**BARTON COMMUNITY COLLEGE**

**COURSE SYLLABUS**

# **GENERAL COURSE INFORMATION**

Course Number: BUSI 1818

Course Title: DC-3: Defined Contribution Administrative Issues – Advanced Topics

Credit Hours: 3

Prerequisite: BUSI 1808 - DC-1: Defined Contribution Administrative Issues and BUSI 1809 – DC-2: Defined Contribution Administrative Issues – Compliance Issues with grade of “C” or better.

Division/Discipline: Workforce Training & Community Education - Business

Course Description: This course will begin with a study of leased employees and the different types of business entities. It will include coverage of employer situations such as determining controlled groups and affiliated service groups. This course will prepare the student for the DC - 3 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 DC –3 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**.** Determine who is a leased employee and how such employees affect retirement plans

1. Describe a multiple employer plan and describe its impact on plan administration.
2. Identify a multiemployer plan and its impact on plan administration.
3. Describe the four requirements that must be met to treat an individual as a leased employee under IRC §414(n).
4. Compare the treatment of leased employees in a recipient client organization’s single employer plan to that in a multiple employer plan sponsored by the leasing organization.

B**.** Outline various types of business entities and how such entities affect retirement plans

1. Outline the characteristics of the different types of business entities.
2. Calculate the compensation for purposes of the contribution allocation to a self-employed person.
3. Describe what a QSLOB is and how it impacts the plan’s testing.
4. Identify the six safe harbor tests that a QSLOB can use to satisfy the administrative scrutiny test.

C**.** Identify controlled groups and affiliated service groups and the effect of such a determination on various plan qualification rules

1. Identify the impact of controlled group status when applied to the qualified plan requirements.
2. Differentiate between a brother-sister controlled group and a parent subsidiary group.
3. Explain the attribution rules applicable to controlled groups under IRC §1563, including exceptions to spousal attribution.
4. Determine whether a controlled group exists.
5. Outline the impact of affiliated service group status when applying the qualified plan requirements.
6. Determine whether an organization is a service organization, a professional service organization or an FSO.
7. Determine whether an organization is a management organization based on the type and degree of services performed.
8. Explain the attribution rules applicable to affiliated service groups under IRC§318.
9. Determine whether an ASG exists under IRC §414(m).

D**.** Identify various definitions of compensation and when a plan’s definition of compensation may be subject to additional nondiscrimination testing

1. Compare the definitions of compensation under IRC §§415 and 414(s).
2. Explain when a plan’s definition of compensation is subject to nondiscrimination testing.
3. Calculate the compensation nondiscrimination test.
4. Determine the impact of short plan years and short tax years on deduction limits.
5. Determine the deduction limits as they apply to overlapping defined benefit/defined contribution plans.

E**.** Apply the average benefit test, the effect of plan aggregation and disaggregation and how leased employees affect coverage testing

1. Identify the components of the average benefit test and be able to demonstrate such testing.
2. Determine which plans or components of a plan may or must be aggregated or disaggregated for minimum coverage purposes.
3. Explain the otherwise excludable rules regarding coverage testing.
4. Describe how mergers, acquisitions and spin-offs affect coverage testing.
5. Identify the three simplified procedures for establishing employee data for testing coverage in a plan year.
6. Determine the impact of leased employees on coverage testing.
7. Determine corrections that can be made when a plan does not satisfy coverage requirements.

F**.** Describe advanced testing methods used to show a plan is nondiscriminatory

1. Determine when an IRC §401(a)(4) general test calculation might be needed.
2. Describe allocation rate group testing and determine allocation rate groups.
3. Describe the concept of cross-testing and determine EBARs.
4. Describe the gateway test, determine when it is required and calculate the test.
5. Outline the interaction of coverage testing under IRC §410(b) and nondiscrimination testing under IRC §401(a)(4).
6. Identify aggregation, disaggregation and restructuring issues associated with nondiscrimination testing.
7. Describe a plan’s benefits, rights and features and explain the testing of such features for current and effective availability.
8. Determine corrections that can be made when a plan does not satisfy nondiscrimination requirements.

G**.** Describe the features of an ESOP and reasons an employer might offer this type of plan

1. Identify the reasons a plan sponsor might establish an ESOP.
2. Describe the key features of a stock bonus plan.
3. List the primary characteristics of an ESOP.
4. Explain the rules regarding an IRC §1042 election including allocation restrictions.
5. Explain the requirement to allow participants to request a distribution in the form of stock and how net unrealized appreciation is calculated.
6. Determine which participants are eligible to diversify their accounts and be able to demonstrate a diversification calculation.
7. Explain the special rules regarding plan operation and administration of a leveraged ESOP.
8. Compare ESOP rules and reporting requirements for a plan sponsored by an S corporation versus a C corporation.
9. State the mechanics of the IRC §409(p) rules and how they impact an S-Corporation ESOP.

H**.** Identify a fiduciary and outline the standards for fiduciary conduct

1. Determine whether an individual is a fiduciary and identify the parties who serve as fiduciaries.
2. Outline fiduciary duties and responsibilities and describe the standards for fiduciary conduct.
3. Identify the actions which may result in fiduciary liability.
4. List the factors that a fiduciary should consider when choosing a service provider.
5. Identify the consequences and sanctions associated with a breach of fiduciary duty.

I**.** Identify prohibited transactions

1. Identify a disqualified person
2. Identify a party-in-interest
3. Illustrate a prohibited transaction.
4. Explain how a class exemption differs from an individual exemption and describe the major class exemptions.
5. Describe and calculate the penalties applicable to prohibited transactions including first and second tier taxes.
6. Describe reporting requirements that apply to prohibited transactions.
7. Identify who is covered service provider under the fiduciary fee disclosure regulations.
8. Explain the consequences for failing to make required fiduciary fee disclosures.

J**.** Outline steps to guide plan sponsors through the participant distribution process

1. Identify the information that must be provided to a participant in the required notice for a distribution to occur and whether consent is required.
2. Identify the impact of the repeal of DOMA on the definition of Spouse for various plan purposes, including attribution rules, definition of HCE, definition of key employee, distribution and beneficiary purposes.
3. Explain how insurance works in a defined contribution including the calculation of death benefits.
4. State the applicable limits on the amount of life insurance in a defined contribution plan.

K**.** Describe ethical duties and standards

1. Illustrate awareness of the provisions of the ASPPA Code of Professional Conduct

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

# **TEXTBOOKS AND OTHER REQUIRED MATERIALS**

# **REFERENCES**

# **METHODS OF INSTRUCTION AND EVALUATION**

# **ATTENDANCE REQUIREMENTS**

# **COURSE OUTLINE**