AIA Trust
Where smart architects manage risk®

Retirement Planning

DO THIS TEST AND EARN LUs
The AIA Trust is happy to provide AIA members with the opportunity to earn two AIA CES Learning Units. This test covers facts about the various types of retirement plans that the AIA Trust offers. While everyone has different needs, goals, and ideas about their retirement, it's important to consider retirement planning at any age. Answers can be found on the AIA Trust website, in its program pages and webinars. You don't have to ace the test to get credit; the primary objective of the test is to learn what you don't know about planning for retirement!

After you complete the test, scan, and email it to AIATrust@aia.org along with your name and AIA member number. After we receive your test we will add the Learning Unit to your online transcript and will email the answer sheet with the correct responses to you.

T **F**	1. Individual Retirement Accounts (IRAs) are set up by individuals on their own behalf and contributions may not be tax deductible but earnings on the IRA accumulate on a tax-deferred basis until withdrawal at age 59 1/2 or later without penalty.
T **F**	2. The risk that over time your money will purchase less as prices rise is considered 'interest rate risk.'
T **F**	3. The difference between a Roth 401(k) and a traditional 401(k) is that the Roth version is funded with after-tax dollars while the traditional 401(k) is funded with pre-tax dollars.
T **F**	4. *Traditional 401(k)* plans and Safe Harbor 401(k) plans generally require mandated compliance "testing" every year to make sure the plan does not discriminate in favor of highly compensated employees.
T **F**	5. *Owner's 401(k)* plans are for a sole owner with no employees or owners who employ only family members which allows the owner to increase his or her contribution.
T **F**	6. For retirement savings, an asset mix typically is determined by investment time frame and risk tolerance. Generally speaking, the longer time horizon, the less risk you should take.

T **F**	7. If over the age of 45, a retirement plan that allows you to put more money is called the New Comparability Profit-Sharing Plan by grouping participants into age classes allowing larger contributions for older groups closer to retirement while still meeting tax law requirements.
T **F**	8. During one's "Peak Earnings Years" (Ages 46 – 55), one should resist scaling back retirement contributions to boost education savings for kids and instead consider college loans and financial assistance to fund college educations in addition to making annual "catch-up" contributions to a 401(k).
T **F**	9. If you're retiring in your 60's, your savings should be at least three times your annual income.
T **F**	10. Long-term care insurance should be considered as part of retirement planning since it transfers the costly risk of expensive, long-term care services to an insurance company - and away from your retirement savings.
T **F**	11. A tax-deferred employer retirement plan is one of the best ways one can save toward retirement.
T **F**	12. Asset allocation means diversifying a portfolio among different asset classes, such as stocks, bonds and cash equivalents, in an effort to manage risk.
T **F**	13. Your asset allocation within your tax-qualified retirement plan can generally be more conservative due to the pre-tax deferral of income you receive for amounts deducted from your salary.
T **F**	14. As you pass through the various stages of life, your asset allocation should change with you.
T **F**	15. Market capitalization is a common measure of the relative size of a company.
T **F**	16. Core investing is an investment style that utilizes both growth investing and value investing strategies.

T **F**	17. A sector portfolio invests in several sectors of the overall equity market.
T **F**	18. Prototype plans typically involve more administrative requirements and are especially difficult for small firms to establish and maintain.
T **F**	19. If a firm maintains a profit-sharing plan, they do not have to make a contribution every year – even if there are profits every year.
T **F**	20. Matching contributions are a part of every 401(k) plan.
T **F**	21. A safe harbor 401(k) plan allows employees to contribute a percentage of their salary each paycheck and requires employer contributions. In a safe harbor 401(k) plan, the mandatory employer contribution is always subject to a six-year graded vesting schedule.
T **F**	22. Loans are a standard plan feature. A loan from a participant's accumulated plan assets is generally structured not to exceed 50% of the vested balance or $50,000, whichever is less.
T **F**	23. All qualified retirement plan participants must take a minimum required distribution after they have attained age 65 and are retired.
T **F**	24. If you own multiple retirement plans such as an IRA, a 401(k) from a previous job, Profit Sharing, etc., they are portable and can be consolidated.

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