

Certified Pension Consultant (CPC) Modules Distributions and Loans Module

Course Overview

As the culminating designation for the non-actuary ASPPA member, the Certified Pension Consultant (CPC) credential is intended as an opportunity for a successful candidate to demonstrate their accumulated retirement plan knowledge and experience.

To earn the CPC credential, candidates build upon a foundation of knowledge acquired by passing the examinations required for the QKA and QPA credentials. CPC candidates will demonstrate their knowledge and experience through the completion of specific core and elective online modules as well as a single comprehensive proctored CPC essay examination.

The modules and proctored exam will provide opportunities for analyzing and solving consulting problems that might be encountered in real-life client situations. In professional practice, more than one statutory provision or retirement plan consideration often applies, and the pension consultant must be able to recognize and evaluate in depth each potential issue for his or her client.

Additionally, because ASPPA members are required to comply with ASPPA's Code of Professional Conduct, the topic of ethical performance in one's professional capacity forms an important part of the CPC course of study, and ethics questions will be a part of each core module and the proctored exam.

Module Details

Each module is offered online and includes a text component and an exam. The questions will be designed to reflect real situations that arise as practitioners consult with clients in practice. Candidates may need to do some research before answering the questions. **It is expected that candidates will use resources and reference materials beyond the information in the text.** In this way, the online modules will assess not only a candidate's mastery of the material in general, but also the candidate's ability to research complex issues and provide the appropriate advice to clients.

There are four core modules and four elective modules:

Core Modules

- Investments
- Distributions & Loans
- Fiduciary Topics
- Related Groups & Business Transactions

Elective Modules

- ESOPs

- Governmental & Tax-Exempt Plans
- Nonqualified Plans
- Cash Balance

ASPPA candidates that have completed ASPPA's QPA examination series will be required to complete the 4 core modules, 2 elective modules (please see CPC Module Credit section below) in addition to the CPC proctored examination to obtain the CPC credential.

ERPAs who have not completed ASPPA's QPA examination series will be required to complete the 4 core modules, 2 elective modules, CPC proctored examination and ASPPA's Basics of Defined Benefit Plans (DB) proctored examination to obtain the CPC credential.

Suggested Reading

CPC Module Text: Investments, Latest Edition, Arlington. VA: ASPPA

CPC Module Text: Distributions and Loans, Latest Edition, Arlington. VA: ASPPA

CPC Module Text: Fiduciary Topics, Latest Edition, Arlington. VA: ASPPA

CPC Module Text: Correction Programs, Latest Edition, Arlington. VA: ASPPA

CPC Module Text: Related Groups and Business Transactions, Latest Edition, Arlington. VA: ASPPA

CPC Module Text: ESOPs, Latest Edition, Arlington. VA: ASPPA

CPC Module Text: Governmental and Tax-Exempt Plans, Latest Edition, Arlington. VA: ASPPA

CPC Module Text: Nonqualified Plans, Latest Edition, Arlington, VA: ASPPA

CPC Module Text: Cash Balance, Latest Edition, Arlington, VA: ASPPA

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Exam

Each module is offered online and a PDF of the exam is also included if candidates prefer to print the exam and use the hard copy while performing the research needed to answer the exam questions.

Each module exam consists of 20 multiple choice questions, each worth 5 points. **A score of 70 or above is required to pass the examination.** Candidates will receive their grades immediately upon submission of the online exam.

CPC Module Credit

A candidate with a QPA achieved through the ASPPA examination series who has passed the **C-3** exam only (not C-4) will receive credit for the Investments, Distributions & Loans and Fiduciary Topics modules. These candidates will need to complete the Related Groups & Business Transactions module, two elective modules and the proctored CPC examination.

A candidate with a QPA achieved through the ASPPA examination series who has passed **C-4** only (not C-3) will receive credit for the Related Groups & Business Transactions and two elective modules. These candidates will need to complete the Investments, Distributions & Loans and Fiduciary Topics modules and the proctored CPC examination.

Additional Information

All candidates are encouraged to visit ASPPA's Examination Policy (<https://www.asppa.org/sites/asppa.org/files/PDFs/Education/NewEducation/Policies/ASPPA%20Exam%20Policy.pdf>) for this exam for additional information. It is the candidate's responsibility to check the ASPPA Web site for the most current information on examinations and publications. You may also contact ASPPA with questions at rpa@usaretirement.org.

Module: Distributions and Loans (Core)

Overview

The financial lifecycle of a retirement plan is a reflection of funds flowing into and out of the plan over time. This lifecycle is governed by a myriad of rules surrounding and supporting beneficial tax qualification. The material for this topic requires a candidate to delve into the taxation and timing issues of distributions from qualified plans, whether these distributions are taken as loans, required minimum distributions, employer stock, or are the result of domestic relations proceedings, retirement, termination of employment or in-service events.

Learning Objectives

The successful candidate will be able to:

- D.01 Summarize the rules governing the form, amount, and timing of distributions.
- D.02 Analyze the QJSA and QPSA rules for distributions from defined benefit and applicable defined contribution plans.

- D.03 Discuss the optional forms of benefit payment under defined benefit plans.
- D.04 Summarize the rules governing the portability of distributions.
- D.05 Analyze conditions for a permissible withdrawal under the safe harbor 401(k) hardship provisions and calculate the maximum permissible amount that may be distributed.
- D.06 Discuss the in-service distribution rules for pension plans at age 62 related to employer and employee contributions.
- D.07 Analyze the restrictions on distributions from a 401(k) plan when a successor plan exists.
- D.08 Discuss the rules governing QDROs.
- D.09 Calculate the required minimum distribution given a particular fact pattern.
- D.10 Summarize the rules governing forced distributions.
- D.11 Analyze the tax treatment of various forms and types of distributions.
- D.12 Describe the requirements that must be met for a designated Roth distribution to be a qualifying distribution.
- D.13 Analyze the tax impact of qualified and nonqualified distributions of designated Roth amounts.
- D.14 Summarize how basis is determined, including consideration of after-tax employee contributions, PS 58 costs, and loan repayments, and calculate the taxable amount.
- D.15 Discuss the tax ramifications of distributing or surrendering an insurance policy.
- D.16 Summarize the special rules governing distributions of employer securities.
- D.17 Analyze the rule regarding the deferred taxation of net unrealized appreciation associated with employer securities.
- D.18 Evaluate whether or not requested loan program features are permissible and would result in a bona fide loan.
- D.19 Discuss and apply the available options for participant loan refinancing.
- D.20 Discuss the amounts subject to taxation and prohibited transaction issues that may arise when loan requirements are not satisfied.
- D.21 Discuss the concept of accrued interest on defaulted loans and its practical impact on taxability and the maximum availability calculation.
- D.22 Summarize and apply the rules for loan repayment suspensions for both an unpaid leave of absence and an unpaid military leave of absence, and calculate the latest possible repayment date for each.
- D.23 Identify protected benefits under IRC §411(d)(6) and changes that can be made to a plan's distribution and loan options.
- D.24 Analyze a fact pattern and apply the ASPPA Code of Professional Conduct.

Suggested Reading

CPC Module Text: Distributions and Loans. Arlington, VA: ASPPA.