

EA-2L

OVERHEADS

SPRING 2020

GUIDELINES

1. Old Exams Too Simple
2. Good Multifunction Calculator
3. Read Questions Carefully
4. "My Way" Versus Right Way (PUC)
5. Avoid Arithmetic Errors - Compare Answer To Ranges
(later - page 5)
6. Know All Conditions - General and Pension

MISCELLANEOUS CONDITIONS

13. Applicable mortality/interest: defined in 417(e)(3)
14. Plan is not an “applicable defined benefit plan” (Cash Balance) under 411(a)(13)(C)
18. Grouping of rates has not been used for nondiscrimination, unless mentioned
19. For 410(b), assume no snapshot testing or imputed permitted disparity
20. AFTAPs have been certified on a timely basis
21. Plan provisions reinstate accruals that ceased due to IRC 436

MISCELLANEOUS CONDITIONS

28. Check that compensation values are less than 401(a)(17) limit (if given sufficient information)
29. Check that benefit values are less than 415 limits (if given sufficient information)
30. Plan is covered by PBGC
31. "union" == "collectively bargained"
32. Plan sponsor has never been in bankruptcy
33. PBGC has determined that plan was terminated for legitimate business purpose
36. Disregard industry-specific rules and PPA delayed effective dates

"EA-2F" CONDITIONS

16. Asset values are prior to adjustment for credit balance, carryover balance or prefunding balance

35. Assume all due dates are NOT Saturday, Sunday or holiday

Above exam conditions modified to be more consistent with EA-2F exam conditions

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IMPLIED RANGES

Sample Answer Ranges:

- A. <10,000
- B. 10,000 - 10,500
- C. 10,500 - 11,000
- D. 11,000 - 11,500
- E. 11,500 ++

Which answers may be the result of arithmetic errors?

5,000 9,000
9,800 12,500

SUMMARY OF RECENT EXAMS

	10	11	12	13	14	15	16	17	18
PBGC	7.5	10.5	7.5	9.3	5.5	7.8	6.5	6.0	6.0
§415/416			5.5	5.8	4.5	5.8	5.0	8.8	6.5
§401/410	6.5	4.3	5.0	3.3	5.0	6.8	5.5	4.5	7.8
§411/417	3.8	7.0	3.5	5.0	4.0	3.5	4.0	4.0	2.8
§436	4.5	3.8	2.3	2.5	4.5	1.5	4.3	2.3	3.8
MULTI	3.3	2.3	2.0	2.8	1.5	1.3	2.5	1.5	1.3
OTHER	5.8	2.3	4.0	3.0	2.3	2.0	1.5	3.0	1.5
TOTAL	31.4	30.2	29.8	31.7	27.3	28.7	29.3	30.1	29.7

Total for last 9 years	Normalized: Last 5 Yr
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	Num	Avg	Percent		Num	Avg	Percent
PBGC	66.5	7.4	28%		33.0	6.6	24%
§415/416	41.8	4.6	17%		31.5	6.3	23%
§401/410	48.5	5.4	20%		30.6	6.1	22%
§411/417	37.5	4.2	16%		19.0	3.8	14%
§436	29.3	3.3	12%		17.0	3.4	12%
MULTI	18.3	2.0	8%		8.3	1.7	6%
OTHER	25.3	2.8			10.6	2.1	
TOTAL	267.0	29.7	100%		150.0	30.0	100%

T/F Questions weighted .25, others weighted 1.0

Normalized values based on 30 points per year

SUMMARY OF EA-2L PROBLEMS BY TYPE (INCLUDING 2019)

Problem Type	2019 Exam	2018 Exam	2017 Exam	2016 Exam	2015 Exam	2014 Exam	2013 Exam	2012 Exam	2011 Exam
401(a)(4)	02, 20, 21	03, 04, 08	11, 25, 26, 45	36, 40	13, 19, 22, 32, 41	21, 27	22		44
1.401(a)(4)-5	19								
401(a)(26)	23	05	04	21	04			24, 42, 44	
410(b)	03, 22	06, 07	02	05, 27	11	03, 06, 16	29, 45, 47	27, 30	11, 28, 41, 45
411 EE contrib					16				23, 35
411 misc	04, 05, 24, 25, 26	10, 11, 13, 14	24, 27, 28, 29	19, 29, 41	02, 23, 26	09, 12, 34, 37, 39	07, 13, 23, 33, 40	12, 23, 28, 41	08, 09, 18, 30, 39, 40
415	16, 39, 40, 41	37, 38, 39	06, 08, 18, 23, 35	03, 09, 25, 39	07, 28, 40	13, 18, 43	05, 26, 35, 36, 39	02, 20, 29, 38	
416	17, 18, 42, 43	12, 40, 41, 42, 43	03, 09, 21, 33, 34, 42	11, 17, 26, 33	03, 17, 42, 43, 44	05, 25, 41	02, 15, 30, 32	07, 36, 37	
417 QJSA/QPSA		09	05, 12, 13	20	25	01, 07	20, 44	09	02, 24
4975 prohib trans	12	26, 27, 28, 29	39, 40	15, 31	20, 36	33, 35	21, 31	04	05, 13
4980 reversion	33	25	16, 22	02	39	31	10, 37	05, 26	06, 22
PBGC VRP	06, 07, 27, 28	16, 17	07, 30, 31	06, 16, 37, 42	01, 09, 15, 45	28, 30, 38, 42	16, 27, 34	16, 21, 40	12, 20, 25, 32, 34
PBGC plan term		15, 18, 19, 20	36	07, 10, 12, 23, 34	31	10, 22	17, 28	13, 17, 25	01, 15, 36
PBGC gtd ben	09, 29	21, 22	37		24	08	41	39	27, 38, 43
PBGC other	01, 08, 30, 35		01, 14	28	05, 06, 08, 10, 18, 29	02, 29	14, 19, 42, 43, 46	01, 06, 34	16, 26, 37
Multiemployer	10, 31, 32	23, 24	10, 15, 38	04, 13, 24, 38	14, 21	11, 24, 40	03, 04, 08, 09, 24	22, 32	07, 33, 42
436 restrictions	14, 15, 37, 38	01, 32, 33, 34, 35, 36	20, 41, 44	08, 18, 22, 32, 35	34, 35, 38	14, 15, 20, 23, 26, 36	01, 06, 18, 25, 38	08, 33, 43	04, 10, 14, 21, 29, 31
None of the above	11, 13, 34, 36	02, 30, 31	17, 19, 32, 43	01, 14, 30	12, 27, 30, 33, 37, 46, 47	04, 17, 19, 32	11, 12, 48	03, 10, 11, 14, 15, 18, 19, 31, 35	03, 17, 19

EA-2L VERSUS EA-2 EXAMS

EA-2L EXAM

OLD EA-2 EXAM

1 point True/False	1 point True/False
2-5 points all other	4 points all other
100 points total	140 points total
2.5 hours - 150 min	4.0 hours - 240 min
Average 1.5 min / pt	Average 1.7 min / pt

EA-2 Pass mark 98 points, 70% correct

2016 Pass mark 61 points, 61% correct

2017 Pass mark 70 points, 70% correct

2018 Pass mark 68 points, 68% correct

2019 Pass mark 70 points, 70% correct

- KEY - smartest 35% of students will pass
- Passing score varies if exam harder / easier
- No penalty for wrong answers
- Don't leave any blank answers
- Use lucky coin for T/F questions

OPENING / CLOSING COMMENTS

READ	Internal Revenue Code and regulations (not just outlines)
WORK	Prior exam problems (5+ years) and practice problems
EXPECT	Similar problems as last 2 years
STUDY	"New stuff" in last 2 years' exams
REVIEW	Lengthy exam solutions give background of WHY - not just HOW to solve problem
EMAIL	Follow-up questions, clarifications after the seminar
PLAN	Allocate study time per topic based on # points tested on exam

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