

RPF-1: Retirement Plan Fundamentals Part - 1 2012 Syllabus

Course Overview

The objective of the Retirement Plan Fundamentals Course, Parts 1 and 2, is to give an individual beginning a career as a retirement plan professional a general background in qualified plans as a first step toward meeting the challenges of the profession.

The course is divided into two parts. Each part is designed to build upon the groundwork established by the other while not duplicating content or presupposing knowledge or experience level.

Retirement Plan Fundamentals Part 1 (RPF-1) introduces qualified retirement plans, and identifies the special characteristics of defined benefit plans and defined contribution plans. The course addresses installing such plans, distinguishing between the types of plan documents, considering the effect a type of business has on the structure, administration of a plan and an awareness of the parties involved in the operation of the plan.

The sections found in plan documents are discussed, with emphasis on determining highly compensated and key employees as well as understanding eligibility, participation and vesting. Additional qualification requirements are identified, as are the benefits of sponsoring and participating in a qualified retirement plan and maintaining a plan's qualified status through guidance from government agencies.

Once a qualified retirement plan is established, employees need to be notified. RPF-1 covers the types of forms and communications necessary for a successful plan enrollment. The course also outlines the information required to be disclosed to participants including the rules pertaining to electronic disclosures and reporting to government agencies.

At some point during the life cycle of a qualified retirement plan, benefits will be paid from the plan to plan participants. The events surrounding payment, including withdrawals while actively employed, are discussed. In addition, the methods and tax consequences of benefit payments are identified. As an alternative to in-service withdrawals, the course discusses participant loans and the requirements that must be met in order to avoid a prohibited transaction and/or a taxable event.

After a qualified retirement plan is established, the plan's qualified status must be maintained. Plan defects may be corrected through the Internal Revenue Service (IRS) and Department of Labor (DOL) correction programs and RPF-1 introduces these correction programs. The course further addresses the events that require plan amendments and the process of amending the plan. The course also examines record retention, including what records to keep and for how long.

Finally, candidates will learn about the ASPPA Code of Professional Conduct and should be able to identify ethical dilemmas that may be faced by retirement plan professionals.

Required Reading

RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition. Arlington, VA: ASPPA, 2012.

The RPF-1 course is available in print or PDF (single user). A distributable PDF of the RPF course set (RPF-1 & RPF-2) is also available for purchase (see Distributable Educational Materials section below for additional information).

Bloom, Lauren. *Elegant Ethical Solutions.* Elegant Solutions Consulting: Goodlettsville, TN. Pages 5-23.

Supplementary Study Materials

Webcourse

ASPPA webcourses cover an extensive variety of topics essential to retirement plan professionals. The webcourses can be utilized for training purposes and to assist candidates preparing for ASPPA examinations. ASPPA webcourses provide introductory training for new employees and topical training for exam candidates and other professionals seeking education in specific areas.

It is expected that webcourse registrants preparing for an examination will thoroughly study the topics covered in this syllabus and the required reading for the corresponding examination. The webcourse sessions should not be used as a substitute for these materials, and candidates should be aware that some currently available webcourses may have been produced in previous program years. While these webcourses are still relevant, candidates should use them as a supplementary exam preparation tool. Visit www.asppa.org/webcourse for more information.

Practice Examination

An online practice examination that mimics the actual testing experience is available for purchase at www.asppa.org/practice-exams.

Educational Material Copyright

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Distributable Educational Materials

Please note that only products noted as distributable can be distributed. Purchasers of these products are allowed to distribute to direct employees of their Company. In addition, authorized Universities offering ASPPA education are eligible to distribute the purchased materials to their students. Purchasers of this product are prohibited from distribution of these materials to any other parties unless agreed upon by ASPPA in writing. Materials may be e-mailed directly to the above-mentioned parties or published on a non-public portion of the Purchaser's website for access/distribution. Materials may not be placed on a site that has general public access. All other use or distribution of these materials is explicitly prohibited unless otherwise approved in writing by ASPPA.

Exam

The corresponding online exam will include 10 true/false questions and 65 multiple choice questions. Upon completion of the RPF-1 exam, a candidate will receive an immediate score and feedback report. **A score of 64 or more out of 75 is a passing score.** Once registered for the RPF-1 examination, a candidate can access the examination from the "Access Exams and Quizzes" link (www.asppa.org/access-exams-and-quizzes) on the Education and Publication web pages on the ASPPA website. There are two versions of the examination. If a candidate fails one version of the RPF-1 exam he/she can register, pay and take the second version within the same year. **The exam is open book and must be completed by Midnight Eastern Time on December 13, 2012.** Upon successful completion of the RPF-1 and RPF-2 examinations, the Retirement Plan Fundamentals Certificate will be immediately issued online to the candidate.

Additional Information

All candidates are encouraged to visit ASPPA's Candidate Corner (www.asppa.org/candidate-corner) for additional information. It is the candidate's responsibility to check the ASPPA Web site for the most current information on examinations and publications. The Candidate Corner includes information about examinations, dates, helpful studying and exam hints, publication and examination errata, up-to-date information on regulatory limits and other helpful information. You may also contact ASPPA with questions at education@asppa.org.

Exam & Publication Errata and References

As needed, errata to required reading material, practice examinations and/or examinations will be posted on the ASPPA website at www.asppa.org/errata. It is the candidate's responsibility to check this page regularly for any updates prior to taking an examination.

Topic 1 – Introduction to Retirement Plan Fundamentals

Overview

Retirement plan professionals are expected to know about employee benefit plans, including the differences between a welfare benefit plan, a pension benefit plan, a defined contribution plan and a defined benefit plan.

Learning Objectives

The successful candidate will be able to:

- 1.01 Describe the concept of employee benefit plans and identify the primary differences between a welfare benefit plan and a pension benefit plan.
- 1.02 Explain the main differences between defined contribution and defined benefit plans.

Exam Weighting

This topic will comprise approximately 1 to 3 percent of the exam questions.

Required Reading

Chapter 1: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 2 – Who Sets Up the Plan and Keeps it Running Smoothly

Overview

Retirement plan professionals are expected to know about plan set up and operation. Under this topic, candidates will learn about different types of business entities that may sponsor a plan, be able to identify a 5% owner, explain common control and identify fiduciaries, plan administrators and other parties involved in qualified plans. Candidates will also be able to describe prohibited transactions and identify a party-in-interest.

Learning Objectives

The successful candidate will be able to:

- 2.01 Identify the different types of entities that may sponsor a qualified plan.
- 2.02 Explain the concept of common control and how it affects a qualified plan.
- 2.03 Identify who are plan fiduciaries and their duties.
- 2.04 Identify the general duties and responsibilities of the plan administrator.
- 2.05 Identify the parties involved in the operation of a qualified plan and define their traditional roles (e.g., accountants, actuaries, administrators, attorneys, consultants, enrolled retirement plan agents, investment advisors and recordkeepers).
- 2.06 Identify a potential prohibited transaction.
- 2.07 Identify the parties-in-interest as they apply to prohibited transactions.

Exam Weighting

This topic will comprise approximately 7 to 9 percent of the exam questions.

Required Reading

Chapter 2: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 3 – Defined Contribution Plans

Overview

Retirement plan professionals are expected to know the different types of defined contribution plans. Under this topic, candidates will learn the general characteristics of each type of defined contribution plan. Candidates will also learn about elective deferrals, designated Roth contributions and catch-up contributions.

Learning Objectives

The successful candidate will be able to:

- 3.01 List the general characteristics of each type of defined contribution plan.
- 3.02 Define elective deferrals, designated Roth contributions and catch-up contributions.
- 3.03 Describe what an ESOP is.

Exam Weighting

This topic will comprise approximately 8 to 10 percent of the exam questions.

Required Reading

Chapter 3: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 4 – Defined Benefit Plans

Overview

Retirement plan professionals are expected to be familiar with defined benefit plans. Under this topic, candidates will learn the basics of defined benefit plans including the calculation of retirement benefits, forms of benefit payment, accrued benefits, actuarially equivalent benefits and maximum benefit limits.

Learning Objectives

The successful candidate will be able to:

- 4.01 Describe in general terms how contributions to defined benefit plans are determined.
- 4.02 Explain how a participant's retirement benefit is calculated in a defined benefit plan.
- 4.03 Identify the forms of benefit payment in a defined benefit plan.
- 4.04 Explain top-heavy vesting requirements for defined benefit plans.
- 4.05 Identify what factors are used in determining actuarially equivalent plan benefits.

Exam Weighting

This topic will comprise approximately 5 to 7 percent of the exam questions.

Required Reading

Chapter 4: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 5 – First Steps to a New Plan

Overview

Retirement plan professionals need to understand how to properly design a plan to meet the plan sponsor's goals. Under this topic, candidates will learn how to identify factors that influence plan design, calculate maximum deductible contributions, identify employee contributions, differentiate types of plan documents, explain bonding requirements and understand the IRS determination letter process.

Learning Objectives

The successful candidate will be able to:

- 5.01 Calculate an employer's maximum deductible contribution to a defined contribution plan.
- 5.02 Describe the effect on the deduction limit of having a defined benefit plan and a defined contribution plan in existence at the same time.
- 5.03 Differentiate between the different types of plan documents (master plan, prototype, volume submitter, individually designed) and the trust document.
- 5.04 Identify the key documents that must be prepared when implementing a new plan.
- 5.05 Explain the fidelity bond requirement for plans with and without employer securities and who is bonded.
- 5.06 Calculate the fidelity bond amount for plans with and without employer securities.
- 5.07 State the reasons for requesting an IRS determination letter.

Exam Weighting

This topic will comprise approximately 4 to 6 percent of the exam questions.

Required Reading

Chapter 5: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 6 – Basic Plan Document Language

Overview

Retirement plan professionals are expected to understand plan documents, determine employee status and understand eligibility and vesting rules. Under this topic, candidates will learn about the various sections found in most plan documents, be able to identify highly compensated and key employees and learn about eligibility and vesting rules in qualified plans.

Learning Objectives

The successful candidate will be able to:

- 6.01 Identify what important provisions must be in a plan document.
- 6.02 Define early, normal and late retirement age.
- 6.03 Calculate a participant's normal retirement age given the plan definition of normal retirement age.
- 6.04 Define a highly compensated employee.
- 6.05 Define a key employee.
- 6.06 Identify the statutory eligibility requirements for qualified plans.
- 6.07 Differentiate between the date a participant meets the eligibility requirements and the plan entry date.
- 6.08 Define the concept of vesting.
- 6.09 Define the common vesting schedules.
- 6.10 Explain what years of service may be excluded for vesting purposes.
- 6.11 Calculate a participant's vesting percentage.
- 6.12 Determine the vested portion of a participant's account balance or accrued benefit.

Exam Weighting

This topic will comprise approximately 13 to 15 percent of the exam questions.

Required Reading

Topic 7 – Plan Qualification

Overview

Retirement plan professionals need to understand the fundamental requirements for a plan to attain qualifications and the advantages of that qualified status. Under this topic, candidates will learn about the benefits of sponsoring a qualified plan, Employee Retirement Income Security Act of 1974 (ERISA), types of guidance, the role of the various government agencies and the general requirements for plan qualification.

Learning Objectives

The successful candidate will be able to:

- 7.01 State the benefits of sponsoring and/or participating in a qualified plan.
- 7.02 State ERISA's impact on retirement plans and describe its four titles.
- 7.03 Identify the different types of issued guidance regarding qualified plans and their position in the hierarchy of authority.
- 7.04 Define the role of the IRS, DOL and PBGC in the enforcement of laws affecting retirement plans.
- 7.05 Differentiate among temporary, proposed and final regulations.
- 7.06 Explain the concept of plan qualification including the general requirements for plan qualification.

Exam Weighting

This topic will comprise approximately 1 to 3 percent of the exam questions.

Required Reading

Chapter 7: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 8 – Enrolling Employees

Overview

Retirement plan professionals are expected to understand the enrollment process for employees who are eligible participants. Under this topic, candidates will learn about the types of communication provided to new participants and the process of rolling over assets into a qualified retirement plan.

Learning Objectives

The successful candidate will be able to:

- 8.01 List types of communication often provided to employees when first eligible for the plan.
- 8.02 List the information that must be provided to a participant who has been automatically enrolled in a 401(k) plan.
- 8.03 Explain the process of rollover of assets into qualified retirement plans.

Exam Weighting

This topic will comprise approximately 1 to 3 percent of the exam questions.

Required Reading

Chapter 8: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 9 – Reporting and Disclosure

Overview

Retirement plan professionals are expected to know the disclosure requirements to government agencies and participants. Under this topic, candidates will learn about the Form 5500 filing requirements, distribution reporting requirements and disclosures to plan participants.

Learning Objectives

The successful candidate will be able to:

- 9.01 Identify the Form 5500 annual reporting requirements applicable to a qualified plan including required schedules and the deadline for filing.
- 9.02 List the conditions a plan must meet in order to avoid filing Form 5500.
- 9.03 Identify when a plan is required to submit an accountant's report prepared by an independent qualified public accountant with Form 5500.
- 9.04 Define the plan distribution and reporting requirements for Form 1099-R and Form 945.
- 9.05 Define when the Form 8955-SSA is required to be filed and why it is needed.
- 9.06 Identify the disclosures that must be provided automatically to participants and beneficiaries.
- 9.07 Describe the content required to be reported on a benefit statement and when they must be provided.
- 9.08 Identify when a defined benefit plan issues a summary annual report instead of an annual funding notice.
- 9.09 List the events that require disclosures to plan participants and beneficiaries over and above the annual disclosures.

- 9.10 Identify acceptable disclosure methods that plan administrators may use to provide required plan information to participants and beneficiaries.
- 9.11 Identify the rules that apply when electronically disclosing plan information to participants.

Exam Weighting

This topic will comprise approximately 10 to 12 percent of the exam questions.

Required Reading

Chapter 9: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 10 – Withdrawals While Actively Employed

Overview

Retirement plan professionals will encounter plan distributions as a natural part of the qualified plan life cycle. Under this topic, candidates will learn about withdrawals available to participant who are still actively employed, including the types of plans that allow such withdrawals, hardship withdrawals and domestic relations orders.

Learning Objectives

The successful candidate will be able to:

- 10.01 Describe the various types of withdrawals available to qualified plan participants who are still employed by the plan sponsor.
- 10.02 Define who may be an alternate payee in a domestic relations order.
- 10.03 Describe the participant and alternate payee notification requirement when a domestic relations order is received by the plan.
- 10.04 Identify the types of plans that may permit in-service withdrawals.
- 10.05 Identify the general rules for hardship withdrawals from non-401(k) plans.
- 10.06 Describe the general standard hardship withdrawal requirements.
- 10.07 List the six safe harbor hardship withdrawal events.
- 10.08 List the three safe harbor hardship withdrawal needs requirements.
- 10.09 Identify the tax consequences associated with hardship withdrawals.

Exam Weighting

This topic will comprise approximately 11 to 13 percent of the exam questions.

Required Reading

Chapter 10: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 11 – Participant Loans

Overview

Retirement plan professionals are expected to know the rules regarding participant loans. Under this topic, candidates will learn about the requirements for participant loans, loan policies and maximum loan amounts available.

Learning Objectives

The successful candidate will be able to:

- 11.01 List and describe the requirements for a qualified plan loan to prevent a prohibited transaction and avoid taxation.
- 11.02 Identify the items that must be addressed in a loan policy.
- 11.03 Calculate the maximum available loan amount based on a participant's account balance.

Exam Weighting

This topic will comprise approximately 3 to 5 percent of the exam questions.

Required Reading

Chapter 11: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 12 – Distributions and Tax Rules

Overview

Retirement plan professionals are expected to know the rules regarding participant distributions and the tax implications of such distributions. Under this topic, candidates will learn about retirement age, distributable events, forms of distribution, involuntary distribution rules, required minimum distributions and eligible rollover distributions.

Learning Objectives

The successful candidate will be able to:

- 12.01 List the most common distributable events.
- 12.02 Explain the benefits available upon attaining early, normal and late retirement age.
- 12.03 Differentiate between the forms of distribution from a nonpension and pension plan.
- 12.04 Define a qualified joint and survivor annuity.
- 12.05 Define a qualified pre-retirement survivor annuity.

- 12.06 State the Internal Revenue Code's involuntary distribution rules and the additional options plans have for involuntary distributions.
- 12.07 Describe the notice and consent period for mandatory cash-out distributions, distributions of survivor annuities and eligible rollover distributions.
- 12.08 Identify who must take a required minimum distribution and when the first distribution must begin.
- 12.09 Define eligible rollover distributions and list the type of withdrawals that are eligible rollovers.
- 12.10 Describe what an in-plan Roth direct rollover is and what plans are eligible to do this.
- 12.11 Differentiate between rollover transactions and plan-to-plan transfers.
- 12.12 Explain excise taxes, additional income taxes and mandatory withholding applicable to plan distributions.
- 12.13 Describe the rules relating to distributions of a designated Roth account.

Exam Weighting

This topic will comprise approximately 11 to 13 percent of the exam questions.

Required Reading

Chapter 12: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 13 – Updating Plans and Error Corrections

Overview

Retirement plan professionals are expected to understand the amendment process applicable to qualified plans. Under this topic, candidates will learn about required amendments, disclosures required when amending a plan and IRS and DOL programs available to correct plan errors.

Learning Objectives

The successful candidate will be able to:

- 13.01 List examples of events that require changes in plan documents.
- 13.02 Describe the plan amendment process, including the concept of nondiscriminatory and corrective amendments.
- 13.03 Explain when an employer is required to furnish a summary plan description or a summary of material modification.
- 13.04 State potential consequences of plan disqualification.
- 13.05 Describe the IRS programs available to qualified plans for correction of plan defects.
- 13.06 Describe the purpose and requirements of the DFVC Program.
- 13.07 Describe the DOL programs available to correct fiduciary violations.

Exam Weighting

This topic will comprise approximately 4 to 6 percent of the exam questions.

Required Reading

Chapter 13: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 14 – Record Retention

Overview

Retirement plan professionals are expected to understand the rules regarding record retention. Under this topic, candidates will learn what records need to be kept, for how long, retention of employee data and electronic record retention.

Learning Objectives

The successful candidate will be able to:

- 14.01 Describe what plan records need to be kept and for how long.
- 14.02 Describe what employee data records need to be kept and for how long.
- 14.03 Describe how to satisfy the electronic document record retention safe harbor.

Exam Weighting

This topic will comprise approximately 1 to 3 percent of the exam questions.

Required Reading

Chapter 14: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Topic 15 – ASPPA Code of Professional Conduct

Overview

Retirement plan professionals have certain ethical duties owed to the plan sponsor and to the participants of the qualified plan. Under this topic, candidates will learn about the ASPPA Code of Professional Conduct.

Learning Objectives

The successful candidate will be able to:

- 15.01 State the action required of an ASPPA member in situations requiring ethical standards.

Exam Weighting

This topic will comprise approximately 1 to 2 percent of the exam questions.

Required Reading

Chapter 15: *RPF-1 Course: Retirement Plan Fundamentals Part 1, 7th Edition*. Arlington, VA: ASPPA, 2012.

Pages 5-23: Bloom, Lauren. *Elegant Ethical Solutions*. Elegant Solutions Consulting: Goodlettsville, TN.