

EA-2L

OVERHEADS

SPRING 2019

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

THIS PAGE WAS INTENTIONALLY LEFT BLANK

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

	09	10	11	12	13	14	15	16	17
PBGC	10.8	7.5	10.5	7.5	9.3	5.5	7.8	6.5	6.0
§415/416				5.5	5.8	4.5	5.8	5.0	8.8
§401/410	3.5	6.5	4.3	5.0	3.3	5.0	6.8	5.5	4.5
§411/417	5.0	3.8	7.0	3.5	5.0	4.0	3.5	4.0	4.0
§436	1.5	4.5	3.8	2.3	2.5	4.5	1.5	4.3	2.3
MULTI	3.5	3.3	2.3	2.0	2.8	1.5	1.3	2.5	1.5
OTHER	4.8	5.8	2.3	4.0	3.0	2.3	2.0	1.5	3.0
TOTAL	29.1	31.4	30.2	29.8	31.7	27.3	28.7	29.3	30.0

Total for last 9 years	Normalized: Last 5 Yr
-------------------------------	------------------------------

	Num	Avg	Percent	Num	Avg	Percent
PBGC	71.3	7.9	30%	35.7	7.1	26%
§415/416	35.3	3.9	15%	30.4	6.1	22%
§401/410	44.3	4.9	19%	25.8	5.2	19%
§411/417	39.8	4.4	17%	21.0	4.2	15%
§436	27.0	3.0	11%	15.5	3.1	11%
MULTI	20.5	2.3	9%	9.7	1.9	7%
OTHER	28.5	3.2		12.0	2.4	
TOTAL	266.5	29.6	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 2018)

Problem Type	2018 Exam	2017 Exam	2016 Exam	2015 Exam	2014 Exam	2013 Exam	2012 Exam	2011 Exam	2010 Exam
401(a)(4)	03, 04, 08	11, 25, 26, 45	36, 40	13, 19, 22, 32, 41	21, 27	22		44	06, 27, 41, 47
1.401(a)(4)-5									26
401(a)(26)	05	04	21	04			24, 42, 44		
410(b)	06, 07	02	05, 27	11	03, 06, 16	29, 45, 47	27, 30	11, 28, 41, 45	21, 25, 36
411 EE contrib				16				23, 35	28
411 misc	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	07, 09, 16, 30, 43
415	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	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	42
4975 prohib trans	26, 27, 28, 29	39, 40	15, 31	20, 36	33, 35	21, 31	04	05, 13	
4980 reversion	25	16, 22	02	39	31	10, 37	05, 26	06, 22	03, 32
PBGC VRP	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	22, 35, 39
PBGC plan term	15, 18, 19, 20	36	07, 10, 12, 23, 34	31	10, 22	17, 28	13, 17, 25	01, 15, 36	12, 13, 31
PBGC gtd ben	21, 22	37		24	08	41	39	27, 38, 43	29
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
Multiemployer	23, 24	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
436 restrictions	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	05, 15, 24, 34, 38, 46
None of the above	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	01, 04, 10, 11, 14, 18, 20, 33, 44, 45

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

2015 Pass mark 70 points, 70% correct

2016 Pass mark 61 points, 61% correct

2017 Pass mark 70 points, 70% correct

2018 Pass mark 68 points, 68% 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

THIS PAGE WAS INTENTIONALLY LEFT BLANK