

Data for Question 29 (2 points)

Consider the following statements:

- I. An investment by a qualified plan of 5% of its assets in the securities of the plan sponsor is a prohibited transaction.
- II. An employee of an employer is a party in interest with respect to a qualified plan sponsored by that employer.
- III. The tax on a prohibited transaction may be paid by the plan.

Question 29

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

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

Data for Question 20 (2 points)

Consider the following individuals:

- I. Fiduciary
- II. 51% indirect owner of the plan sponsor
- III. Person providing services to the plan
- IV. Father of the person providing services to the plan

Question 20

How many of the above individuals are considered disqualified persons for purposes of the prohibited transaction rules?

- (A) 0
- (B) 1
- (C) 2
- (D) 3
- (E) 4

2015

Data for Question 30 (1 point)

Data for participant Smith:

Date of birth	1/1/1944
Date of vested termination	3/31/2015

Smith is not a 5% owner.

Consider the following statement:

Smith is required to begin receiving pension benefits no later than 4/1/2016.

Question 30

Is the above statement true or false?

- (A) True
- (B) False

2015

Data for Question 36 (1 point)

Consider the following statement:

To correct a prohibited transaction, the prohibited transaction should be undone to the extent possible regardless of the resulting financial position of the plan.

Question 36

Is the above statement true or false?

- (A) True
- (B) False

# 2015

## Data for Question 46 (2 points)

A plan failed to pay all minimum required distributions for the period 2013 through 2015.

	<u>Minimum required distribution</u>	<u>Actual distributions</u>
2013	\$30,000	\$15,000
2014	35,000	20,000
2015	40,000	20,000

All applicable excise taxes were paid timely.

No waiver of excise tax was requested for any year.

## Question 46

In what range is the total of the excise taxes for all three years?

- (A) Less than \$12,000
- (B) \$12,000 but less than \$24,000
- (C) \$24,000 but less than \$36,000
- (D) \$36,000 but less than \$48,000
- (E) \$48,000 or more

2016

Data for Question 15 (1 point)

Smith, an independent auditor, prepares the Form 5500 for a company's plan.

The plan sells its limited partnership interest holdings to Smith.

Consider the following statement:

The sale of the limited partnership interest holdings to Smith is a prohibited transaction.

Question 15

Is the above statement true or false?

(A) True

(B) False

# 2016

## Data for Question 31 (3 points)

A plan lends the employer \$100,000 on 10/1/2015. This is a prohibited transaction.

The terms of the promissory note for the loan include an interest rate of 9.0% per annum.

The promissory note specifies that the employer will pay interest annually and will repay the principal on 7/1/2018.

The market rate of interest for 2015 is 6.0%.

$X$  = the IRC section 4975 excise tax, if any, due for the taxable period in 2015.

## Question 31

In what range is  $X$ ?

- (A) Less than \$300
- (B) \$300 but less than \$700
- (C) \$700 but less than \$1,100
- (D) \$1,100 but less than \$1,500
- (E) \$1,500 or more

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