

Certified Pension Consultant (CPC) Modules ESOPs 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 proper 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 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: ESOPs (Elective)

Overview

This non-core module reviews employee stock ownership plan (ESOP) provisions of the IRC. As a viable employee benefit program, as well as a corporate financing tool, ESOPs were founded on the fundamental philosophy of ownership. ESOPs have frequently been given special treatment not available to other retirement or financing programs. Within this module, candidates will review a discussion of plan and statutory provisions particular to ESOPs.

Learning Objectives

The successful candidate will be able to:

- E.01 Summarize the corporate financing and employee relations objectives that may be accomplished by establishing an ESOP.
- E.02 Evaluate the tax advantages a shareholder of a closely held corporation may receive by establishing an ESOP.
- E.03 Discuss the rules regarding an ESOP IRC §1042 election, including the allocation restrictions.
- E.04 Summarize the primary characteristics of an ESOP.
- E.05 Summarize the key features of a stock bonus plan.
- E.06 Discuss rules applicable to ESOPs sponsored by S corporations, including reporting requirements.

- E.07 Discuss the permissible allocation formulas for ESOP contributions and formulas available under other defined contribution plans that cannot be used in an ESOP.
- E.08 Discuss and apply the increased deduction limits for ESOPs.
- E.09 Summarize and demonstrate application of special IRC §415 rules for ESOPs.
- E.10 Compare the two permissible methods for the release of shares under a leveraged ESOP.
- E.11 Discuss the special rules regarding plan operation and administration of a leveraged ESOP.
- E.12 Discuss the ESOP dividend deduction rule.
- E.13 Discuss the special distribution rules (e.g., diversification, employer securities, dividend distributions and timing of distributions) applicable to an ESOP.
- E.14 Summarize the diversification rules that apply to ESOPs.
- E.15 Analyze the impact an ESOP repurchase liability may have on the plan sponsor and discuss strategies to mitigate that impact.
- E.16 Discuss stock voting rights regarding ESOPs as they apply to publicly and non-publicly traded entities.
- E.17 Discuss the requirements for the valuation of stock held by ESOPs in non-publicly traded companies.
- E.18 Summarize the rules regarding the termination of an ESOP.

Suggested Reading

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