

Certified Pension Consultant (CPC) Modules Investments Module 2018 Syllabus

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 his or her 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 four core modules, two elective modules (please see CPC Module Credit section below) and 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 four core modules, two elective modules, CPC proctored examination and ASPPA's Basics of Defined Benefit Plans (DB) proctored examination to obtain the CPC credential.

Required 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

Educational Material Copyright

It is important to note that all ASPPA examination and educational materials are copyrighted. No examination or educational materials can be copied, reproduced or shared in any form by any means without written permission from ASPPA. In an effort to provide educational opportunities, ASPPA does offer specific distributable products (see details under Multi-User Distributable Educational Materials).

Multi-User 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

Each module is offered online and a PDF of the exam is also included if candidates prefer working 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: Investments (Core)

Overview

Retirement plan professionals are expected to be knowledgeable about the various types of investments that may be offered in retirement plans. Topics include the characteristics of fixed income investments, traditional assets classes and alternative investments. Also discussed are the differing investment strategies that apply to defined contribution plans compared to defined benefit plans. The module provides the candidate with an introduction to investments including the various tools used for measuring investment risk.

Learning Objectives

The successful candidate will be able to:

- 1.01 Describe the characteristics and features of fixed income investments (e.g., (bonds and annuities).

- 1.02 Describe the characteristics of a stable value fund (e.g., liquidity issues and market value adjustments).
- 1.03 Describe the different classes of equities (e.g., common and preferred stock, value and growth stocks, market capitalization, foreign stock, ADRs, and REITs).
- 1.04 Describe the characteristics of equity ownership (e.g., dividends, splits, and pricing).
- 1.05 Describe the characteristics of a mutual fund, including net asset value, income and capital gains distributions, fees and open and closed-end funds.
- 1.06 Analyze the differences between individual securities, mutual funds and managed portfolios.
- 1.07 Explain the unique issues surrounding alternative investments (e.g., limited partnerships, real estate, employer stock, non-publicly traded investments and foreign securities) including any restrictions ERISA places on these investments.
- 1.08 Describe the tools for measuring the investment risk of a portfolio, e.g., the Sharpe ratio.
- 1.09 Identify the factors (e.g., investment horizon and personal risk tolerance) used in determining investment objectives.
- 1.10 Explain what is meant by revenue sharing and discuss the primary types of payments.
- 1.11 Evaluate whether an investment strategy is more appropriate for a defined benefit or defined contribution plan.
- 1.12 Identify the components of an investment policy statement.
- 1.13 Explain the impact of market timing on participant accounts.
- 1.14 Describe the requirements of a QDIA and provide examples of investments that would qualify.
- 1.15 Explain qualifying and non-qualifying investments as they relate to the small plan audit waiver rules.
- 1.16 Describe the requirements of a Qualified Professional Asset Manager (QPAM) and an In-House Asset Manager (INHAM).
- 1.17 Analyze a fact pattern and apply the ASPPA Code of Professional Conduct.

Suggested Reading

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