

**AIA Trust Self-Assessment Tests**

# **Financial Management**

## **AIA Trust Self-Assessment Test – XII Answer sheet**

### **Retirement Planning**

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AXA Equitable Life Insurance Company is the provider of the AIA Members Retirement Program. Should you be in a position to begin or change a retirement plan for yourself or the people in your firm, information can be obtained by calling the AIA Members Retirement Program at 1-800-523-1125, ext. 6314.

<b>T</b> <b>F</b>	1. With a Traditional 401(k) plan the participation level of employees determines the maximum 401(k) contribution of the highly compensated employees (generally owners).
<b>T</b> <b>F</b>	2. With Safe Harbor 401 (k) plans, the participation level of employees can determine the amount of 401(k) contributions permitted for highly compensated employees (generally owners)
<b>T</b> <b>F</b>	3. Matching contributions are a part of every 401(k) plan.
<b>T</b> <b>F</b>	4. Salary deferral amounts made by an employee to a 401(k) plan are 100% vested.
<b>T</b> <b>F</b>	5. An eligibility requirement must be met before an employee can participate in a plan.
<b>T</b> <b>F</b>	6. SIMPLE 401(k) and SIMPLE IRA plans are for small businesses only.
<b>T</b> <b>F</b>	7. Roth 401(k) deferrals are similar in concept to a Roth IRA since the earnings on such amounts may never be subject to taxation.
<b>T</b> <b>F</b>	8. If you are age 50 or older, you are allowed to make “Catch-Up” contributions to a 401(k) plan.

<b>T</b> <b>F</b>	9. If you own multiple retirement plans such as an IRA, a 401(k) from a previous job, Profit Sharing, etc., they must remain separate.
<b>T</b> <b>F</b>	10. Once you've established a plan with a carrier, should you want to change carriers, that plan must first be terminated.
<b>T</b> <b>F</b>	11. Once a retirement plan has been established, you should review the plan as your situation changes.

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