**BARTON COMMUNITY COLLEGE**

**COURSE SYLLABUS**

# **GENERAL COURSE INFORMATION**

Course Number: BUSI 1817

Course Title: Tax-Exempt & Governmental Plan Consultant-2 (TGPC-2)

Credit Hours: 3 hours

Prerequisite: BUSI 1812 – Retirement Plan Fundamentals 1 (RPF-1), BUSI 1813 – Retirement Plan Fundamentals 2 (RPF-2) and BUSI 1816 – Tax-Exempt & Governmental Plan Consultant -1 (TGPC-1) with a grade of “C” or better

Division/Discipline: Workforce Training & Community Education/Business

Course Description: This course will focus on distribution aspects, i.e., the sales and marketing issues of working with 403(b), 457(b) and other plans maintained by tax-exempt and governmental entities. This course will prepare the student for the TGPC-2 examination administered by the American Society of Pension Professionals & Actuaries (ASPPA).

# **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, 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.

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# **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.

A**.** Identify the types of investments that may be offered in a 403(b) plan.

1. Identify the types of investment options that may be offered in a 403(b) plan.
2. Identify the investment trends in the 403(b) market.

B. Discuss bankruptcy protection available to participants in 403(b) plans.

1. Discuss the bankruptcy protection available to participants in 403(b) plans.
2. List the steps that K-12 public schools should take before implementing employer contributions in a 403(b) plan.
3. Describe the ways that employers use a qualified defined contribution plan to encourage participants to make elective deferrals to a governmental 457(b) or 403(b) plan.
4. Explain the process of how higher education organizations, K-12 schools and hospitals choose a vendor.

C**.** Explain the rules for contract exchanges and plan to plan transfers rules for 403(b) plans

1. Describe the issues that a participant should consider before moving his or her 403(b) account to another investment vehicle or product provider.
2. Describe the types of 403(b) plan-to-plan tax-free transfers that are permitted in 403(b) plans.
3. Identify what a contract exchange is as it relates to 403(b) plans.
4. Describe the information sharing process that occurs between an employer and a 403(b) provider or TPA.
5. Describe the product provider and employer requirements for tax-free transfers and exchanges.
6. Describe the issues that eligible participants should consider when deciding whether to purchase service credits in a state’s defined benefit plan.
7. Explain the advantages and disadvantages that participants should consider when making the decision to keep their account balance in a governmental 457(b) plan versus rolling it over to another eligible rollover plan or IRA.

D.Outline fiduciary standards

1. List a fiduciary’s standard of conduct requirements under ERISA.
2. List the requirements of an eligible investment advice arrangement as defined under ERISA.
3. List the individuals and organizations that qualify as ERISA fiduciary advisers.
4. List the parties that are considered fiduciaries under ERISA.
5. Describe the activities that may cause an individual to become a fiduciary under ERISA.
6. List the general duties and responsibilities of a plan administrator under ERISA.
7. Discuss why an employer would use an IPS.
8. Identify the types of topics that are included in an IPS.
9. Discuss why a plan sponsor would want to satisfy the requirements of ERISA §404(c).
10. Identify prohibited transactions as defined by ERISA.
11. Discuss the penalties for fiduciary and prohibited transaction breaches as defined under ERISA.

E.Outline favorable taxation rules when public safety employees and public safety officers take distributions under certain scenarios.

1. Define a public safety employee and public safety officer.
2. Explain the waiver of the 10% tax on early distributions to public safety employees from a governmental defined benefit plan and the potential tax implications if these distributions are rolled over and subsequently distributed from another retirement plan or IRA.
3. Describe how public safety officers may directly transfer taxable retirement distributions to pay for retiree medical or long-term care premiums on a pre-tax basis.

F.State the compliance needs of clients

1. Explain the components of a service provider agreement and describe the purpose it serves.

G.Outline the different categories of 457 plans and what types of organizations may sponsor them.

1. List the characteristics of a nongovernmental tax-exempt 457(b) plan.
2. List the ERISA requirements that a nongovernmental tax-exempt 457(b) plan must satisfy.
3. Describe the considerations of using a rabbi trust in a nongovernmental tax-exempt 457(b) plan.
4. Discuss the fiduciary obligations of a local or state employer as it relates to a 457(b) plan.
5. Discuss what investments are permitted in governmental 457(b) plans and nongovernmental tax-exempt 457(b) plans.
6. Describe the differences between a governmental 457(b) plan and a 457(b) plan sponsored by a nongovernmental tax-exempt entity.
7. List the characteristics of a 457(f) plan.
8. Explain how IRC §409(A) affects the taxation of 457(f) plans.
9. Discuss when contributions to a 457(f) plan are included as income for federal tax purposes.
10. Explain what is a substantial risk of forfeiture and its tax consequences in a 457(f) plan.
11. Compare the characteristics of a 457(b) plan to a 457(f) plan.

H.Explain the process of working in the religious organization marketplace

1. Define the potential marketing opportunities available in the religious organization marketplace.
2. Define a “steeple” church entity.
3. Define a qualified church controlled organization (QCCO).
4. Identify entities that are considered non-QCCOs.
5. Define an IRC §414(e) religious organization.
6. Explain the universal availability requirements that apply differently to churches and QCCOs and distinguish those from the rules that apply to IRC §414(e) organizations.
7. Explain the 403(b) nondiscrimination rules that apply differently to churches, QCCOs and IRC §414(e) entities.
8. Explain the two catch-up provisions under IRC §415(c) that are specific to churches and QCCOs.
9. Define what types of compensation are considered includible compensation for purposes of contribution allocations in religious organization’s plans.
10. Describe differences in taxability in distributions from a 403(b)(9) retirement income account from other 403(b) plan types.
11. Differentiate between a 403(b)(9) retirement income account and a 403(b)(1) annuity or 403(b)(7) custodial account.
12. Identify the types of plans that an IRC §414(e) entity, church and QCCO may maintain.

I.Explain the different types of fees and expenses associated with plans and investments

1. Explain mutual fund sales charges, 12b-1 fees and how mutual fund share classes affect investment fees.
2. Define investment management fees, custodial and transfer agent fees, transaction fees, sub-transfer agent fees and shareholder servicing fees.
3. Describe the potential contractual expenses that may be incurred in an annuity contract.
4. Explain the concept of revenue sharing.
5. Discuss the participant fee disclosure requirements under ERISA 404(a).
6. Discuss the service provider disclosure requirements under ERISA 408(b)(2).

J.Explain the ASPPA Code of Professional Conduct and the impact on the pension professional

1. Identify actions that do and do not violate the ASPPA Code of Professional Conduct.
2. Describe the circumstances that may result in an ethical dilemma and the steps that should be taken when confronted with an ethical dilemma.

1. **INSTRUCTOR'S EXPECTATIONS OF STUDENTS IN CLASS**

# **TEXTBOOKS AND OTHER REQUIRED MATERIALS**

# **REFERENCES**

# **METHODS OF INSTRUCTION AND EVALUATION**

# **ATTENDANCE REQUIREMENTS**

# **COURSE OUTLINE**