

Retirement Planning for Financial Advisors
Chapter 1 - Quiz

Question 1 **7 points** [Save](#)

A SEP is a qualified retirement plan.

True

False

Question 2 **7 points** [Save](#)

In a tax-advantaged retirement plan, the employer is only eligible for a deduction when the employee has taxable income.

True

False

Question 3 **7 points** [Save](#)

In order to avoid current taxation of earnings, tax-advantaged retirement plan funds must be invested in tax-sheltered investments, such as life insurance or municipal bonds.

True

False

Question 4 **7 points** [Save](#)

Participants in a tax-advantaged plan can generally delay paying taxes at termination of employment by rolling the benefit into another tax-advantaged plan or IRA.

True

False

Question 5 **7 points** [Save](#)

A strength of tax-advantaged retirement plans is that the plan can include highly compensated employees and exclude the rank and file.

True

False

Question 6 **6.5 points** [Save](#)

Many workers have the opportunity to make contributions to an employer sponsored retirement plan and/or contribute to a Roth IRA.

True

False

Question 7 **6.5 points** [Save](#)

The higher the employee's tax bracket, the greater the tax savings by using a tax-advantaged retirement plan.

True

Retirement Planning for Financial Advisors
Chapter 1 - Quiz

False

Question 8 **6.5 points** [Save](#)

A tax-advantaged retirement plan is generally a more efficient way to save for retirement than saving on an after-tax basis.

True

False

Question 9 **6.5 points** [Save](#)

Retirement plans play a key role in making a company competitive in the marketplace because they help the employer to attract and retain employees.

True

False

Question 10 **6.5 points** [Save](#)

If it is well designed and correctly implemented, a retirement plan can be an enticement for an employee to remain with the company.

True

False

Question 11 **6.5 points** [Save](#)

Pensions are often negotiated in labor contracts because they constitute wages and are a condition of employment that is subject to the collective-bargaining process.

True

False

Question 12 **6.5 points** [Save](#)

Retirement plans can provide for a graceful transition in the workforce by allowing for early retirement and providing "golden handshakes" to older nonproductive employees.

True

False

Question 13 **6.5 points** [Save](#)

Qualified and other tax-advantaged retirement plans represent one of the best tax shelters available for business owners.

True

False

Question 14 **6.5 points** [Save](#)

Funds in a qualified plan may be protected in bankruptcy proceedings.

Retirement Planning for Financial Advisors
Chapter 1 - Quiz

True

False

Question 15

6.5 points

[Save](#)

Contributions to a qualified plan can reduce a small business's exposure to the accumulated earnings tax.

True

False