

Retirement Planning for Financial Advisors  
Chapter 25- Quiz

**Question 1** **8.5 points** [Save](#)

A qualified plan should clearly specify the optional forms of distribution and when benefits are payable.

- True
- False

**Question 2** **8 points** [Save](#)

If a terminating participant is entitled to a lump-sum benefit of \$3,000, the plan can force out the payment in a lump sum and forgo giving participants the right to optional forms of distributions.

- True
- False

**Question 3** **8.5 points** [Save](#)

A life annuity is an appropriate benefit option for the individual who wants the guarantee of lifetime payments but who has no need to provide retirement income to a spouse or other dependent.

- True
- False

**Question 4** **8.5 points** [Save](#)

In a joint and survivor benefit, a monthly benefit continues to be paid to a surviving beneficiary after the death of the participant.

- True
- False

**Question 5** **8 points** [Save](#)

Installment payments and an annuity certain are two names for the same option.

- True
- False

**Question 6** **8.5 points** [Save](#)

In a defined-benefit plan, an annuity is purchased with the participant's account balance.

- True
- False

**Question 7** **8 points** [Save](#)

A subsidized early retirement benefit generally means that a benefit payable at normal retirement age can begin earlier without an actuarial reduction.

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- True
- False

**Question 8** **8.5 points** [Save](#)

If the actual interest rate of a variable annuity is higher than the AIR, the annuity payments will decrease.

- True
- False

**Question 9** **8.5 points** [Save](#)

For the client whose primary objective is funding retirement needs, the most important pension distribution issues are when to begin receiving benefits and what form the distributions should take.

- True
- False

**Question 10** **8.5 points** [Save](#)

For the client concerned about outliving his or her assets, a rollover into an IRA (not invested in an annuity contract) is always the best distribution option.

- True
- False

**Question 11** **8 points** [Save](#)

A client concerned about maximizing his or her estate may want to consider distributing assets as slowly as allowed under the minimum-distribution rules.

- True
- False

**Question 12** **8.5 points** [Save](#)

A client should never consider converting a traditional IRA to a Roth IRA either at or after normal retirement age.

- True
- False