

2003

Data for Question 20 (3 points)

Actuarial cost method: Attained age normal.

Valuation interest rate: 7% per year.

Current liability interest rate: 6% per year.

Credit balance in funding standard account as of 12/31/2002: \$0.

Selected valuation results as of 1/1/2003:

Actuarial value of assets	\$819,000
Market value of assets	801,000
Entry age normal accrued liability	675,000
Entry age normal normal cost	75,000
Current liability	910,000
Expected increase in current liability due to benefits accruing during the plan year	83,000
Expected benefit payments	0

Question 20

In what range is the full funding limitation under IRC section 412 for 2003?

- (A) \$0
- (B) More than \$0 but less than \$75,000
- (C) \$75,000 but less than \$150,000
- (D) \$150,000 but less than \$225,000
- (E) More than \$225,000

2003

Data for Question 25 (5 points)

Normal retirement benefit: 2% of final compensation for each year of service.

Actuarial cost method: Aggregate.

Selected actuarial assumptions:

Valuation interest rate	7% per year
Salary increase	4% per year

Credit balance in funding standard account as of 12/31/2002: \$0.

Actuarial value of plan assets as of 1/1/2003: \$190,000.

Market value of plan assets as of 1/1/2003: \$185,000.

Current liability (including expected increase for the year due to benefits accruing during the plan year) adjusted to 12/31/2003: \$175,000.

Data for sole plan participant as of 1/1/2003:

Age	50
Service	10
2002 compensation	\$400,000

Selected annuity value:

$$\ddot{a}_{65}^{(12)} = 10.2$$

Compensation limit under IRC §401(a)(17) for 2003: \$200,000.

Question 25

In what range is the minimum required contribution for 2003 as of 12/31/2003?

- (A) Less than \$10,500
- (B) \$10,500 but less than \$12,500
- (C) \$12,500 but less than \$14,500
- (D) \$14,500 but less than \$16,500
- (E) \$16,500 or more

2004

Data for Question 7 (3 points)

Actuarial cost method: Aggregate.

Valuation interest rate: 7% per year.

Current liability interest rate: 6.55% per year.

Credit balance in the funding standard account as of 12/31/2003: \$0.

Selected valuation results as of 1/1/2004:

Normal cost	\$12,000
Entry age normal cost	10,000
Entry age normal accrued liability	105,000
Current liability	75,000
Expected increase in current liability for 2004	11,000
Actuarial value of assets	108,000
Market value of assets	90,000
Benefit payments expected to be paid in 2004	0

Question 7

In what range is the full funding limitation under IRC section 412 for 2004?

- (A) Less than \$12,500
- (B) \$12,500 but less than \$17,500
- (C) \$17,500 but less than \$22,500
- (D) \$22,500 but less than \$27,500
- (E) \$27,500 or more

2008

Data for Question 6 (5 points)

Type of plan: Multiemployer.

Plan effective date: 1/1/1990.

Actuarial cost method: Unit credit.

Normal retirement benefit:

Before 2009	\$65 per month per year of service, for all years of service
After 2008	\$70 per month per year of service, for all years of service

Valuation interest rate: 7%.

Initial unfunded liability: \$400,000.

Credit balance in the funding standard account as of 12/31/2007: \$0.

Selected valuation results (based upon \$65 unit benefit):

Valuation date	<u>1/1/2008</u>	<u>1/1/2009</u>
Accrued liability	\$2,600,000	\$3,100,000
Normal cost	200,000	250,000
Actuarial (market) value of assets	2,800,000	3,000,000
Net amortization charges	15,000	

Contribution for the 2008 plan year: \$0.

The plan has no retirees or vested terminations.

Question 6

In what range is the **minimum required contribution** for 2009 as of 1/1/2009?

- (A) Less than \$300,000
- (B) \$300,000 but less than \$315,000
- (C) \$315,000 but less than \$330,000
- (D) \$330,000 but less than \$345,000
- (E) \$345,000 or more

Data for Question 29 (5 points)

Type of plan: Multiemployer.

Plan effective date: 1/1/2005.

Actuarial cost method: Unit credit.

Valuation interest rate: 7%.

Credit balance in the funding standard account as of 12/31/2008: \$25,000.

The plan is amended effective January 1, 2009 to increase all benefit levels.

Selected valuation results and funding standard account items as of 1/1/2009:

Accrued liability after amendment	\$1,000,000
Normal cost after amendment	75,000
Actuarial (market) value of assets	800,000
Amortization charge due to initial accrued liability	5,000
Amortization charge due to (gain)/loss during 2007	2,500
Experience (gain)/loss during 2008	0

The plan had no experience (gains)/losses during 2005 or 2006.

Collectively the employers make a contribution of \$X on 1/1/2009 equal to the **smallest amount that satisfies the minimum funding standard** for the 2009 plan year.

Question 29

In what range is \$X?

- (A) Less than \$65,000
- (B) \$65,000 but less than \$67,500
- (C) \$67,500 but less than \$70,000
- (D) \$70,000 but less than \$72,500
- (E) \$72,500 or more

2015

Data for Question 15 (1 point)

Type of plan: Multiemployer.

Actuarial cost method: Entry age normal.

Consider the following statement relative to this plan's deduction limit:

When determining the plan's full funding limitation, the funding method must be the same as the method used for minimum funding purposes under IRC section 431.

Question 15

Is the above statement true or false?

(A) True

(B) False

**431(c)-20**