

2014

Data for Question 31 (2 points)

Consider the following statements with respect to a waiver of the minimum required contribution for the 2014 plan year:

- I. The amortization period is 5 years beginning with the 2015 plan year.
- II. The interest rate used to determine the waiver amortization installments is the effective interest rate for the 2014 plan year.
- III. If the funding shortfall is zero for a plan year after the 2014 plan year, the waiver amortization bases and installments are reduced to zero.

Question 31

Which, if any, of the above statements is (are) true?

- (A) I and II only
- (B) I and III only
- (C) II and III only
- (D) I, II, and III
- (E) The correct answer is not given by (A), (B), (C), or (D) above.

2014

Data for Question 34 (4 points)

Valuation date: 1/1/2015.

Segment rates for 2014: {4.0%, 5.0%, 6.0%}.

Segment rates for 2015: {3.0%, 4.0%, 5.0%}.

Selected information as of 1/1/2015:

| | |
|------------------------------------|-------------|
| Actuarial (market) value of assets | \$1,500,000 |
| Funding target | 1,900,000 |
| Target normal cost | 100,000 |
| Funding balances | None |

Data for existing funding waivers:

| | Year for which Funding <u>Waiver was Granted</u> | |
|----------------------------|---|-------------|
| | <u>2013</u> | <u>2014</u> |
| Funding waiver amount | \$200,000 | \$100,000 |
| Funding waiver installment | 44,000 | 22,658 |

No funding waiver was granted to the plan sponsor before the 2013 plan year. There are no shortfall amortization bases for 2014 or earlier plan years.

\$X is the maximum funding waiver as of 1/1/2015 permitted under IRC section 412(c) for 2015.

Question 34

In what range is **\$X**?

- (A) Less than \$120,000
- (B) \$120,000 but less than \$124,000
- (C) \$124,000 but less than \$128,000
- (D) \$128,000 but less than \$132,000
- (E) \$132,000 or more

2014

Data for Question 36 (1 point)

Consider the following statement related to IRC section 4971 taxes for failure to meet minimum funding standards:

Only the employer responsible for contributing to or under the plan, not other controlled group members, is liable for the tax.

Question 36

Is the above statement true or false?

- (A) True
- (B) False

412-16

2015

Data for Question 17 (1 point)

A plan sponsor applies for a waiver of the minimum funding requirement for the 2016 plan year.

The waiver application is sent to the Secretary of the Treasury on 4/1/2017.

Consider the following statement:

No waiver of the minimum funding requirement may be granted for 2016.

Question 17

Is the above statement true or false?

- (A) True
- (B) False

2015

Data for Question 34 (3 points)

Selected information as of 1/1/2015:

| | |
|-------------------------------|----------------------|
| Minimum required contribution | \$40,000 |
| Effective interest rate | 4.0% |
| Segment rates | { 3.0%, 4.0%, 5.0% } |

There were no quarterly contribution requirements for 2015.

Segment rates for 2016: { 5.0%, 6.0%, 7.0% }.

The sole contribution for the 2015 plan year, made on 12/31/2015: \$20,000.

The plan received a waiver for the 2015 unpaid minimum required contribution.

$\$X$ is the waiver amortization installment as of 1/1/2016.

Question 34

In what range is $\$X$?

- (A) Less than \$4,475
- (B) \$4,475 but less than \$4,625
- (C) \$4,625 but less than \$4,775
- (D) \$4,775 but less than \$4,925
- (E) \$4,925 or more

2015

Data for Question 49 (1 point)

A single employer plan has received waivers of the minimum funding requirements for 2000, 2006, and 2011.

Consider the following statement:

It is possible for this plan to receive a waiver of the minimum required contribution for 2016.

Question 49

Is the above statement true or false?

- (A) True
- (B) False