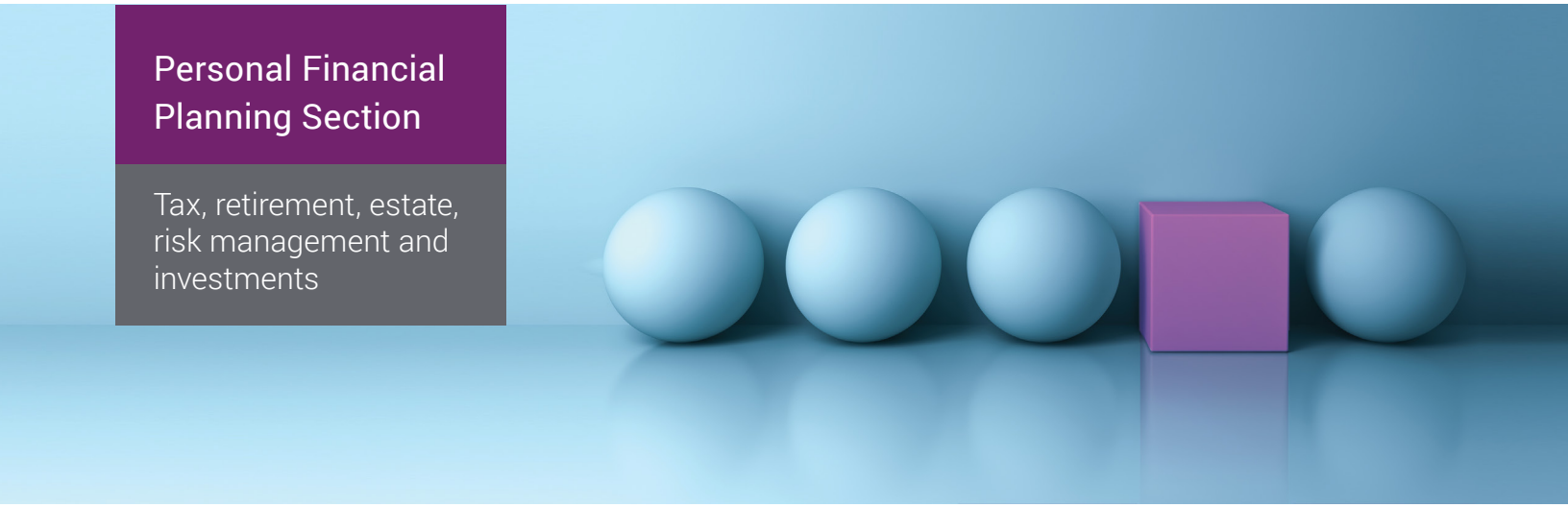
- Client Education and Communication Tool — Broadridge Advisor™ includes 3,000+ technical and leg/reg topics explained in layman's terms ($499 value; free to PFP Section members)
- Practitioner newsletter service — Bob Veres' *Inside Information* is considered a must-read by seasoned CPA financial planners ($349 value; free to PFP Section members)
- Free webcasts and related materials — CPA experts from around the country host timely seminars on estate, tax, investment, retirement, insurance planning, practice management and leg/reg issues (discounted CPE available — save $200 a year!)
- Resource guides for CPAs — Such as the four-volume *The Adviser's Guide to Financial and Estate Planning* and four *Adviser's Guides* on *Retirement, Social Security, Retirement Healthcare* and *Elder Planning.*
- PFP Practice Center — Resources for starting or growing a CPA financial planning practice; includes practice guides such as *The CPA's Guide to Investment Advisory Business Models, The CPA's Guide to Technology in a PFP Practice* and *The CPA's Guide to Developing and Managing a CPA Practice*

Money-saving discounts — $100 off already-reduced AICPA member prices for AICPA PFP-related conferences and the PFS Exam; 20% off already-reduced prices for the PFP Certificate Programs and selected AICPA PFP publications; 20% off other Broadridge products; discounted CPE; and discounts on other products

A voice in leg/reg issues — As the voice of CPA financial planners on Capitol Hill, the PFP Section protects the public — and member — interest

Personal Financial Planning Section

Tax, retirement, estate, risk management and investments



PFS application process
(It's easy to apply!)

Apply online (preferred method):

1. **Go to** aicpa.org/PFS and click on the Apply button.
2. **Check off the boxes** for the examinations, education, experience and attestations.
3. **Include payment information for your application fee** and submit the application.

Apply with paper at one of our conferences:

1. Obtain a copy of the PFS application
2. Complete and sign the application form
3. Submit your completed application and application fee

Payable by check or credit card

Initial certification requirements

- Regular AICPA membership in good standing
- Valid, unrevoked CPA permit, license or certificate issued by a legally constituted state authority
- Completed PFS application indicating fulfillment of all requirements
- Payment of PFS application fee

PFS recertification requirements

To maintain an active CPA/PFS credential, and maintain access to all of the accompanying resources and tools, CPA/PFS credential holders must pay an annual renewal fee and meet the following CPA/PFS recertification requirements annually:

1. Regular AICPA membership in good standing
2. Valid and unrevoked CPA permit, license or certificate issued by a legally constituted state authority
3. Complete 20 hours of continuing professional development within the credential body of knowledge annually:
   - Continuing professional development may include structured learning activities approved by NASBA or a legally constituted state authority, or other professional body; or unstructured learning activities as outlined by the AICPA
   - Unstructured learning activities may constitute up to 50% (10 hours annually) of a credential holder's CPD to meet credential renewal requirements
4. Payment of current-year credential fees includes attestation to comply with all recertification requirements

PFS annual audit

A percentage of approved PFS applications and recertifications are selected for random audit by the AICPA. Any misrepresentations or incorrect information provided to the AICPA can result in disciplinary action, including suspension or revocation of CPA/PFS eligibility and/or the CPA/PFS credential.

Credential holders will be notified in writing when selected for audit and be instructed to report their recertification requirements at the appropriate time.

CPA/PFS Body of Knowledge

Eligible business experience and education and lifelong learning must fall within the 12 practice areas comprising the CPA/PFS Body of Knowledge. Note that while income tax planning does not appear as a separate topic, both taxation and income tax planning are covered as a part of each area in the body of knowledge.

1. Personal Financial Planning Process

- Applying all steps in the standard financial planning process to clients
- Gathering data and helping clients establish their financial goals
- Building rapport with client and addressing family dynamics in the client relationships

2. Professional Responsibilities and Legislative and Regulatory Environment

- Applying the principles of the Statement on Standards in Personal Financial Planning Services to any aspect of the client relationship
- Complying with any requirements for licensing with the state or federal authorities for the services or products provided

3. Fundamental Financial Planning Concepts

- Reviewing income and spending patterns; developing recommendations for cash flow management and budgeting
- Performing "time value of money" calculations for decisions such as refinancing a home or buying vs. leasing a motor vehicle
- Determining strategies for tax liability management

4. Estate Planning

- Helping clients develop or refine their financial and personal estate planning goals
- Estimating liabilities for federal estate tax, state death taxes and other obligations; determining cash needs upon death
- Developing recommendations to meet financial obligations upon death
- Reviewing tax and probate considerations of various forms of property ownership; making recommendations on the titling of assets
- Developing strategies for minimizing estate and death taxes and achieving the clients' other estate-planning goals
- Recommending or reviewing various instruments (e.g., wills, powers of attorney, trusts) for use in achieving goals
- Planning for post-mortem succession of a closely held business (e.g., buy-sell agreements, estate freeze techniques, valuation issues)

5. Charitable Planning

- Evaluating client's assets to use for charitable giving
- Determining the advantages and disadvantages of charitable giving through different vehicles (e.g., conservation easements, charitable trusts, life insurance)
- Summarizing income tax consequences of various charitable giving options

6. Risk Management Planning

- Analyzing client exposure to risks and recommending methods for managing risk
- Advising clients on various types and uses of life insurance
- Helping clients minimize their financial risks from disability; illness; property damage; and personal and professional liability
- Planning for long-term health care for clients and their families
- Reviewing proposed policies to ensure clients' needs are satisfied
- Reviewing income and estate tax aspects of insurance coverage with clients

7. Employee and Business-Owner Planning

- Analyzing and making recommendations on executive compensation and stock options
- Evaluating or reviewing various benefits (equity, fringe and insurance) available to employees of public and private companies
- Evaluating the implications of strategies for timing exercise and sale of equity employee benefits
- Examining tax implications of benefits for employer and employees
- Planning with business owners on decisions about their business that affect their current or future personal financial goals

8. Investment Planning

- Year-end capital gain/loss recognition planning; deferral of capital gain strategies
- Reviewing client investment preferences and risk tolerance to help them develop appropriate investment strategies
- Discussing available investment options with clients
- Monitoring the performance of invested assets
- Providing asset allocation recommendations
- Recommending investments or helping clients build portfolios
- Managing client assets

9. Retirement and Financial Independence Planning

- Helping clients develop or refine retirement planning goals; determining cash requirements to realize those goals
- Calculating savings needed to meet retirement cash requirements and analyzing available retirement plans
- Reviewing limits on and tax consequences of contributions to or distributions from retirement plans
- Establishing retirement plans
- Planning for retirement plan withdrawals
- Assisting clients with maximizing their Social Security benefits
- Planning for post-retirement succession of a closely held business

10. Elder, Special Needs and Chronic Illness Planning

- Helping clients understand the variety of care options that are available to them
- Analyzing financial aspects and assisting clients with housing-related decisions
- Providing bill pay or other personal financial services for clients
- Developing plans to address current and future financial expenses for special needs clients

11. Education Planning

- Assisting clients with understanding the education planning process
- Developing recommendations for education funding strategies
- Assessing income tax implications for education funding strategies

12. Special Situations

- Defining clients' housing goals
- Planning income needs and evaluating division of assets during a divorce
- Advising clients on household employees

For more detailed information on the credential body of knowledge, please look at the Preparation tab at aicpa.org/PFSexam.

Experience requirement

For the Standard and Certificate pathways, a CPA/PFS candidate must meet the following business experience requirements within the five years preceding the date of the PFS application:

1. Two years of full-time experience (or 3,000 hours equivalent) in personal financial planning (Note: A full-time equivalent is defined as 1,500 hours per year).
2. Up to 1,000 hours of tax compliance experience can count toward the total experience requirement. For candidates in academia, a qualified credential holder should be a full-time professor and have taught at least four accredited college courses with 50% of their material included in the PFS Body of Knowledge.

For the Experienced pathway, a CPA/PFS candidate must meet the following business experience requirements within the seven years preceding the date of the PFS application:

1. Five years of full-time experience (or 7,500 hours equivalent) in personal financial planning (Note: A full-time equivalent is defined as 1,500 hours per year).
2. Up to 2,000 hours of tax compliance experience can count toward the total experience requirement.

Education requirement

For the Standard and Certificate pathways, a CPA/PFS candidate must earn 75 hours of personal financial planning continuing professional development (CPD) within the five years preceding the date of PFS application.

For the Experienced pathway, a CPA/PFS candidate must earn 105 hours of personal financial planning continuing professional development (CPD) within the seven years preceding the date of PFS application.

The AICPA offers a complete curriculum of 92 CPE hours of online PFP education covering the entire PFP Body of Knowledge. It is made up of five courses broken into 35 online modules. For more information, see pfpcert.AICPAStore.com

To the extent that any NASBA-approved CPE is part of the required hours, CPAs are responsible for complying with all applicable CPE requirements, rules and regulations of state boards of accountancy, as well as those of membership associations and other professional organizations. Visit aicpa.org/cpe-learning/cperequirements.html to become familiar with the CPE Standards issued by AICPA and NASBA, learn the continuing professional development (CPD) requirements for AICPA members and find out the specific CPE requirements for each state board and society. The following categories of education are eligible:

Continuing professional development (CPD)

Credit will be given for structured programs of learning in self-study or group-study format on topics relevant to the CPA/PFS Body of Knowledge. Other structured learning options include:

1. Approved courses at an accredited university or college
   For university or college courses taken within the CPA/PFS Body of Knowledge that meet CPE requirements.
2. Presenting
   Instructors receive credit for preparation and presentation of CPE or college credit courses on topics within the CPA/PFS Body of Knowledge.
3. Authoring
   Writers of published articles, books or CPE programs on topics within the CPA/PFS Body of Knowledge will be given credit for research and writing time if this time increases professional competence.

In recognition that learning is not limited to the classroom, credit will also be given for unstructured learning, which may include activities such as coaching, mentoring, peer-to-peer learning and on-the-job training that a member records on the AICPA competency learning record as it happens. These expanded opportunities allow you to develop professional competencies necessary to support continued success in your area of specialization.

Reporting requirements to support CPA/PFS education

The AICPA recommends that you maintain the following records about your education because it is subject to random audit and may need to be verified by the AICPA:

- Title of program/session
- Related body of knowledge subject matter
- Number of CPE credits awarded to participants or length of presentation
- Date(s) and location of presentation

Authoring:

- Title of work
- Related body of knowledge subject matter
- Name of publisher
- Type of publication
- Date published
- Number of hours to prepare

Unstructured Learning:

- Date(s) of activities
- Title of activity
- Format and length of activity
- How the activity supports your continued development

Examination requirement

PFS applicants are required to pass one of three exam options: the comprehensive PFS exam, the requirements for each of the five PFP Certificates offered by the AICPA within a five-year period or the PFS Experienced CPA Assessment. For more information on the PFS exam, when it is offered, and how to prepare, go to aicpa.org/PFSexam, or see the certificates.aicpastore.com/certificate-programs/personal-financial-planning for information on the PFP certificate exams. However, if you have passed either of the following exams, you are waived from this requirement:

- Certified Financial Planner (CFP®) exam
- Chartered Financial Consultant (ChFC) exam

Reinstating a lapsed CPA/PFS credential

CPAs who have held the CPA/PFS credential in the past can reinstate their credential by attesting that they have taken at least 60 hours of PFP-related CPD in the last three years.

There is a one-time $100 reinstatement fee, in addition to the annual credential fee. The link to the PFS reinstatement form can be found at aicpa.org/interestareas/personalfinancialplanning/membership/pfs-credential-reinstatement-application.

FAQs

Q. Do I have to be a CPA and a member of the AICPA to apply?

A. Yes. You must be a Regular member (CPA) in good standing of the AICPA and hold an unrevoked CPA permit, license or certificate issued by a legally constituted state authority. The CPA/PFS credential is granted exclusively by the AICPA.

Q. Do I need an active CPA license to practice public accounting to become a CPA/PFS?

A. No. You must hold a valid and unrevoked CPA permit, license or certificate issued by a legally constituted state authority.

Q. Do I need to be a PFP Section member to apply to become a CPA/PFS credential holder?

A. No. You need to be an AICPA member in good standing and meet the unrevoked CPA certificate requirement. PFS holders receive complimentary PFP Section membership.

Q. If I don't meet the requirements to become a CPA/PFS credential holder, is there another way to get information about personal financial planning?

A. Yes. You may join the PFP Section — the only requirement is AICPA membership in good standing. (Non-CPAs must join the AICPA as a Non-CPA Associate.)

Q. Does the AICPA audit CPA/PFS applications?

A. Yes. A percentage of approved applications are selected for random audit. Any misrepresentations or incorrect information may result in disciplinary action, including suspension or revocation of CPA/PFS eligibility and/or credential.

Q. How do I apply for a waiver of the Series 65 based on my CPA/PFS credential?

A. If you have supplied your individual (not your firm's) CRD number on your CPA/PFS application, you are included in a file the AICPA sends weekly to FINRA. Check the box on FINRA's Form U-4 that indicates you hold the CPA/PFS credential; FINRA will compare your U-4 information against the AICPA file (authorizing the Series 65 waiver).

If you receive notice FINRA does not have a record of your CPA/PFS, it may be due to a missing/incorrect CRD number on your PFS application. Contact the AICPA Member Service at 888.777.7077 to update your CRD number; then, resubmit the U-4 to FINRA.

Q. I have applied for the CPA/PFS credential. What happens next?

A. Once application and payment have been submitted either via online or paper application, the AICPA will review and issue a welcome letter. At this time:

1. Individuals may use the CPA/PFS credential in accordance with the rules of the state in which they practice. Members are not authorized to use the credential until they receive this notice.
2. At the applicant's request, their state society will be notified so the information can be promoted in state society newsletters.

Q. What is required to maintain the CPA/PFS credential?

A. Credential holders must pay an annual fee and meet PFS recertification requirements annually:

1. AICPA membership in good standing
2. Valid and unrevoked CPA certificate issued by a legally constituted state authority.
3. Complete 20 hours of continuing professional development (CPD) within the credential body of knowledge annually:
   - CPD may include structured learning activities approved by NASBA or a legally constituted state authority, or other professional body; or unstructured learning activities as outlined by the AICPA
   - Unstructured learning activities may constitute up to 50% (10 hours annually) of a credential holder's CPD to meet credential renewal requirements
4. Payment of the annual fee with the associated attestation of intent to comply with all credential recertification requirements.

Preparing for the exam requirement

Whether you are first-year staff or a seasoned CPA, the AICPA Personal Financial Planning (PFP) Section has the resources you need to gain a fundamental understanding of PFP and obtain the CPA-exclusive PFS credential.

Follow the steps outlined below to create your personalized approach to the PFS exam and education:

1. Review the PFP Body of Knowledge.
   This provides both a high-level outline and a more detailed outline of the topics the PFS exam covers. Use this information to identify areas where additional education or review may be needed, based on your current education and experience.

2. Use the online PFP education for topics where you need in-depth education. These five courses are available from the AICPA:

   - Retirement Planning
   - Estate Planning
   - Risk Management and Insurance Planning
   - Investment Planning
   - PFP Practical Applications

As a seasoned CPA, you could select a few courses to complement your current knowledge. As a CPA just entering the PFP field, you would benefit from learning from all five courses as a solid foundation to build on in the future. More information on the courses can be found at certificates.aicpastore.com/certificate-programs/personal-financial-planning.

If you choose to, you could take the certificate exam after each of these five courses instead of continuing on and taking the comprehensive exam. Some like to get the PFS exam done all at once, and others like to fit the certificate exams into their schedule over time.

3. Sign up for the comprehensive PFS exam.
   As you prepare, you should determine which PFS exam window will fit your schedule and register in advance both to get the date and location you desire and to provide yourself with a target date to improve your study habits. Purchasing the PFS exam will provide you with a voucher that is good for a 12-month period from when it was purchased to complete the PFS exam.

Preparing for the PFS experienced CPA assessment

If you are qualifying under the substantially higher experience requirement of the Experienced pathway, then consider the following approach.

1. Complete all of the modules in the PFS Experienced CPA Education course.

   The case studies in this course will be on the PFS Experienced CPA Assessment.

2. Use the PFS Body of Knowledge to review for the Assessment.

   For each of the case studies, review the technical topics in the PFP Body of Knowledge and focus your attention on those topics you would likely address for the demographics/situation of that type of client. You will likely draw on your longer PFP experience to be prepared for the Experienced CPA Assessment.

3. Sign up and pass the PFS Experienced CPA Assessment.

   The exam is a 60-question multiple choice exam with one part for each of the four case studies, to be completed in 100 minutes.

For more information on each step, go to aicpa.org/pfsexam.

Costs to prepare for and take the PFS exam

As a CPA, you are aware of the need for professional development. The expertise that you acquire as a part of the online education courses and the exam-preparation process will pay immediate dividends in the form of stronger client relationships and more revenue. Being able to display your CPA/PFS credential clearly demonstrates the results of this certification process to your clients and prospects. The AICPA PFP Section provides many ways to reduce the costs related to exam preparation and obtaining the CPA/PFS credential.

The best discounts are provided to PFP Section members. You also have access to all the section resources. For more information on the PFP Section, go to aicpa.org/PFP.



P: 888.777.7077 | F: 800.362.5066 | W: aicpa.org/PFS

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