**BARTON COMMUNITY COLLEGE**

**COURSE SYLLABUS**

# **GENERAL COURSE INFORMATION**

Course Number: BUSI 1816

Course Title: Tax-Exempt & Governmental Plan Administration – 1 (TGPC-1)

Credit Hours: 2 hours

Prerequisite: BUSI 1812 - Retirement Plan Fundamentals 1 (RPF-1) and BUSI 1813 - Retirement Plan Fundamentals 2 (RPF-2) with grade of “C” or better.

Division/Discipline: Workforce Training and Community Education/Business

Course Description: This course focuses on the administration and compliance requirements of 403(b), 457(b) and other plans maintained by tax-exempt and governmental entities. This course will prepare the student for the TGPC-1 examination administered by the American Society of Pension Professionals & Actuaries (ASPPA).

Variable Credit: Not Applicable

# **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 determined to be detrimental to the College 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 the provisions of the Americans with Disability Act (ADA) is to notify Student Support Services via email at disabilityservices@bartonccc.edu.

# **COURSE AS VIEWED IN THE TOTAL CURRICULUM**

This course will prepare the student for the TGPC-1 examination administered by the American Society of Pension Professionals & Actuaries (ASPPA).

Transferability 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, is 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.

# **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**.** Outline the history and evolution of 403(b) plans

1. State when elective deferral 403(b) programs became available to IRC §501(c)(3) organizations and public education institutions.
2. Identify the types of employers that are eligible to sponsor 403(b) plans and discuss what documentation may be required by an investment provider or IRS as proof of that eligibility.
3. Identify the types of investment options that may be offered in a 403(b) plan.

B**.** Identify specific employer actions that may subject a plan to ERISA and what types of employers are not subject to ERISA requirements.

1. Identify the types of employers that are statutorily exempt from ERISA requirements.
2. Explain when a 403(b) plan is subject to ERISA, including the specific employer’s actions that could subject the plan to ERISA.
3. Explain the universal availability rules that are applicable to 403(b) plans.
4. Explain the requirement of offering an eligible employee a “meaningful opportunity to participate” in a 403(b) plan and identify which types of employers are exempt from this requirement.
5. Explain the contribution limits of a 403(b) plan including the catch-up provisions.
6. Explain the eligibility requirements for the 15 year catch-up provision and how it is coordinated with the age 50 catch-up provision.
7. Explain the W-2 reporting requirements that are applicable to elective deferrals in a 403(b) plan.
8. Define includible compensation in a 403(b) plan.
9. Explain the differences between the federal taxation and reporting of elective (pre-tax and Roth) contributions and employer contributions in a 403(b) plan.
10. Explain the general rules of salary reduction agreements for elective deferrals into a 403(b) plan during employment and post-employment.
11. Explain the type of post-employment elective deferrals that may be made to a 403(b) plan.
12. List the advantages and disadvantages of adding a designated Roth provision to a 403(b) plan.
13. Define the timing rules for remitting contributions to ERISA and non-ERISA 403(b) plans.
14. Explain whether ERISA 403(b) and non-ERISA 403(b) plan assets are subject to creditors of the employer and the employee.

C**.** Describe the differences between 403(b) contract exchanges and plan-to-plan transfers.

1. Describe the information sharing process that occurs between an employer and a 403(b) provider or TPA.
2. Describe the types of tax-free transfers permitted from a 403(b) plan.
3. Identify what a contract exchange is as it relates to 403(b) plans.
4. Identify the types of pre-2009 403(b) accounts that must be included in a 403(b) plan.
5. Identify the types of pre-2009 403(b) accounts that do not have to be included in a 403(b) plan.
6. Describe an employer’s responsibilities when sponsoring a 403(b) plan.
7. Explain how and for what reasons a 457(b) or 403(b) participant would purchase service credits in a state’s defined benefit plan.

D**.** Outline rules regarding withdrawal of monies and tax ramifications of withdrawal.

1. List the IRC distributable events that allow a participant to withdraw elective deferrals from a 403(b) plan.
2. List the IRC distributable events that allow a participant to withdraw employer contributions from a 403(b) plan.
3. Identify the sources within a 403(b) plan that have no IRC withdrawal restrictions.
4. Describe the rules for a safe harbor hardship distribution from a 403(b) plan.
5. Describe the rules for a facts and circumstances hardship distribution from a 403(b) plan.
6. Explain how the eligible rollover rules apply to governmental 457(b) and 403(b) plans.
7. Describe the involuntary cash-out procedure that applies to distributions from a 403(b) plan.
8. Explain the in-plan rollover rules for designated Roth accounts in 403(b) and governmental 457(b) plans.
9. Explain the rules regarding RMDs from 403(b) plans and how they differ from 401(k) plans.
10. Describe the death benefits available from a 403(b) plan.

E**.** Describe the details and nuances of participant loan rules.

1. Explain the loan rules as they apply to 403(b) plans.
2. Calculate a participant’s maximum available 403(b) loan amount.

F**.** Outline specific provisions mandated by the IRS to keep the plan qualified for favorable tax treatment

1. Discuss the optional and required provisions in a 403(b) plan document.
2. Differentiate between the different types of plan documents (master plan, prototype, volume submitter and individually designed).
3. Identify the key documents that must be prepared when implementing a new 403(b) plan.
4. List the type of disclosure information (SPD, SMM, etc.) that must be provided to ERISA 403(b) participants and when it must be provided.
5. Explain the differences in the required language that must be included in a 403(b)(7) custodial agreement versus a 403(b)(1) annuity contract.

G**.** Discuss the impact ERISA has on certain 403(b) plans

1. Identify the fiduciary requirements for an ERISA 403(b) plan.
2. Define the concept of vesting in an ERISA 403(b) plan.
3. Identify the vesting schedules and other vesting issues applicable to ERISA 403(b) plans.
4. Explain the concept of forfeitures in ERISA 403(b) plans and how they may be used.
5. Explain the qualified domestic relations order (QDRO) rules.
6. Describe the ERISA qualified joint and survivor annuity (QJSA) and qualified pre-retirement survivor annuity (QPSA) requirements in 403(b) plans.
7. Explain the ERISA fidelity bond requirements and who must be bonded.
8. Describe the Form 5500 annual reporting requirements applicable to 403(b) plans including required schedules, summary annual report and the filing deadlines.
9. Explain the steps that must be taken in order to terminate a 403(b) plan.
10. Explain the differences between a frozen and a terminated 403(b) plan.

H.Explain nondiscrimination rules and the tests that must be satisfied in order to satisfy IRC requirements.

1. Describe the types of employer contributions and allocation methods that can be used in a 403(b) plan.
2. Describe the nondiscrimination rules (including minimum coverage testing) that are applicable to IRC §501(c)(3) organizations sponsoring ERISA 403(b) plans.
3. Describe the nondiscrimination rules that are applicable for governmental and non-electing IRC §3121(w)(3)(A)(B) church plans.
4. Define who is a highly compensated employee (HCE).
5. List the correction methods for a failed actual contribution percentage (ACP) test.
6. List the types of safe harbors that a 403(b) plan may use to avoid nondiscrimination testing.
7. Compare the nondiscrimination rules applicable to 403(b) and 401(k) plans.
8. Identify the potential effect of the controlled group rules on tax-exempt organizations.
9. State the potential consequences of the loss of 403(b) status to the plan sponsor and participants.
10. Describe the IRS and DOL correction programs available to 403(b) plans.

I.Compare 403(b) plans to 401(k) plans.

1. State the benefits of participating in or sponsoring a retirement plan.
2. Describe the differences between a 403(b) plan and a 401(k) plan.

J.Compare public-sector to private-sector plans.

1. List the primary differences between governmental defined benefit plans and private sector defined benefit plans.
2. Describe the characteristics of IRC §414(h) pickup contributions, when they are typically used and how they impact contribution and compensation limits.
3. Summarize the issues that many governmental defined benefit plan sponsors have in applying final phased retirement regulations and discuss the resulting consequences.
4. Describe the purpose a DROP option in a governmental defined benefit plan serves, and list the types of employee groups that are typically offered in a DROP.
5. Describe an Optional Retirement Plan (ORP)/Alternative Retirement Plan (ARP) and how it is used by governmental employers.
6. Describe the flexibility that governmental employers have in making employer contributions to 403(b) and 401(a) plans.
7. Explain the type of post-employment employer contributions that may be made to a 403(b) plan.

K. Outline service providers and the array of services provided.

1. List the various services that may be performed in order to keep a 403(b) plan in compliance.
2. Identify the parties that may be involved in the administration of a 403(b) plan.
3. Explain the components of a service provider agreement and describe the purpose it serves.
4. Identify the specific tax form that is issued when a participant takes a distribution from a 403(b) plan.

L. List the characteristics of the two types of 457(b) plans.

1. Identify the types of entities that may sponsor a governmental 457(b) plan.
2. Identify the types of nongovernmental tax-exempt entities that may sponsor a 457(b) plan.
3. List who may be a participant in a governmental 457(b) plan.
4. Outline private letter rulings, government filings and the IRS approval process as it relates to 457(b) plans.
5. Explain the contribution limits of a governmental 457(b) plan including coordination with contributions to other plans.
6. Compare the definition of includible compensation used in a 403(b) plan versus a 457(b) plan.
7. Explain how and when back pay, unused sick and vacation pay may be deferred to a governmental 457(b) plan.
8. List the distributable events permitted by the IRC that allow a participant to take a distribution from a 457(b) plan.
9. Compare a participant’s eligibility for an unforeseeable emergency withdrawal from a 457(b) plan to a safe harbor hardship distribution from a 403(b) plan.
10. Explain the loan rules for governmental 457(b) plans.
11. Compare the federal taxation and the 10 percent penalty tax on early distributions as they apply to governmental 457(b) plans, 403(b) and 401(k) plans.
12. Explain the rules for plan-to-plan transfers from 457(b) plans.
13. List the characteristics of governmental 457(b) and a 457(b) plans sponsored by nongovernmental tax-exempt entities.
14. Indicate what groups of employees are eligible to participate in a 457(b) plan sponsored by a nongovernmental tax-exempt entities.
15. Explain the irrevocable distribution election requirements that apply to a nongovernmental tax-exempt 457(b) plan.
16. Identify the specific tax form(s) that are issued when a participant takes a distribution from a governmental or nongovernmental tax-exempt 457(b) plan or 403(b) plan.
17. Describe the IRS correction programs available to 457(b) plans of governmental and nongovernmental tax-exempt employers.

M. Explain the impact of the ASPPA Code of Professional Conduct and its impact on these professionals.

1. Identify actions that do and do not violate the ASPPA Code of Conduct.
2. **INSTRUCTOR'S EXPECTATIONS OF STUDENTS IN CLASS**

# **TEXTBOOKS AND OTHER REQUIRED MATERIALS**

1. **REFERENCES**

# **METHODS OF INSTRUCTION AND EVALUATION**

# **ATTENDANCE REQUIREMENTS**

# **COURSE OUTLINE**