



EA-2L Exams & Solutions

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An EA Exam



Actuarial & Financial Risk Resource Materials
Since 1972

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**Answer Key EA-2L Spring 2022
March 1, 2022**

Question	Answer		Question	Answer
1	B		31	C
2	A		32	C
3	B		33	A
4	B		34	E
5	A		35	E
6	B		36	B
7	A		37	B
8	A		38	E
9	B		39	B
10	B		40	A
11	B		41	B
12	B		42	B
13	A		43	D
14	A		44	B
15	A		45	C
16	B		46	B
17	A			
18	B			
19	A			
20	A			
21	B			
22	C			
23	C			
24	E			
25	C			
26	D			
27	B			
28	E			
29	D			
30	D			

Data for Question 1 (1 point)

Consider the following statement:

If the actuarial valuation report is not available when the ERISA section 4010 filing is due, the filer may submit both the filing and the report by an alternative (later) due date of 15 days after the plan's Form 5500 is due.

Question 1

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 2 (1 point)

Selected data for a plan:

HCEs benefiting	3
Total non-excludable HCEs	3
NHCEs benefiting	6
Total non-excludable NHCEs	17

All benefits are considered meaningful.

Consider the following statement:

The plan satisfies the minimum participation requirements of IRC section 401(a)(26).

Question 2

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 3 (1 point)

On 1/1/2018, a traditional defined benefit plan is converted to a statutory hybrid (cash balance) plan. The accrued benefit is based on $A+B$, where A is the accrued benefit as of 12/31/2017 and B is the accrued benefit based on the cash balance account after 12/31/2017. The traditional defined benefit plan had a 6-year graded vesting schedule under IRC 416.

Participant Smith was hired on 1/1/2017 and terminated employment on 12/31/2019.

Consider the following statement:

Smith was 40% vested in his accrued benefit as of 12/31/2019.

Question 3

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 4 (1 point)

Consider the following statement:

A plan is required to use a normal retirement age between 62 and 65, inclusive, but may also require a participant to reach the 5th anniversary of plan entry.

Question 4

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 5 (1 point)

Consider the following statement:

The required beginning date (RBD) for a plan under IRC section 401(a)(9) for a 5% owner may be earlier than the RBD for a similarly situated participant who is not a 5% owner.

Question 5

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 6 (1 point)

Type of plan: Statutory hybrid (cash balance)

The plan has a variable interest crediting rate.

Consider the following statement:

The interest crediting rate for all periods ending after the plan's termination date is the average of the interest crediting rates for the 3-year period ending on the plan termination date.

Question 6

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 7 (1 point)

A plan was established on 1/1/2018 with participant counts as of the following dates:

<u>Date</u>	<u>Participant count</u>
1/1/2018	150
12/31/2018	125
12/31/2019	110
12/31/2020	95

Consider the following statement:

The plan may opt out of the Small Plan Lookback Rule for the 2021 premium payment year without seeking permission from the PBGC.

Question 7

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 8 (1 point)

Consider the following statement:

If a plan corrects an underpaid PBGC premium payment before the PBGC sends a written notice that there is (or may be) a premium delinquency, the late payment penalty cap is 25% of the late amount.

Question 8

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 9 (1 point)

An application is filed with the PBGC requesting a distress termination of a single employer plan.

The application includes a Notice of Intent to Terminate with a proposed 6/30/2021 date of plan termination.

Data for retired participant Smith as of 6/1/2021:

Age	65
Monthly benefit	\$10,000

Consider the following statement:

Smith must continue to be paid his full monthly benefit after 6/30/2021.

Question 9

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 10 (1 point)

A multiemployer plan primarily covers employees in the building and construction industry.

All of the employees for whom Employer A has an obligation to contribute under the plan perform work in this industry.

Employer A completes a project, and as a result, ceases to have further obligation to contribute to the plan.

Employer A no longer does any future work in the jurisdiction of this prior collective bargaining agreement.

Consider the following statement:

Employer A has experienced a complete withdrawal from the plan.

Question 10

Is the above statement true or false?

- (A) True
- (B) False