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 33 (1 point)

A plan has three trustees. A prohibited transaction occurs when one of the trustees borrows money from the plan. The other trustees have no knowledge of the transaction.

An excise tax is imposed because of the prohibited transaction.

Consider the following statement:

The excise tax is payable in full by the trustee who borrowed the money.

Question 33

Is the above statement true or false?

(A) True

(B) False

Data for Question 35 (1 point)

An indirect extension of credit occurs between the plan and a disqualified person.

Consider the following statement:

The transaction is a prohibited transaction.

Question 35

Is the above statement true or false?

(A) True

(B) False

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

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

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

Data for Question 46 (2 points)

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

	Minimum required distribution	Actual distributions
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

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