

2014

Data for Question 16 (3 points)

Valuation date: 1/1/2015.

Asset valuation method: Fair market value.

Effective interest rate for 2014: 6.5%.

Rate of return on plan assets during 2014: 8.5%.

Effective interest rate for 2015: 5.0%.

Fair market value of assets as of 1/1/2015 (excluding receivables): \$2,500,000.

Contributions deposited for the 2014 plan year:

| <u>Date</u> | <u>Amount</u> |
|-------------|---------------|
| 6/15/2015   | \$100,000     |
| 8/15/2015   | 300,000       |

$\$X$  is equal to the actuarial value of assets as of 1/1/2015.

Question 16

In what range is  $\$X$ ?

- (A) Less than \$2,875,000
- (B) \$2,875,000 but less than \$2,879,000
- (C) \$2,879,000 but less than \$2,883,000
- (D) \$2,883,000 but less than \$2,887,000
- (E) \$2,887,000 or more

## 2014

### Data for Question 22 (4 points)

Asset valuation method: The average of the market value of assets on the valuation date and the adjusted market value of assets for the preceding valuation date.

Segment rates for 2014: {5.5%, 6.5%, 7.5% }.

Segment rates for 2015: {5.0%, 6.0%, 7.0% }.

Selected information:

|                                      | <u>1/1/2014</u> | <u>1/1/2015</u> |
|--------------------------------------|-----------------|-----------------|
| Market value (excluding receivables) | \$250,000       | \$328,000       |
| Benefit payments, paid on 7/1        | 20,000          |                 |
| Expenses, paid on 7/1                | 4,000           |                 |
| Assumed rate of return               | 6.50%           |                 |
| Effective interest rate              | 6.25%           | 5.50%           |

For the 2014 plan year, a contribution of \$20,000 is deposited on 1/2/2014 and another contribution of \$10,000 is deposited on 9/1/2015.

$\$X$  is the actuarial value of assets for the plan year beginning 1/1/2015.

### Question 22

In what range is  $\$X$ ?

- (A) Less than \$304,500
- (B) \$304,500 but less than \$304,750
- (C) \$304,750 but less than \$305,000
- (D) \$305,000 but less than \$305,250
- (E) \$305,250 or more

2014

Data for Question 29 (3 points)

Plan type: Multiemployer.

Asset valuation method (adopted 1/1/2005): Smoothed market value using a smoothing period of three years, as described in Rev. Proc. 2000-40.

Valuation interest rate: 7.0%.

Asset gain for 2013: \$3,000.

Selected asset information:

|  | <u>1/1/2014</u> | <u>1/1/2015</u> |
|--|-----------------|-----------------|
| Market value of assets                     | \$50,000        | \$40,000        |
| Benefit payments and expenses, paid on 7/1 | 1,500           |                 |
| Contribution, paid 11/1                    | 5,000           |                 |

Question 29

In what range is the actuarial value of assets as of 1/1/2015?

- (A) Less than \$35,000
- (B) \$35,000 but less than \$40,000
- (C) \$40,000 but less than \$45,000
- (D) \$45,000 but less than \$50,000
- (E) \$50,000 or more

2014

Data for Question 37 (4 points)

Valuation date: 1/1/2015.

Type of plan: Multiemployer.

Asset valuation method adopted 1/1/2005: Smoothed market value using a smoothing period of five years, as described in Rev. Proc. 2000-40.

Selected asset information:

Asset (gain)/loss amounts:

|             |          |
|-------------|----------|
| During 2013 | \$59,000 |
| During 2012 | 33,000   |
| During 2011 | 19,000   |

|                           |                 |                 |
|---------------------------|-----------------|-----------------|
|                           | <u>1/1/2014</u> | <u>1/1/2015</u> |
| Market value of assets    | \$620,000       | \$635,000       |
| Actuarial value of assets | 650,000         |                 |

Assumed rate of return for 2014: 6.0%.

Contribution paid on 8/1/2014 for the 2014 plan year: \$55,000.

Benefit payments and expenses paid uniformly throughout 2014: \$80,000.

Question 37

In what range is the actuarial value of assets as of 1/1/2015?

- (A) Less than \$610,000
- (B) \$610,000 but less than \$635,000
- (C) \$635,000 but less than \$660,000
- (D) \$660,000 but less than \$685,000
- (E) \$685,000 or more

2015

Data for Question 9 (1 point)

The actuarial value of assets, as elected by the plan sponsor, is the average of the fair market value of assets on the valuation date and the adjusted fair market value of assets determined as of the preceding valuation date.

Consider the following statement:

The assumed earnings rate used for purposes of determining the actuarial value of assets is treated as an actuarial assumption rather than as part of the funding method.

Question 9

Is the above statement true or false?

- (A) True
- (B) False

2015

Data for Question 12 (3 points)

Type of plan: Multiemployer.

Valuation date: 1/1/2016.

Asset valuation method: Smoothed market value using a smoothing period of five years, as described in Rev. Proc. 2000-40.

Market value of assets as of 1/1/2016: \$50,000,000.

Asset loss/(gain) amounts:

|             |             |
|-------------|-------------|
| During 2011 | \$2,100,000 |
| During 2012 | (7,250,000) |
| During 2013 | (4,500,000) |
| During 2014 | 550,000     |
| During 2015 | (9,250,000) |

Question 12

In what range is the actuarial value of assets as of 1/1/2016?

- (A) Less than \$39,800,000
- (B) \$39,800,000 but less than \$44,800,000
- (C) \$44,800,000 but less than \$49,800,000
- (D) \$49,800,000 but less than \$54,800,000
- (E) \$54,800,000 or more

## 2015

### Data for Question 16 (4 points)

Asset valuation method: The average of the market value of assets on the valuation date and the adjusted market value of assets for the preceding two valuation dates.

The actual market value return on assets for the 2014 plan year was \$70,000 less than the expected market value return for the 2014 plan year.

Selected information:

|                         | <u>2015 plan year</u> | <u>2016 plan year</u> |
|-------------------------|-----------------------|-----------------------|
| Segment rates           | { 3.0%, 4.0%, 5.0% }  | { 4.0%, 5.0%, 6.0% }  |
| Effective interest rate | 4.5%                  | 5.5%                  |

Assumed rate of return on assets for 2015: 7.0%.

Benefit payments and expenses are assumed to be paid on the last day of the plan year.

Selected asset information excluding contributions receivable:

|  | <u>2015</u> | <u>2016</u> |
|--|-------------|-------------|
| Beginning of year market value of assets | \$3,500,000 | \$3,825,000 |
| Benefit payments                         | 350,000     |             |
| Expenses                                 | 25,000      |             |

Contributions for the 2015 plan year:

| <u>Date</u> | <u>Amount</u> |
|-------------|---------------|
| 4/30/2015   | \$100,000     |
| 9/15/2016   | 350,000       |

### Question 16

In what range is the actuarial value of assets as of 1/1/2016?

- (A) Less than \$3,885,000
- (B) \$3,885,000 but less than \$3,895,000
- (C) \$3,895,000 but less than \$3,905,000
- (D) \$3,905,000 but less than \$3,915,000
- (E) \$3,915,000 or more

2015

Data for Question 48 (4 points)

Type of plan: Multiemployer.

Asset method: Smoothed market value using a smoothing period of five years, as described in Rev. Proc. 2000-40.

Selected asset information:

|                           | <u>1/1/2015</u> | <u>1/1/2016</u> |
|---------------------------|-----------------|-----------------|
| Market value of assets    | \$186,000       | \$207,000       |
| Actuarial value of assets | 200,000         |                 |

Assumed rate of return on assets for 2015: 7.5%.

The sole contribution for the 2015 plan year, made on 4/1/2015: \$20,000.

Benefit payments paid on 7/1/2015: \$21,500.

Asset loss/(gain) amounts:

| <u>During plan year</u> | <u>Loss/(gain)</u> |
|-------------------------|--------------------|
| 2012                    | \$10,000           |
| 2013                    | 5,000              |
| 2014                    | 20,000             |

Question 48

In what range is the actuarial value of assets as of 1/1/2016?

- (A) Less than \$201,000
- (B) \$201,000 but less than \$209,000
- (C) \$209,000 but less than \$217,000
- (D) \$217,000 but less than \$225,000
- (E) \$225,000 or more