**BARTON COMMUNITY COLLEGE**

##### COURSE SYLLABUS

## GENERAL COURSE INFORMATION

Course Number: BUSI 1813

Course Title: Retirement Plan Fundamentals II - (RPF-2)

Credit Hours: 2

Prerequisites: BUSI 1812 Retirement Plan Fundamentals I with a “C” or better

Division/Discipline: Workforce Training and Community Education/Business Technology & Community Education

Course Description: This course provides students with a general background in qualified retirement plans and an awareness of the challenges of the retirement planning industry. Students will gain knowledge in plan terminology and issues in the retirement planning field.

## INSTRUCTOR INFORMATION

## COLLEGE POLICIES

Students and faculty of Barton Community College constitute a special community engaged in the process of education. The college assumes that its students and faculty will demonstrate a code of personal honor that is based upon courtesy, integrity, common sense, and respect for others both within and outside the classroom.

Plagiarism on any academic endeavors at Barton Community College will not be tolerated. The student is responsible for learning the rules of, and avoiding instances of, intentional or unintentional plagiarism. Information about academic integrity is located in the Student Handbook.

The College reserves the right to suspend a student for conduct that is detrimental to the College’s educational endeavors as outlined in the College Catalog, Student Handbook, and College Policy & Procedure Manual. (Most up-to-date documents are available on the College webpage.)

Any student seeking an accommodation under provisions of the Americans with Disabilities Act is to notify Student Support Services via email at disabilityservices@bartonccc.edu.

## COURSE AS VIEWED IN THE TOTAL CURRICULUM

This course is designed as a continuation of studies started with the Retirement Plan Fundamentals I coursework. Each course is designed to build upon the groundwork established by the other while not duplicating content or presupposing knowledge or experience level.

The transferability of this course varies among institutions, and perhaps even among departments, colleges or programs within an institution. Also, these requirements may change from time to time and without notification. Therefore, it shall be the student’s responsibility to obtain relevant information from intended transfer institutions during his/her tenure at Barton Community College to insure that he/she enrolls in the most appropriate set of courses for transferability.

1. **ASSESSMENT OF STUDENT LEARNING**

Barton Community College is committed to the assessment of student learning and to quality education. Assessment activities provide a means to develop an understanding of how students learn, what they know, and what they can do with their knowledge. Results from these various activities guide Barton, as a learning college, in finding ways to improve student learning.

Course Outcomes, Competencies, and Supplemental Competencies:

A. Explain the data necessary to properly administer a retirement plan.

1. List the documents to be collected to serve as the basis for plan administration
2. List the information needed to have complete employee census data and the steps involved in evaluating its validity
3. Define key employees and be able to identify them from a list of employees and census data
4. Identify the effect of IRC Section 318 attribution rules on key employee ownership
5. Define an HCE.
6. Identify HCEs from a list of employees and census data

B. Define defined contribution plan allocations and limits to such allocations.

1. Explain the concept of forfeitures
2. Describe how forfeitures may be used each year in a defined contribution plan
3. Calculate a basic contribution allocation using a *pro-rata* formula
4. Explain the concept of allocating contributions using permitted disparity
5. Explain the formula for determining a participant’s annual additions limit
6. Identify the types of contributions/allocations counted as annual additions
7. Calculate the annual additions limit for a participant in a defined contribution plan

C. Outline steps in the performance of annual testing

1. Define when a plan is top-heavy
2. Describe the minimum contribution or benefit requirements that apply to top-heavy plans
3. Explain top-heavy vesting requirements for defined benefit plans
4. Explain the basic concept of minimum coverage testing for qualified plans
5. Define the term “benefiting” under a qualified plan as it applies to minimum coverage testing
6. Identify the employees who may be excluded in minimum coverage testing
7. Explain the nondiscrimination tests applicable to pre-tax elective contributions, designated Roth contributions, after-tax voluntary employee contributions and matching contributions
8. Identify whether a plan has passed the ADP and/or ACP test
9. Identify participants included in the ADP and/or ACP test
10. Describe the deemed three percent rule
11. List methods of correcting a failed ADP and/or ACP test
12. List the types of safe harbor 401(k) plan contributions
13. Explain the concept of a safe harbor 401(k) plan, including the vesting rules, notice requirements, withdrawal restrictions, and top-heavy rules
14. List the benefits and requirements of automatic enrollment under an eligible automatic contribution arrangement and a qualified automatic contribution arrangement

D. Describe daily valuation.

1. Define the term daily valuation and list the affects this processing method has had on participants, plan administration and service delivery

E. Address the differences between balance-forward administration and daily valuation.

1. Identify differences and similarities in balance-forward and daily valuation accounting, reconciliation and earnings allocation methods
2. Describe how earnings and dividends are credited to participant accounts in daily recordkeeping
3. Differentiate between balance-forward and daily valuation methods when processing distributions and transfers
4. List the characteristics of an efficient investment offered in a daily valuation environment

F. Identify fiduciaries and outline the fiduciary role in qualified plans

1. Determine which parties are fiduciaries
2. Identify which plans are subject to the new ERISA Section 404(a)(5) participant disclosure regulations
3. Identify required disclosures under ERISA Section 404(a)(5) that must be given to participants who direct their investments
4. Explain what is required under ERISA Section 404(c) for participants to be deemed to have the opportunity to exercise control over their assets
5. Define what is considered to be a broad range of investments under ERISA Section 404(c)
6. Explain what a fiduciary must do to maintain ERISA Section 404(c) protection if using a default investment
7. Explain what a fiduciary must do to maintain ERISA Section 404(c) protection if using mapping or reenrollment
8. Explain when elective, contributions, loan payments and matching contributions must be deposited into the trust

G. List investments available in qualified plans

1. Explain the three basic asset classes in which mutual funds invest
2. Differentiate among the different types of mutual funds
3. Explain the characteristics of target date funds and life cycle funds
4. Differentiate between a traditional mutual fund and an Electronic Transfer Fund
5. Explain the characteristics of GICs
6. Outline the special administrative issues that occur when employer stock is an asset of the plan
7. Identify the administrative issues when employer stock is offered as a participant investment
8. Explain the blackout period applicable for restricted employees and define restricted employees
9. Explain the diversification requirements when employer securities are an investment option including timing and notice requirements
10. Identify the two methods commonly used to account for employer stock as a plan investment in a daily valuation plan

I. Identify fees involved in qualified retirement plans

1. Explain the plan fiduciary’s responsibilities regarding assessing fees and disclosing fees and expenses to participants
2. Explain mutual fund sales charges, 12b-1 fees and how mutual fund share classes affect investment fees
3. Define investment management fees, custodial and transfer agent fees, transaction fees, sub-transfer agent fees, and shareholder servicing fees
4. Identify which plans are subject to the new fiduciary fee disclosure regulations under IRC Section 408(b)(2)
5. Identify the disclosure that must be made under the new fiduciary fee disclosure regulations
6. Explain the consequence for failing to make required fee disclosures

J. Outline the processes of recordkeeping in daily valued plans.

1. Describe the daily processes performed
2. Explain the reasons to monitor cash, fund positions and loan payments in a plan using the daily valuation method

K. Describe the use of mutual funds in retirement plans

1. Define the role of the recordkeeper, trading partner, transfer agent and mutual fund company or investment manager in a participant trade request
2. Define the following terms: dollar certain trade, unit certain trade, forward pricing, omnibus level trading, trading deadlines and settlement date

L. Describe the processing of various transactions in qualified plans

1. List the steps taken to execute trades when processing contributions, distributions and loans in a daily valuation plan
2. Describe the four types of fund transfer requests for money already invested in a participant account

N. Recognize trading errors and outline possible correction methods

1. Identify when and how trading errors may occur in the daily valuation environment
2. Identify ethical concerns when correcting common trading errors in the daily valuation environment
3. List the benefits of a service agreement between the service provider and the plan administrator

O. Explain the process and issues involved in converting plans from one retirement plan administration firm or type to another

1. List data needed and the time frame involved when converting from one administrative service provider to another
2. Describe a blackout notice and to whom and when it is provided
3. Explain the impact a conversion has on various daily valuation transaction types (e.g. contributions, transfers, withdrawals) both during and after conversion

P. Outline the various aspects of plan merger and plan termination situations

1. List the reasons plan sponsors might merge two retirement plans
2. Explain the difference between a frozen and a terminated qualified plan
3. Describe the ramifications of a partial termination and what causes one to occur
4. Describe the general requirements for terminating a qualified retirement plan
5. Describe which plans are covered by PBGC
6. Describe the implications of terminating a plan covered by the Pension Benefit Guaranty Corporation

## INSTRUCTOR'S EXPECTATIONS OF STUDENTS IN CLASS

## TEXTBOOKS AND OTHER REQUIRED MATERIALS

### REFERENCES

### METHODS OF INSTRUCTION AND EVALUATION

## ATTENDANCE REQUIREMENTS

## COURSE OUTLINE