

Plan Consultant – Spring 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 Securities and Exchange Commission has adopted final rules regarding a company's "clawback" policies. A "clawback" policy relates to the repayment of amounts paid to certain executives of the company that are:
- A. In the excess of the IRC §415 limits.
 - B. In excess of the IRC §402(g) deferral limits.
 - C. Reimbursable moving expenses.
 - D. Erroneous awards of incentive-based compensation.
- A, B, C, D 2. If a plan sponsor chooses to provide employer contributions (matching or nonelective contributions) to long-term part-time employees (as defined in the SECURE Act), then the minimum number of hours of service they must complete during a computation period to be credited with a year of service for vesting purposes is:
- A. 250 hours
 - B. 500 hours
 - C. 750 hours
 - D. 1,000 hours
- A, B, C, D 3. Which of the following statements regarding the new long-term part-time employee (LTPTE employee) requirements is true?
- A. LTPT employees must receive top-heavy minimum contributions.
 - B. LTPT employees must be eligible to receive any employer matching contributions under the plan if they complete at least 500 hours of service during the plan year.
 - C. The LTPT employee rules apply to 457 plans for plan years beginning after December 31, 2024.
 - D. The LTPT employee rules apply to 403(b) plans for plan years beginning after December 31, 2024.

- A, B, C, D
4. In a survey of insurers that participate in the U.S. pension risk transfer (PRT) market, it was shown that:
- A. It is still too early to tell if COVID has fundamentally changed mortality.
 - B. Mortality rates will continue to decline due to COVID.
 - C. The life expectancy for males is trending to a point where it will be the same as the life expectancy for females.
 - D. Insurers rarely use zip codes in setting assumptions of risk.
- A, B, C, D
5. Which of the following is true regarding a solo defined benefit plan?
- A. If Form 5500-EZ is used, then Schedule SB must be attached to the filing.
 - B. The restrictions on distributions based on a plan's Adjusted Funding Target Percentage (AFTAP) apply to the plan.
 - C. The PBGC premium is reduced to 50% of the premium that would otherwise apply to a defined benefit plan that covers other employees.
 - D. The plan must provide the same participant notices that would be applicable to other defined benefit plans.
- A, B, C, D
6. SECURE 2.0 includes a new credit for contributions made by qualifying small employers of up to how much per employee?
- A. \$100
 - B. \$500
 - C. \$1,000
 - D. \$1,500
- A, B, C, D
7. Which of the following statements about Starter 401(k) plans is correct.
- A. The purpose of the provision in the law is to have a 401(k) product similar to state auto-IRA products.
 - B. The plans require an employer matching contribution of 100% of deferrals up to 2% of compensation.
 - C. The elective deferral limit is the same as the limit for a traditional 401(k) plan.
 - D. The plans require an employer nonelective contribution equal to 3% of compensation.
- A, B, C, D
8. Which of the following plans is exempt from the requirement that 401(k) plans and 403(b) plans established after December 29, 2022, automatically enroll participants?
- A. The plan covers no highly compensated employees.
 - B. The business sponsoring the plan has fewer than 50 employees.
 - C. The business sponsoring the plan has been in existence less than 5 years.
 - D. The plan is a church plan.

- A, B, C, D
9. Which of the following is one of the DOL's best practices guidelines for ensuring participants receive benefits they are entitled to under a plan?
- A. Document procedures and actions proving proper participant communication.
 - B. Use the IRS letter forwarding program.
 - C. Update census date for plan participants at least once every 5 years.
 - D. Wait for the DOL to launch the lost participant website, as required by the SECURE 2.0 Act.
- A, B, C, D
10. The mistake of fact provision in ERISA §403(c):
- A. Permits most plan operational errors to be corrected by reallocating contributions to the affected participants.
 - B. Is rarely applicable because a mistake of fact is very limited, such as errors due to arithmetic or transposing numbers.
 - C. Applies where a wrong assumption was made by an employer.
 - D. Is a permissible correction method under EPCRS.
- A, B, C, D
11. Which of the following errors would be an "eligible inadvertent failure" that can be self-corrected under SECURE 2.0 (assuming the plan has practices and procedures in place)?
- A. An egregious failure.
 - B. A misuse of plan assets.
 - C. An abusive tax avoidance transaction.
 - D. A failures to use the correct definition of compensation under the plan.
- A, B, C, D
12. A best practice on amending a plan document in order to change a provision is to:
- A. Amend the plan before making the change in operations.
 - B. Amend the plan at the same time the change in operations is being made.
 - C. Amend the plan within 90 days after the change in operations has been made.
 - D. Amend the plan not later than the last day of the plan year following the date the change in operations was made.
- A, B, C, D
13. Long-term part-time employees are not required to be in a plan's coverage and non-discrimination tests as long as long as they...
- A. make a deferrals election.
 - B. do not take out a hardship distribution.
 - C. agree to be automatically enrolled.
 - D. are participating in the plan solely because they are long-term part-time employees.
- A, B, C, D
14. Under SECURE 2.0, a participant who earns more than \$145,000 is subject to which of the following requirements?
- A. All deferrals must be made on a pre-tax basis.
 - B. Employer contributions must be made as Roth contributions.
 - C. Catch-up contributions must be made as Roth contributions.
 - D. All deferrals must be made on a Roth basis.

A, B, C, D

15. Which of the following statements regarding the ARA Professional Code of Conduct (the Code) requirement to protect a member's work product from being misused is true?

- A. A member is automatically subject to sanctions if a work product is misused.
- B. A member is required to stop providing services only if he or she is absolutely sure the work product will be misused.
- C. The Code requires a member to take reasonable steps to prevent misuse of work product.
- D. A member has no affirmative duty to assess the risk of misuse of his or her work product.

Name: _____

Address: _____

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