



DC-1: Defined Contribution Administrative Issues – Basic Concepts 2010 Practice Exam

Errata

Date Added	Question #	Currently Reads	Should Read
5/5/10	37, last bullet	vestig	vesting
5/5/10	37, Short Answer Key	D	C
5/5/10	37, Answer Key With Explanations	D Participant A has 5 years of vesting service (2004, 2005, 2006, 2007 and 2008). This translates to 80% vesting, applicable to matching and nonelective sources. The vested balance is $\$1,750 + \$525 \cdot .8 + \$3,250 \cdot .8 + \$450 + \$5,750 = \$10,970$	C Participant A has 5 years of service (2004, 2005, 2006, 2007 and 2008). However, years of service before age 18 are excluded for vesting purposes. Participant A attained age 18 in 2006. Thus, Participant A has 3 years of vesting service for plan purposes. This translates to 40% vesting, applicable to matching and nonelective sources. The vested balance is $\$1,750 + \$525 \cdot .4 + \$3,250 \cdot .4 + \$450 + \$5,750 = \$9,460$

*Note: blank line spaces should not be counted.