

EA-2L

OVERHEADS

SPRING 2018

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

	08	09	10	11	12	13	14	15	16
PBGC	13.5	10.8	7.5	10.5	7.5	9.3	5.5	7.8	6.5
§415/416					5.5	5.8	4.5	5.8	5.0
§401/410	7.3	3.5	6.5	4.3	5.0	3.3	5.0	6.8	5.5
§411/417	5.3	5.0	3.8	7.0	3.5	5.0	4.0	3.5	4.0
§436		1.5	4.5	3.8	2.3	2.5	4.5	1.5	4.3
MULTI	2.3	3.5	3.3	2.3	2.0	2.8	1.5	1.3	2.5
OTHER	2.5	4.8	5.8	2.3	4.0	3.0	2.3	2.0	1.5
TOTAL	30.8	29.1	31.4	30.2	29.8	31.7	27.3	28.7	29.3

Total for last 9 years	Normalized: Last 5 Yr
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	Num	Avg	Percent	Num	Avg	Percent
PBGC	78.8	8.8	33%	37.3	7.5	27%
§415/416	26.5	2.9	11%	27.2	5.4	20%
§401/410	47.0	5.2	20%	26.4	5.3	19%
§411/417	41.0	4.6	17%	20.5	4.1	15%
§436	24.8	2.8	10%	15.5	3.1	11%
MULTI	21.3	2.4	9%	10.2	2.0	7%
OTHER	28.0	3.1		13.0	2.6	
TOTAL	267.3	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 2017)

Problem Type	2017 Exam	2016 Exam	2015 Exam	2014 Exam	2013 Exam	2012 Exam	2011 Exam	2010 Exam	2009 Exam	2008 Exam
401(a)(4)	11, 25, 26, 45	36, 40	13, 19, 22, 32, 41	21, 27	22		44	06, 27, 41, 47	06, 30, 38	01, 19, 20, 28
1.401(a)(4)-5								26		
401(a)(26)	04	21	04			24, 42, 44			42	23, 31
410(b)	02	05, 27	11	03, 06, 16	29, 45, 47	27, 30	11, 28, 41, 45	21, 25, 36	18	21, 22
411 EE contrib			16				23, 35	28		05
411 misc	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	07, 09, 16, 30, 43	01, 02, 03, 07, 31, 37, 44	02, 04, 06, 24, 25
415	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	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	05, 12, 13	20	25	01, 07	20, 44	09	02, 24	42	10, 33	03, 26, 27
4975 prohib trans	39, 40	15, 31	20, 36	33, 35	21, 31	04	05, 13			16, 41
4980 reversion	16, 22	02	39	31	10, 37	05, 26	06, 22	03, 32	12, 43	13, 14, 37, 40
PBGC VRP	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	22, 35, 39	08, 23, 28	07, 08, 29, 32, 33
PBGC plan term	36	07, 10, 12, 23, 34	31	10, 22	17, 28	13, 17, 25	01, 15, 36	12, 13, 31	34, 36	09, 10
PBGC gtd ben	37		24	08	41	39	27, 38, 43	29	22, 27, 41	11, 18, 34, 35, 36
PBGC other	01, 14	28	05, 06, 08, 10, 18, 29	02, 29	14, 19, 42, 43, 46	01, 06, 34	16, 26, 37	08, 17, 19	14, 16, 35, 40	17, 30
Multiemployer	10, 15, 38	04, 13, 24, 38	14, 21	11, 24, 40	03, 04, 08, 09, 24	22, 32	07, 33, 42	02, 23, 37, 40	11, 20, 21, 24, 25	12, 38, 39
436 restrictions	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	05, 15, 24, 34, 38, 46	09, 19, 26	
None of the above	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	01, 04, 10, 11, 14, 18, 20, 33, 44, 45	04, 05, 13, 15, 17, 29, 32, 39	15, 42

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

2014 Pass mark 70 points, 70% correct

2015 Pass mark 70 points, 70% correct

2016 Pass mark 61 points, 61% correct

2017 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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