

Certified Pension Consultant (CPC) Modules Governmental & Tax-Exempt Plans 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: Governmental & Tax-Exempt Plans (Elective)

Overview

This elective module requires candidates to understand various features of 403(b) plans including eligibility, contribution limits, nondiscrimination testing and distribution rules.

When is a 403(b) plan subject to ERISA? And what are the specific employer actions that could subject a plan to ERISA? These critical issues will be covered along with a detailed discussion of the rules and regulations comparing an ERISA 403(b) plan to a non-ERISA 403(b) plan.

The module also describes "steeple" churches and qualified church controlled organizations (QCCOs) and the nondiscrimination rules applicable to the plans they sponsor. And, to fully understand 403(b) plans it is important to compare their characteristics, advantages and disadvantages to 401(k) plans.

In addition to maintaining 403(b) plans, certain tax-exempt and governmental employers may also establish 457(b) plans. This module covers the characteristics of these plans and includes a reference chart comparing the 457(b) plans sponsored by governmental entities to those sponsored by nongovernmental tax-exempt entities.

Learning Objectives

The successful candidate will be able to:

- G.01 Identify the types of employers that are eligible to sponsor a 403(b) plan and the implications of an ineligible employer establishing a 403(b) plan.
- G.02 Identify the investment and insurance options that may be offered in a 403(b) or 457(b) plan.
- G.03 Explain the impacts that 403(b) investment products may have on plan design and compliance activities.
- G.04 Compare the characteristics of a 403(b)(1) annuity versus a 403(b)(7) custodial account.
- G.05 Explain when a 403(b) plan is subject to ERISA, including the specific employer's actions that could subject the plan to ERISA.
- G.06 Describe the nondiscrimination rules that are applicable to 403(b) plans.
- G.07 Explain the universal availability rules that are applicable to 403(b) plans.
- G.08 Explain the controlled group rules that are applicable to tax-exempt organizations.
- G.09 Demonstrate how nondiscrimination testing is affected when a controlled group includes tax-exempt and taxable entities.
- G.10 Explain the advantages and points to consider when an employer chooses to have its plan subject to ERISA.
- G.11 Determine the maximum contribution amount of employer contributions and employee contributions including catch-up contributions that may be made to a participant's 403(b) account.
- G.12 Explain the types of post-employment contributions that may be made to a participant's 403(b) account.
- G.13 Describe 403(b) contract exchanges including the product provider and employer requirements for processing them.
- G.14 Explain the types of 403(b) accounts that must be included in an employer's 403(b) plan.
- G.15 Describe the types of plan-to-plan transfers that are permitted under 403(b) plans.
- G.16 Identify a church, QCCO and an IRC §414(e) organization and explain their applicable 403(b) plan nondiscrimination rules.
- G.17 Discuss the impact of a 414(e) religious entity making an IRC §410(d) election.
- G.18 Identify the characteristics of 457(b) plans sponsored by a governmental versus a nongovernmental tax-exempt entity.
- G.19 Explain how and why a participant may want to purchase service credits in a state's defined benefit plan.
- G.20 Identify the distributable events permitted from a 403(b) plan and 457(b) plan including contribution types that have no withdrawal restrictions.
- G.21 Compare the federal taxation and the IRS 10 percent early distribution tax as they apply to 403(b), 401(a), 401(k) and governmental 457(b) plans.
- G.22 Explain the rules regarding RMDs from 403(b) plans and how they differ from 401(k) plans.
- G.23 Describe the Form 5500 reporting requirements for 403(b) plans.
- G.24 Explain the steps necessary to terminate a 403(b) plan, including the potential pitfalls that an employer may encounter.

- G.25 Compare the characteristics of a 401(k) plan versus a 403(b) plan.
- G.26 Discuss the availability of a pre-approved program for 403(b) plan documents.
- G.27 Analyze a fact pattern and apply the ASPPA Code of Professional Conduct.

Suggested Reading

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