

# Plan Consultant –Fall 2023

## Continuing Education Quiz

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If eleven (11) or more questions are answered correctly, ASPPA will award you with three ASPPA continuing education credits and send a certificate to you for your records. To receive credits, the quiz must be submitted no later than 24 months after the date of the quiz, and credits can only be applied to the cycle in which the grade is received.

**Circle One**

- A, B, C, D      1.    The SECURE Act added a provision to IRC §401(a)(26) to provide relief from the minimum participation requirements for defined benefit plans that are:
- A. Frozen  
B. Merged  
C. Terminated  
D. Closed to new participants
- A, B, C, D      2.    The testing relief for closed defined benefit plans applies to plans that were closed prior to April 5, 2017, or for plans that have been in effect for how many years prior to the close date?
- A. 1  
B. 2  
C. 5  
D. 10
- A, B, C, D      3.    Beginning with reporting periods on or after January 1, 2024, the number of participants in a defined contribution plan for Form 5500 purposes will now exclude:
- A. Eligible individuals who have no account balances.  
B. Eligible individuals who only make elective deferrals.  
C. Eligible individuals who only receive employer non-elective contributions.  
D. Eligible individuals who are automatically enrolled in the plan.
- A, B, C, D      4.    The threshold for determining whether a Pooled Employer Plan (PEP) is subject to an independent qualified plan audit (IQPA) is:
- A. 50 participants  
B. 100 participants  
C. 500 participants  
D. 1000 participants

- A, B, C, D      5. Higher interest rates impact terminating defined benefit plans by:
- A. Increasing the cost of purchasing annuities.
  - B. Improving the plan's funded status due to higher discount rates.
  - C. Increasing the value of lump sum benefits.
  - D. Increasing the employer contributions needed to meet minimum funding requirements.
- A, B, C, D      6. Under the "effective vindication" doctrine adopted by the Seventh Circuit Court, an arbitration clause will not be enforced if the clause:
- A. Is included in the written plan document.
  - B. Is not filed for approval with the Department of Labor.
  - C. Prevents a plaintiff from effectively vindicating a claim.
  - D. Imposes a limit on the number of plaintiffs that are covered by the clause.
- A, B, C, D      7. Which of the following statements regarding the requirement that catch-up contributions be designated Roth contributions is correct?
- A. The requirement applies to more than 5% owners of the plan sponsor, regardless of the owner's compensation.
  - B. The requirement applies to self-employed individuals who have more than \$145,000 earned income.
  - C. A plan can be amended to prohibit catch-up contributions to avoid the requirement.
  - D. Plans that do not otherwise permit Roth contributions are exempt from requirement.
- A, B, C, D      8. One of the changes made by the SECURE 2.0 Act to the required minimum distribution (RMD) rules beginning in 2024 is:
- A. Lifetime RMDs are no longer required from designated Roth accounts.
  - B. RMDs from designated Roth accounts may be determined using the single life tables.
  - C. Death RMDs are no longer required from designated Roth accounts.
  - D. RMDs from pre-tax accounts may be satisfied by making distributions from designated Roth accounts.
- A, B, C, D      9. One advantage of a 403(b) plan over a 401(k) plan is:
- A. There is no Actual Contribution Percentage (ACP) test.
  - B. There is no Actual Deferral Percentage (ADP) test.
  - C. The age 50 catch-up contribution limit is larger.
  - D. There is no requirement to have a written plan document.
- A, B, C, D      10. The employer tax contribution credit under the SECURE 2.0 Act of 2022 is based on a percentage of the employer contribution provided to each employee who makes less than how much in FICA wages?
- A. \$50,000
  - B. \$75,000
  - C. \$100,000
  - D. No Limit

- A, B, C, D      11. The automatic enrollment tax credit is available to small employers that add what type of automatic enrollment feature to their plan?
- A. A safe harbor automatic enrollment arrangement.
  - B. A non-qualified automatic enrollment arrangement.
  - C. A traditional automatic enrollment arrangement.
  - D. An “eligible” automatic enrollment arrangement (EACA).
- A, B, C, D      12. If two related employers have adopted the same plan and are no longer part of a controlled group due to the SECURE 2.0 Act of 2022 changes to the stock attribution rules, then the plan:
- A. Becomes a multiple employer plan.
  - B. Is disqualified.
  - C. Is deemed to be a Pooled Employer Plan (PEP).
  - D. Is automatically deemed to be nondiscriminatory.
- A, B, C, D      13. If an employer fails to make top-heavy contributions to its top-heavy plan, then....
- A. The plan can be disqualified.
  - B. The plan can qualify for relief by using the taxpayer advocacy department.
  - C. The plan can be terminated to relieve the employer of making the overdue contributions.
  - D. The employer can claim a hardship exemption under the Internal Revenue Code.
- A, B, C, D      14. If a plan has 4 eligible non-highly compensated employees, then the maximum amount of the start-up costs tax credit is:
- A. \$500
  - B. \$1,000
  - C. \$4,000
  - D. \$5,000
- A, B, C, D      15. A class action waiver that is included in an arbitration clause means:
- A. The Department of Labor cannot represent a group of plaintiffs.
  - B. Participants can only recover monetary damages if they belong to the class of plaintiffs who brought up the claim.
  - C. Plaintiffs who bring claims on behalf of the plan must arbitrate their claims on an individual basis.
  - D. If plaintiffs are not successful in arbitration, then they may only appeal the decision if the appeal is through a class action lawsuit.

Name: \_\_\_\_\_

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