



# EA-2L Exams & Solutions

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An EA Exam



*Actuarial & Financial Risk Resource Materials*  
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**Answer Key EA-2L Spring 2024**  
**July 12, 2024**

<b>Question</b>	<b>Answer</b>
<b>1</b>	<b>B</b>
<b>2</b>	<b>A</b>
<b>3</b>	<b>B</b>
<b>4</b>	<b>A</b>
<b>5</b>	<b>B</b>
<b>6</b>	<b>B</b>
<b>7</b>	<b>B</b>
<b>8</b>	<b>B</b>
<b>9</b>	<b>B</b>
<b>10</b>	<b>B</b>
<b>11</b>	<b>A</b>
<b>12</b>	<b>A</b>
<b>13</b>	<b>B</b>
<b>14</b>	<b>B</b>
<b>15</b>	<b>B</b>
<b>16</b>	<b>A</b>
<b>17</b>	<b>A</b>
<b>18</b>	<b>A</b>
<b>19</b>	<b>C</b>
<b>20</b>	<b>A</b>
<b>21</b>	<b>C</b>
<b>22</b>	<b>B</b>
<b>23</b>	<b>B or E</b>
<b>24</b>	<b>A</b>
<b>25</b>	<b>A</b>
<b>26</b>	<b>C</b>
<b>27</b>	<b>B</b>
<b>28</b>	<b>C</b>
<b>29</b>	<b>C</b>
<b>30</b>	<b>D</b>
<b>31</b>	<b>C</b>

<b>32</b>	<b>B</b>
<b>33</b>	<b>C</b>
<b>34</b>	<b>B</b>
<b>35</b>	<b>A</b>
<b>36</b>	<b>C</b>
<b>37</b>	<b>D</b>
<b>38</b>	<b>D</b>
<b>39</b>	<b>D</b>
<b>40</b>	<b>C</b>
<b>41</b>	<b>B</b>
<b>42</b>	<b>E</b>
<b>43</b>	<b>A</b>
<b>44</b>	<b>A</b>
<b>45</b>	<b>B</b>

Data for Question 1 (1 point)

A plan sponsor missed the \$1,150,000 quarterly contribution due which resulted in a lien arising under ERISA section 303(k) and IRC section 430(k). Sixty days after the quarterly contribution due date, the sponsor paid the full amount of the quarterly contribution plus late interest and penalties. Form 200 was never filed with the PBGC. The ERISA section 4010 FTAP for the information year is 84%.

Consider the following statement:

An ERISA section 4010 filing is not required for the information year.

Question 1

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 2 (1 point)

Consider the following statement:

Under ERISA section 4010, in order for a plan to be considered an exempt plan for the information year, the value of benefit liabilities may be determined using the same retirement assumptions as used for funding purposes for the plan year ending within that information year without regard to at-risk assumptions.

Question 2

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 3 (1 point)

A plan provides a normal retirement benefit equal to 1.0% of final average compensation times years of benefit service.

The normal retirement age under the plan is the earlier of age 65, or age 62 with at least 10 years of service.

There are no collectively bargained employees in the plan.

Consider the following statement:

The plan automatically satisfies the nondiscrimination requirements under IRC section 401(a)(4).

Question 3

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 4 (1 point)

Type of plan: Multiemployer

Suspension of benefits notices are provided timely.

Participant Smith commences benefit payments at age 60.

Smith returns to work at age 67 for one calendar month, working 40 hours in the same industry, trade, and geographic area covered by the plan as when his benefit payments commenced.

Consider the following statement:

The plan may provide for the withholding of Smith's benefit amount for the month in which he is reemployed.

Question 4

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 5 (1 point)

Participant Smith has a QDRO in effect that assigned a portion of his accrued benefit from a plan to his former spouse, Brown.

Brown is remarried at the time she becomes eligible to receive a distribution subject to the terms of the QDRO.

Consider the following statement:

The plan must permit Brown to elect a joint and survivor option with her subsequent spouse as the beneficiary.

Question 5

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 6 (1 point)

A company sponsors a plan for employees in Divisions A and B.

Employees of Division A benefit under a statutory hybrid (cash balance) formula.

Employees of Division B benefit under a final average pay formula.

Consider the following statement:

All employees in the plan are subject to a minimum 3-year vesting schedule.

Question 6

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 7 (1 point)

Valuation Date: 1/1/2024

Consider the following statement:

The PBGC Variable-rate premium per \$1,000 of unfunded vested benefits and the per participant cap on the PBGC Variable-rate premium are both subject to indexation by inflation each year.

Question 7

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 8 (1 point)

Consider the following statement:

The excise tax for failure to receive minimum required distributions during 2024 is 50% of the value of such payments.

Question 8

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 9 (1 point)

A plan is undergoing a standard termination.

The plan specifies that all excess assets will revert to the employer.

The plan does not provide for pro rata benefit increases.

A replacement plan is established; 50% of excess assets are transferred to the replacement plan.

90% of the active participants in the terminated plan remain as active participants in the replacement plan.

Consider the following statement:

The excise tax on the amount of asset reversion from the plan is 20%.

Question 9

Is the above statement true or false?

- (A) True
- (B) False

Data for Question 10 (1 point)

A plan has two trustees. A prohibited transaction occurs when one of the trustees borrows money from the plan. The other trustee knew of the transaction but did not make reasonable efforts to remedy the fiduciary breach.

An excise tax is imposed because of the prohibited transaction.

Consider the following statement:

The excise tax is only imposed upon the trustee who borrowed the money.

Question 10

Is the above statement true or false?

- (A) True
- (B) False