

## **Corrections and Additions to EA-2A Course Outline and Problems Fall, 2011**

Note that the final syllabus (released September 7, 2011) indicates that IRC section 436 was added to the EA-2A syllabus for 2011. My analysis of what this may mean for the 2011 EA-2A exam can be found on the ASM web site. A complete outline of the section can be downloaded on the ASM web site. However, it likely is not necessary to know the entire scope of IRC section 436, so there is also a condensed outline with only the IRC section 436 material that affects funding, as well as a few sample questions and solutions. This can also be downloaded on the ASM web site. All of these downloads can be found on the same page as this file was downloaded, all with titles concerning IRC section 436.

Page 14: The statement in the 9<sup>th</sup> line on this page should have the word “beginning” inserted before “no later” so that the sentence reads “So, in effect, plan years for which the election is available are plan years ending on or after 10/10/2009 and beginning no later than 12/31/2011.”

Page 20: In the second to last bullet item, the election to apply excess contributions to the prefunding balance must be made by the minimum funding due date (not the form 5500 due date).

Page 28: In the third bullet item (relating to the election of the full yield curve), the following statement should be added:

Note that if the plan sponsor initially elects to use the segment rates and subsequently decides to change to the use of the full yield curve in a later year, that initial change to the full yield curve is not subject to IRS approval (regulation 1.430(h)(2)-1(e)(1)).

Page 131: The following sentence should be added to the end of the solution to question 44:

Note that there is no reduction to the target normal cost for purposes of the minimum which generally takes place when the bases are deemed to be fully amortized since the funding shortfall is zero, rather than negative. Had the funding shortfall been negative, then the minimum required contribution would have been equal to the target normal cost, less the excess of the assets (reduced by the credit balances) over the funding target.

Page 162: In the first sub-bullet item, the extended amortization period is 30 years.

Page 492: Revenue Notices 2010-15, 2010-83, and 2011-3 have been added to the reading list:

- 2010-15 This notice provides rules in question and answer format concerning benefits under IRC section 401(a)(37) due to survivors of plan participants who die while performing military service, and benefits to the participant if they become disabled while performing military service. Most of this is more applicable to the EA-2B exam rather than the EA-2A exam. However, the notice goes on to discuss the treatment of wages paid by the employer to the employee while they are away performing military service. These wages are not required to be taken into account (but may be under the terms of the plan) in determining benefits and contributions under a qualified plan. However, the wages must be included in determining compensation for purposes of IRC section 415. See section III of the notice for more information about the treatment of this compensation.
- 2010-83 This notice provides rules with regard to funding relief for multiemployer plans. These rules are summarized on page 162 of the outline, but more detail can be found in the notice.
- 2011-3 This notice provides rules with regard to funding relief for single and multiple employer plans. These rules are summarized on pages 14 and 15 of the outline, but more detail can be found in the notice.