

2009 DB Practice Exam Errata

QUESTION	FOR	READ
14: question stem	split interest	separate interest
32: statement I	80%	60%
32: statement III	additional restrictions as imposed	the plan uses the prior AFTAP less 10%
41: Question stem	Normal retirement benefit (PVB)	the accrued benefit (PVAB)
41. choice A	PVB:	PVAB
41. choice B	The increasing of a turnover assumption decrease the PVB	Setting back the mortality assumption increases the PVAB
41. choice C	The increasing of a salary scale assumption will increase the PVB	Switching to a mortality table with higher mortality rates will decrease the PVAB
41. choice D	PVB	PVAB
41. choice E	The removal of a disability assumption will increase the PVB	Allowing unreduced early retirement will increase the PVAB
49. choice B	A plan may restrict post-NRA accruals if they would cause discrimination in favor of HCEs.	Post-NRA accruals are not required if they would cause a plan to discriminate in favor of HCEs.
57. Table	113.671	113.871
SHORT ANSWER KEY	FOR	READ
24	B	D
45	B	D
49	C	E
ANSWER KEY WITH EXPLANATIONS	FOR	READ
21 Explanation	The participant and spouse must have had 90 not 120 days to consider their options. (Syllabus Topic 11)	The participant and spouse must be given the election for the optional form at least 30 and not more than 120 days from the actual date

		the benefits start (annuity starting date). (Syllabus Topic 11)
24	B	D
24 Explanation	The percentage of comp limit is $5/10 * \$500 = \250 while the dollar limit is $\$185,000 * 4/10 = \$74,000$ per year or \$6,167 per month. The maximum monthly accrual is the lesser of the two or \$250. (Syllabus Topic 7)	The percentage of comp limit is $5/10 * \$833 = \417 (use \$833 instead of \$500 based on \$10,000 de minimis annual compensation) while the dollar limit is $\$185,000 * 4/10 = \$74,000$ per year or \$6,167 per month. The maximum monthly accrual is the lesser of the two or \$417. (Syllabus Topic 7)
32 Explanation	(Syllabus Topic 2)	(Syllabus Topic 11)
45	B	D
45 Explanation	Only III is True. I is False: the offset plan must be a defined contribution plan. II is False: if the defined contribution plan benefit exceeds the defined benefit plan benefit, the excess portion must be paid from the defined contribution plan. (Syllabus Topic 4)	II and III are True. I is False: The offset plan must be a defined contribution plan. (Syllabus Topic 4)
49	C	E
49 Explanation	Post NRA accruals may only be reduced due to distributions made by the beginning not the end of the accrual year. (Syllabus Topic 5)	A plan may not disregard years of service after a participant becomes eligible for Social Security. (Syllabus Topic 5)