

**ERRATA TO
SOLUTIONS FOR THE
2007 EA-2B EXAM**

Question 17: The reference to 2003 in the last major paragraph on page 6 should be 2006.

Question 18: The correct letter answer is B, not D.

Question 20: The factor 0.3380 in the final equation should be 0.3880. The numerical answer is correct as is.

Question 33: The union employees are deemed to be excludable since that portion of the plan must be disaggregated under IRS regulation 1.410(b)-6(d). All employees other than the union employees are, therefore, deemed to be non-excludable.

Total NHCEs from both divisions = $1,750 + 350 + 600 + 75 = 2,775$

Total HCEs from both divisions = $250 + 150 + 1 = 401$

NHCE Concentration Percentage = $2,775 / (2,775 + 401) = 87.37\%$

Question 37: Although the answer key for this question available from the Joint Board for Enrollment of Actuaries web site indicates answer choice D is the correct answer, the answer key provided for this exam in the Society of Actuaries study note indicates that this question was not counted in the grading for the examination. The only flaw that I can see in this question is that in statement III, although benefits from another defined benefit plan of the same employer must be used to reduce the 415(b) limits, it is entirely possible that Smith was a participant but did not accrue any benefits in the other defined benefit plan, in which case there would be no impact on the benefit for Smith in the current plan in question. In any event, the analysis of this question in the solution that I have provided to this question is correct.