

2001

Data for Question 14 (1 point)

Consider the following statement:

A defined benefit plan may never have more than 10% of plan assets invested in qualified securities of the plan sponsor.

Question 14

Is the above statement true or false?

- (A) True
- (B) False

2004

Data for Question 4 (1 point)

Consider the following statement:

An enrolled actuary may not perform actuarial services where there is a conflict of interest, even if the existence of the conflict has been disclosed to all parties concerned.

Question 4

Is the above statement true or false?

- (A) True
- (B) False

2004

Data for Question 6 (1 point)

Smith is an officer of Employer A.

Smith performs no duties with respect to the administration or management of the employee benefit plan except for recommending to the plan administrator the investment manager(s) of the employee benefit plan.

Consider the following statement:

Smith is a fiduciary with respect to the plan.

Question 6

Is the above statement true or false?

(A) True

(B) False

Data for Question 9 (1 point)

Consider the following statement:

A Schedule B does not need to be filed for a defined benefit plan described in IRC section 412(i) that is not top-heavy and is funded exclusively with insurance and annuity contracts.

Question 9

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 11 (1 point)

Consider the following statement:

A successor fiduciary becomes liable for acts of a prior fiduciary even if action is taken to remedy such acts.

Question 11

Is the above statement true or false?

- (A) True
- (B) False

2004

Data for Question 13 (1 point)

ABC Foundation was established in 1999 as a not-for-profit entity.

ABC Foundation has never paid any taxes.

Defined benefit plan effective date: January 1, 2004.

2004 deductible limit calculated under IRC section 404: \$200,000.

Contribution paid on January 1, 2004: \$250,000.

Consider the following statement:

An excise tax is owed by ABC Foundation due to the 2004 contribution.

Question 13

Is the above statement true or false?

- (A) True
- (B) False

2004

Data for Question 23 (2 points)

Consider the following statements with respect to fiduciary standards of Title I of ERISA:

- I. A fiduciary of a plan may receive benefits as a participant in such plan.
- II. An attorney who drafts the plan document is not required to be a fiduciary of such plan.
- III. All plans covered by Title I of ERISA must identify at least one fiduciary.
- IV. One person may perform the duties of both trustee and administrator.

Question 23

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

- (A) All but I
- (B) All but II
- (C) All but III
- (D) All but IV
- (E) The correct answer is not given by (A), (B), (C), or (D) above

2005

Data for Question 12 (1 point)

Consider the following statement:

Willful failure of an enrolled actuary to file personal U.S. income tax returns may lead to suspension of rights as an enrolled actuary.

Question 12

Is the above statement true or false?

- (A) True
- (B) False

2005

Data for Question 27 (2 points)

Consider the following statements:

- I. An actuary is always considered a fiduciary when calculating the IRC section 412 minimum funding contribution.
- II. A person may serve in more than one fiduciary capacity with respect to the plan.
- III. The plan document of a qualified plan (as defined in IRC section 401(a)) does not need to specify a named fiduciary.

Question 27

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.

Data for Question 37 (2 points)

Consider the following statements:

- I. The sponsor of a severely underfunded plan (Plan A) is negotiating a merger of Plan A into an overfunded plan. Plan A provides for a lump sum distribution at termination of employment. The enrolled actuary for Plan A has been requested by, and provides to, the sponsor of Plan A, a report on the funded status of Plan A that specifically ignores the lump sum option.
- II. An enrolled actuary has signed, delivered and presented an actuarial report to a plan sponsor. The plan administrator subsequently requests from the enrolled actuary in writing, supplemental advice and explanation relative to the report. Because no further fees can be collected relative to the completion of the report, the enrolled actuary respectfully declines to comply with this request.
- III. An enrolled actuary is employed by a firm that provides record keeping and actuarial services to a multiemployer plan. The enrolled actuary is aware of, but does not disclose, material inadequacies regarding the demographic information used to prepare actuarial reports for that plan.

Question 37

Which, if any, of the above situations represents a failure in the discharge of duties required by ERISA of enrolled actuaries?

- (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.

Data for Question 38 (2 points)

An enrolled actuary has been requested to assist labor and management in their contract negotiations.

The enrolled actuary acknowledges to both labor and management that there is a conflict of interest.

Consider the following statements:

- I. Due to the conflict of interest, the enrolled actuary must not perform any actuarial services for either labor or management related to the contract negotiations, but would be free to continue to provide other actuarial services to both entities.
- II. The enrolled actuary is permitted to perform services solely for management or solely for the labor organization or simultaneously for management and labor organization as long as the plan trustees, all named fiduciaries, plan administrator and collective bargaining representatives are notified.
- III. The enrolled actuary must not perform any actuarial services where there is a known conflict of interest.

Question 38

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

- (A) None
- (B) I only
- (C) II only
- (D) III only
- (E) The correct answer is not given by (A), (B), (C), or (D) above.

2006

Data for Question 4 (1 point)

Enrolled actuary Smith prepares and signs a Schedule B for 2006 and sends it to the plan administrator for filing. Smith is later informed that the plan administrator had retained the services of enrolled actuary Jones to prepare the 2006 Schedule B and the Schedule B signed by Smith was never filed.

Consider the following statement:

Smith is required to report that the Schedule B prepared and signed by Smith was never filed.

Question 4

Is the above statement true or false?

- (A) True
- (B) False

2008

Data for Question 15 (1 point)

Consider the following statement:

In selecting the safest available annuity provider for the purpose of making benefit distributions, a plan fiduciary may satisfy the DOL's prudence requirements by selecting an insurance provider based solely on the ratings provided by an insurance rating service.

Question 15

Is the above statement true or false?

- (A) True
- (B) False

2008

Data for Question 16 (1 point)

Jones is an attorney who provides annual services to a plan, is not a participant or beneficiary of the plan, and is not an employee of the plan sponsor.

The plan loans \$10,000 to Jones. Jones provides adequate security for the loan, which bears a reasonable interest rate. In accordance with the terms of the loan agreement, Jones repays the loan in full exactly one year after the date of the loan.

Consider the following statement:

Absent an exemption under ERISA section 408, the loan is a prohibited transaction.

Question 16

Is the above statement true or false?

- (A) True
- (B) False

2008

Data for Question 42 (2 points)

Consider the following acts relative to an enrolled actuary:

- I. Failure to provide the plan administrator upon appropriate request supplemental advice or explanation relative to a Schedule SB of Form 5500 signed by such enrolled actuary.
- II. Indictment for any criminal offense under the laws of the United States, any State thereof, the District of Columbia, or any territory or possession of the United States, which evidence fraud, dishonesty, or breach of trust.
- III. Knowingly filing false or altered documents, affidavits, financial statements or the papers on matters relating to employee benefits plans or actuarial services.

Question 42

Which, if any, is (are) grounds for suspension or termination of enrollment?

- (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

2009

Data for Question 4 (1 point)

Consider the following statement:

There is no statutory maximum limit on the number of fiduciaries a plan may have.

Question 4

Is the above statement true or false?

- (A) True
- (B) False

2009

Data for Question 13 (1 point)

Smith, the 100% owner of Company A, assigns his duties as plan trustee to his secretary. To compensate the secretary for the extra responsibility, Smith authorizes the plan to pay the secretary \$100 each month from plan assets.

Smith's secretary is a full-time employee and is not related to Smith.

Consider the following statement:

Smith has engaged in a prohibited transaction with respect to the plan.

Question 13

Is the above statement true or false?

(A) True

(B) False

2009

Data for Question 15 (1 point)

Consider the following statement:

All active participants who are employed on the date on which pension benefit statements are required to be furnished under ERISA must receive a benefit statement.

Question 15

Is the above statement true or false?

- (A) True
- (B) False

2009

Data for Question 17 (1 point)

Consider the following statement:

An enrolled actuary who signs a 2008 Schedule SB is required to answer questions asked by the plan administrator relating to the actuarial assumptions used.

Question 17

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 32 (2 points)

Consider the following statements:

- I. An enrolled actuary may not perform actuarial services if there is a conflict of interest.
- II. An enrolled actuary may not perform a calculation in a way that is inconsistent with the current Code and regulations.
- III. If the enrolled actuary for the plan finds that the Schedule SB has not been filed, the enrolled actuary need only notify the plan administrator.

Question 32

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

- (A) None
- (B) I only
- (C) II only
- (D) III only
- (E) The correct answer is not given by (A), (B), (C), or (D) above

2010

Data for Question 1 (1 point)

The collective bargaining agent for a union covered in a multiemployer defined benefit plan sends an email to the actuary who signed the 2009 Schedule MB requesting information regarding the assumptions reported on the Schedule MB.

Consider the following statement:

The actuary must comply with this request.

Question 1

Is the above statement true or false?

- (A) True
- (B) False

2010

Data for Question 10 (1 point)

A company has had more than 1,000 employees since its inception in 1970. The company has data that shows that over the company's history, the average retirement age for its employees is 58, which is significantly lower than that of the industry as a whole.

Consider the following statement:

Based on the company's history, the plan may use 58 as the normal retirement age.

Question 10

Is the above statement true or false?

- (A) True
- (B) False

2010

Data for Question 20 (1 point)

Company ABC maintains a defined benefit pension plan. Non-owner Smith's sole duties with regard to the pension plan are to gather service and compensation data for benefit calculation purposes, prepare communications to participants, and prepare the annual Form 5500 filing.

Consider the following statement:

Smith is a plan fiduciary.

Question 20

Is the above statement true or false?

(A) True

(B) False

Data for Question 44 (2 points)

Consider the following statements:

- I. A plan fiduciary can be held personally liable for a breach of fiduciary duty.
- II. If fiduciary Smith commits a breach of fiduciary duty and fiduciary Jones later learns of the breach but does nothing, only Smith has committed a breach of fiduciary duty.
- III. Fiduciary breaches do not apply in the case of a fully-insured plan.

Question 44

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

- (A) None
- (B) I and II only
- (C) I and III only
- (D) II and III only
- (E) The answer is not given by (A), (B), (C), or (D) above.

2011

Data for Question 3 (1 point)

A plan purchased property from a disqualified person for \$60,000.

The fair market value of the property as of the date of the transaction was \$70,000.

Consider the following statement:

This is a prohibited transaction.

Question 3

Is the above statement true or false?

(A) True

(B) False

Data for Question 19 (1 point)

Consider the following statement:

An enrolled actuary can have his or her enrollment terminated for the use of abusive language in connection with matters before the Department of the Treasury.

Question 19

Is the above statement true or false?

(A) True

(B) False

2012

Data for Question 3 (1 point)

Plan effective date: 1/1/1990

Consider the following statement:

The plan administrator must provide a summary of material modifications to all participants affected by an amendment no later than 210 days after the close of the plan year in which the amendment modifying the plan was adopted.

Question 3

Is the above statement true or false?

- (A) True
- (B) False

2012

Data for Question 10 (1 point)

Consider the following statement:

The only circumstance that would allow for any portion of plan assets to be returned to a plan sponsor is a plan termination.

Question 10

Is the above statement true or false?

- (A) True
- (B) False

2012

Data for Question 11 (1 point)

An enrolled actuary prepares an actuarial report that states the actuarial costs of a pension plan.

In preparing this report, the actuary uses methods and assumptions prescribed by law and regulations.

Consider the following statement:

In the report, the actuary must document these prescribed actuarial methods and assumptions.

Question 11

Is the above statement true or false?

(A) True

(B) False

2012

Data for Question 14 (1 point)

Consider the following statement:

Upon the plan administrator's request, an enrolled actuary must provide supplemental advice or explanation relative to an actuarial report certified by the enrolled actuary.

Question 14

Is the above statement true or false?

- (A) True
- (B) False

2012

Data for Question 15 (1 point)

Consider the following statement:

Benefit statements must be provided annually to participants and beneficiaries in defined benefit pension plans.

Question 15

Is the above statement true or false?

- (A) True
- (B) False

2012

Data for Question 18 (1 point)

Plan effective date: 1/1/1990

Consider the following statement:

The plan administrator must provide each participant with a copy of the summary plan description no later than 90 days after an employee becomes a participant in the plan.

Question 18

Is the above statement true or false?

- (A) True
- (B) False

2012

Data for Question 19 (2 points)

Smith is an enrolled actuary. While in the process of preparing an actuarial valuation for the 2011 plan year, Smith discovers that the 2010 PBGC premium filing certification, which was due to be filed several months earlier, has not been filed.

Consider the following statements:

- I. If Smith signed the 2010 PBGC premium filing certification, Smith must report the non-filing to the PBGC.
- II. Regardless of which enrolled actuary signed the certification, Smith must report the non-filing to the Joint Board for the Enrollment of Actuaries.
- III. If a notice of non-filing is required, it must be in writing.

Question 19

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.

Data for Question 31 (2 points)

Consider the following statements:

- I. A conflict of interest exists if there is a significant risk that the representation of a client will be materially limited by the enrolled actuary's responsibilities to a former client.
- II. Where a conflict of interest exists, the enrolled actuary does not have to disclose such conflict of interest to the client if he determines that he can act in the best interest of the client.
- III. Where a conflict of interest exists, the enrolled actuary may represent a client if each affected client waives the conflict of interest and gives informed consent, even though the enrolled actuary has stated that he does not reasonably believe that he can provide competent and diligent representation to each affected client.

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.

Data for Question 35 (2 points)

Consider the following statements regarding fiduciary standards:

- I. If the plan actuary makes the final decision on plan document interpretation, the actuary becomes a plan fiduciary.
- II. Plans are required to have at least one fiduciary.
- III. Plan fiduciaries are required to choose the least expensive annuity that is guaranteed by an insurance company.

Question 35

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

- (A) None
- (B) I and II only
- (C) I and III only
- (D) II and III only
- (E) The correct answer is not given by (A), (B), (C), or (D) above.

2013

Data for Question 11 (2 points)

While preparing the actuarial valuation for the 2013 plan year, an enrolled actuary believes that the client, who has already paid the enrolled actuary for the 2013 valuation services, intends to use the valuation results in a fraudulent manner.

Consider the following statements:

- I. The enrolled actuary must report his findings to the Department of Labor before continuing work on the valuation.
- II. The enrolled actuary must report his findings to the Internal Revenue Service before continuing work on the valuation.
- III. The enrolled actuary must cease performing the actuarial valuation for the 2013 plan year.

Question 11

Which, if any, of the above statements 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.

2013

Data for Question 12 (1 point)

A company has decided to terminate its pension plan and will be distributing benefits by purchasing annuity contracts.

Smith is a non-owner of the company and is not an immediate family member of any owner of the company. Smith's only duty with respect to the plan is to select the annuity provider.

Consider the following statement:

Smith is a plan fiduciary.

Question 12

Is the above statement true or false?

- (A) True
- (B) False

2013

Data for Question 48 (1 point)

An enrolled actuary signed a certification stating that the 2013 AFTAP is 78.10%.

He is later terminated as the enrolled actuary for the 2013 plan year.

He discovers that the new enrolled actuary signed a certification stating that the 2013 AFTAP is 80.60%.

Consider the following statement:

The original enrolled actuary is required to notify the IRS regarding the 2013 AFTAP certification he signed.

Question 48

Is the above statement true or false?

- (A) True
- (B) False

2014

Data for Question 4 (1 point)

Consider the following statement:

An enrolled actuary may rely in good faith upon the information furnished by the client, without verification, if the information appears to be reasonable.

Question 4

Is the above statement true or false?

(A) True

(B) False

2014

Data for Question 17 (1 point)

An outside auditor asks a plan's enrolled actuary for supplemental information relating to the actuary's valuation report.

Consider the following statement:

The actuary must provide the requested information.

Question 17

Is the above statement true or false?

- (A) True
- (B) False

2014

Data for Question 19 (1 point)

Consider the following statement:

A plan sponsor's decision to terminate its plan is a fiduciary action.

Question 19

Is the above statement true or false?

- (A) True
- (B) False

2014

Data for Question 32 (2 points)

Consider the following statements with respect to the standards of performance of actuarial services:

- I. In the course of preparing a report stating actuarial costs or liabilities, the enrolled actuary shall ensure that, except as mandated by law, the actuarial assumptions are reasonable on an individual basis, but not necessarily in aggregate.
- II. An enrolled actuary shall provide written notification of the non-filing of any actuarial document he/she has signed upon discovery of the non-filing. Such notification shall be made to the office of the Internal Revenue Service.
- III. An enrolled actuary shall not perform actuarial services for any person or organization that he/she believes will use the services in a fraudulent manner unless the enrolled actuary discloses the potential misuse to all related parties.

Question 32

Which, if any, of the above statements 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 12 (1 point)

An employer has outsourced the calculation of benefits, preparation of benefit election forms, and other ministerial services to a third party administrative firm (TPA).

The employer provides the data to the TPA to calculate the benefits. The employer does not check the benefit calculations, but has reviewed and approved the methodology used by the TPA to calculate the benefits and has approved the content of the benefit election forms. The employer resolves all benefit claims disputes.

Consider the following statement:

The TPA is a fiduciary.

Question 12

Is the above statement true or false?

- (A) True
- (B) False

2015

Data for Question 27 (2 points)

A client has refused to pay the fees for services rendered by the actuary for a study. The client is demanding return of all records that the client provided directly to the actuary, the records provided by the client's attorney directly to the actuary, the actuary's work papers and the result of his study.

Consider the following statements:

- I. The actuary can withhold the records that the client provided directly to him.
- II. The actuary can withhold his work papers and the results of his study.
- III. The actuary can withhold the records provided by the client's attorney to him.

Question 27

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

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

2015

Data for Question 33 (1 point)

After the due date, an enrolled actuary discovers that a PBGC comprehensive premium filing that the actuary signed has not been filed.

Consider the following statement:

The enrolled actuary must notify the PBGC and the plan administrator of the non-filing.

Question 33

Is the above statement true or false?

- (A) True
- (B) False

2015

Data for Question 37 (1 point)

An actuary provides the plan administrator with a signed copy of the 2013 Schedule SB in a timely manner. Subsequently, the actuary discovered that the 2013 Schedule SB had not been included when the plan administrator submitted the 2013 Form 5500.

Consider the following statement:

The actuary is required to notify only the Internal Revenue Service that the Schedule SB was not filed.

Question 37

Is the above statement true or false?

- (A) True
- (B) False

2015

Data for Question 47 (2 points)

For which of the following could an enrolled actuary have his enrollment terminated?

- I. The enrolled actuary is convicted of fraud for a matter that is not related to their work in the actuarial field.
- II. After providing an annual actuarial report for a defined benefit plan, the client submits an appropriate request for additional explanation of the page that shows the calculation of the minimum required contribution. The actuary refuses to provide this explanation.
- III. A plan sponsor requests a copy of all electronic correspondence between the enrolled actuary and the sponsor's representatives. The actuary refuses to comply with the request.

Question 47

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.

2016

Data for Question 1 (1 point)

Smith, an enrolled actuary, believes a plan sponsor may use the services Smith is providing in a fraudulent manner.

Consider the following statement:

Smith may perform actuarial services for the plan sponsor as long as the IRS and DOL are notified.

Question 1

Is the above statement true or false?

- (A) True
- (B) False

2016

Data for Question 14 (1 point)

A client requests that an enrolled actuary return all client records in order for the client to address a legal matter.

There is no dispute regarding fees between the client and actuary.

Consider the following statement:

The records that must be returned include any applicable electronic records of the client.

Question 14

Is the above statement true or false?

(A) True

(B) False

2016

Data for Question 30 (2 points)

Smith is an enrolled actuary who has Company A as a client.

Company B, which is not currently Smith's client, asks Smith to perform actuarial services for its plan.

Smith believes that there would be a conflict of interest if she performs the requested services for Company B.

She explains the situation to both Company A and Company B, and both orally waive the conflict of interest.

However, Smith believes that she would not be able to provide competent and diligent representation to Company B.

Assertion	Reason
Smith may not perform the requested services for Company B while continuing to perform services for Company A.	Waivers of conflict of interest must be in writing.

Question 30

Which of the following is true?

- (A) Both the assertion and reason are true, and the reason is a correct explanation of the assertion.
- (B) Both the assertion and reason are true, but the reason is not a correct explanation of the assertion.
- (C) The assertion is true, but the reason is false.
- (D) The assertion is false, but the reason is true.
- (E) Both the assertion and reason are false.

2017

Data for Question 17 (1 point)

Consider the following statement:

An enrolled actuary may not advertise as an enrolled actuary in a solicitation related to the performance of actuarial services.

Question 17

Is the above statement true or false?

- (A) True
- (B) False

2017

Data for Question 19 (2 points)

Enrolled actuary Smith provides actuarial services for the plans of two unrelated clients, Companies A and B.

Company B tells Smith that it has initiated discussions to purchase Company A and asks Smith whether Company A's plan is adequately funded.

Company B is unaware of Smith's existing relationship with Company A.

Consider the following statements:

- I. Smith can provide the services requested by Company B without disclosing the assignment to Company A.
- II. If Company A waives any conflict of interest, Smith can provide the services requested by Company B.
- III. Smith can provide the services requested by Company B without a waiver of the conflict of interest from Company A, provided all of the information used is publicly available.

Question 19

Which, if any, of the above statements 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.

2017

Data for Question 32 (1 point)

Consider the following statement:

All officers of an employer that sponsors a plan are fiduciaries of the plan.

Question 32

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 43 (2 points)

Consider the following statements for enrolled actuaries:

- I. An enrolled actuary shall provide written notification of the non-filing of any actuarial document he has signed upon the discovery of the non-filing to the IRS, DOL, or PBGC where such document should have been filed.
- II. For the 3-year enrollment cycle, when core subject matter hours are required, an individual must complete a minimum of 2 hours of continuing professional education credit relating to ethical standards, regardless of the total number of core hours required.
- III. It is necessary to have completed at least 12 hours of non-core subject matter in the 3-year enrollment cycle for renewal of enrollment.

Question 43

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 in (A), (B), (C), or (D) above.