

2015

Data for Question 34 (1 point)

A plan allows for lump sum payments.

2014 AFTAP certified on 11/1/2014: 85%.

No other AFTAP certifications were made in 2014.

Smith, a terminated vested participant, has a full lump sum benefit of \$10,000.

Consider the following statement:

Smith can receive this lump sum benefit on 11/15/2014.

Question 34

Is the above statement true or false?

(A) True

(B) False

2015

Data for Question 35 (1 point)

A plan was frozen with no future benefit accruals as of 1/1/2005. The plan's 2014 AFTAP was 65%.

As of 4/1/2015, the plan's 2015 AFTAP has not been certified.

Consider the following statement:

The plan may purchase annuities on or after 4/1/2015 to settle some of the benefit liabilities.

Question 35

Is the above statement true or false?

- (A) True
- (B) False

2015

Data for Question 38 (4 points)

Plan effective date: 1/1/2000.

The plan was amended to increase benefits effective 6/30/2015.

Valuation results as of 1/1/2015:

Market value of assets	\$1,900,000
Actuarial value of assets	1,850,000
Funding standard carryover balance	0
Prefunding balance	100,000
Funding target before amendment	2,000,000
Increase in funding target due to amendment	500,000

Other information:

NHCE annuity purchases during 2014	\$50,000
HCE annuity purchases during 2014	60,000
NHCE annuity purchases during 2013	40,000
Effective rate of interest for 2015	6%

The 2015 AFTAP was certified on 6/1/2015.

X = The IRC section 436 contribution that the plan sponsor must make on 6/30/2015 for the amendment to take effect.

Question 38

In what range is **X**?

- (A) Less than \$145,000
- (B) \$145,000 but less than \$175,000
- (C) \$175,000 but less than \$205,000
- (D) \$205,000 but less than \$235,000
- (E) \$235,000 or more

2016

Data for Question 8 (1 point)

A plan is established on 1/1/2012 and there is no predecessor plan.

The plan sponsor amends the plan effective 4/1/2016.

The 2016 AFTAP was certified at 80% on 3/31/2016 and did not reflect any amendment.

If the amendment had been reflected in the AFTAP, the AFTAP would have been 79%.

Consider the following statement:

In order for the amendment to take effect on 4/1/2016, an IRC section 436 contribution deposited by 4/1/2016, increasing the AFTAP to 80%, is required.

Question 8

Is the above statement true or false?

(A) True

(B) False

2016

Data for Question 18 (2 points)

Selected information as of 1/1/2016:

Funding target using stabilized segment rates	\$980,000
Funding target not using stabilized segment rates	1,200,000
Actuarial (market) value of assets	920,000
Prefunding balance	75,000
Carryover balance	0

X = the 2016 AFTAP.

Question 18

In what range is X ?

- (A) Less than 75.00%
- (B) 75.00% but less than 81.25%
- (C) 81.25% but less than 87.50%
- (D) 87.50% but less than 93.75%
- (E) 93.75% or more

2016

Data for Question 22 (4 points)

Plan effective date: 1/1/2001.

During 2015, the plan was amended to increase benefits effective 6/30/2016.

Selected information as of 1/1/2016:

Funding standard carryover balance	\$0
Prefunding balance	0
Market value of assets	23,065,000
Actuarial value of assets	23,000,000
Funding target before amendment	29,000,000
Increase in funding target due to amendment	1,000,000

Other information:

NHCE annuity purchases during 2014	\$725,000
NHCE annuity purchases during 2015	520,000
NHCE annuity purchases during first 6 months of 2016	330,000
Effective interest rate for 2015	4.75%
Effective interest rate for 2016	5.50%

The 2016 AFTAP was certified on 6/1/2016.

X= the smallest IRC section 436 contribution that the plan sponsor has to make on 6/30/2016 to allow the amendment to take effect.

Question 22

In what range is **X**?

- (A) Less than \$770,000
- (B) \$770,000 but less than \$837,000
- (C) \$837,000 but less than \$904,000
- (D) \$904,000 but less than \$971,000
- (E) \$971,000 or more

2016

Data for Question 32 (2 points)

A plan offers a lump sum payment form.

Consider the following scenarios:

- I. The 2015 AFTAP is 65%. The 2016 AFTAP is certified at 55% on 3/1/2016.
- II. The 2015 AFTAP is 58%. The 2016 AFTAP is certified at 68% on 3/1/2016.
- III. The plan sponsor has been in bankruptcy proceedings under Title 11 of the United States Code since 2014. The 2015 AFTAP is 63%. The 2016 AFTAP is certified at 57% on 3/1/2016.

Question 32

Which, if any, of the above scenarios require(s) a notice to plan participants within 30 days of the certification?

- (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

2016

Data for Question 35 (5 points)

Effective date: 1/1/2002.

Accrued benefit: 1/12% of compensation per month of service.

Plan year	AFTAP certification type	Date issued	AFTAP
2008	Specific	3/31/2008	91%
2009	Specific	9/30/2009	83%
2010	Specific	3/31/2010	75%
2011	Specific	9/30/2011	63%
2012	Range	3/31/2012	60% - 80%
2012	Specific	3/31/2013	61%
2013	Specific	7/1/2014	64%
2014	Range	9/30/2014	60% - 80%
2014	Specific	2/1/2015	67%
2015	Specific	3/31/2015	75%
2016	Specific	9/30/2016	82%

The plan does not provide for automatic retroactive restoration of benefit accruals for years during which a restriction under IRC section 436 was applicable.

The plan has never had a funding standard carryover balance or prefunding balance.

Data for participant Smith:

Date of birth	1/1/1965
Date of hire	1/1/2006
Compensation for all years of service	\$50,000 per year

X = Smith's monthly accrued benefit as of 12/31/2016

Question 35

In what range is X ?

- (A) Less than \$300
- (B) \$300 but less than \$335
- (C) \$335 but less than \$370
- (D) \$370 but less than \$405
- (E) \$405 or more