CERTIFIED EMPLOYEE BENEFIT SPECIALIST (CEBS) – GROUP BENEFITS ASSOCIATE (GBA) / RETIREMENT PLANS ASSOCIATE (RPA) COURSE 3 PRACTICE TEST (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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Introduction

Preparing for a certification exam can feel overwhelming, but with the right tools, it becomes an opportunity to build confidence, sharpen your skills, and move one step closer to your goals. At Examzify, we believe that effective exam preparation isn't just about memorization, it's about understanding the material, identifying knowledge gaps, and building the test-taking strategies that lead to success.

This guide was designed to help you do exactly that.

Whether you're preparing for a licensing exam, professional certification, or entry-level qualification, this book offers structured practice to reinforce key concepts. You'll find a wide range of multiple-choice questions, each followed by clear explanations to help you understand not just the right answer, but why it's correct.

The content in this guide is based on real-world exam objectives and aligned with the types of questions and topics commonly found on official tests. It's ideal for learners who want to:

- Practice answering questions under realistic conditions,
- Improve accuracy and speed,
- Review explanations to strengthen weak areas, and
- Approach the exam with greater confidence.

We recommend using this book not as a stand-alone study tool, but alongside other resources like flashcards, textbooks, or hands-on training. For best results, we recommend working through each question, reflecting on the explanation provided, and revisiting the topics that challenge you most.

Remember: successful test preparation isn't about getting every question right the first time, it's about learning from your mistakes and improving over time. Stay focused, trust the process, and know that every page you turn brings you closer to success.

Let's begin.

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How to Use This Guide

This guide is designed to help you study more effectively and approach your exam with confidence. Whether you're reviewing for the first time or doing a final refresh, here's how to get the most out of your Examzify study guide:

1. Start with a Diagnostic Review

Skim through the questions to get a sense of what you know and what you need to focus on. Your goal is to identify knowledge gaps early.

2. Study in Short, Focused Sessions

Break your study time into manageable blocks (e.g. 30 – 45 minutes). Review a handful of questions, reflect on the explanations.

3. Learn from the Explanations

After answering a question, always read the explanation, even if you got it right. It reinforces key points, corrects misunderstandings, and teaches subtle distinctions between similar answers.

4. Track Your Progress

Use bookmarks or notes (if reading digitally) to mark difficult questions. Revisit these regularly and track improvements over time.

5. Simulate the Real Exam

Once you're comfortable, try taking a full set of questions without pausing. Set a timer and simulate test-day conditions to build confidence and time management skills.

6. Repeat and Review

Don't just study once, repetition builds retention. Re-attempt questions after a few days and revisit explanations to reinforce learning. Pair this guide with other Examzify tools like flashcards, and digital practice tests to strengthen your preparation across formats.

There's no single right way to study, but consistent, thoughtful effort always wins. Use this guide flexibly, adapt the tips above to fit your pace and learning style. You've got this!

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Questions

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1. Which describes a retirement plan where the benefit is predetermined and the employer bears investment risk?

A. Employee stock ownership plan

B. Cash balance plan

C. Defined contribution plan

D. Defined benefit plan

2. Which of the following is NOT listed as a deficiency type in the 2014 DOL audit quality study?

A. Internal Plan Processes

B. Regulatory requirements

C. Outside Service Providers

D. Data Security Controls

3. How do annual 401(k) contribution limits and catch-up contributions affect plan design?

A. They cap deferrals for all participants; catch-up contributions allow older workers to contribute more, affecting overall funding and nondiscrimination planning.

B. They have no impact on plan design.

C. They require separate accounts for each employee.

D. They are adjusted to ensure automatic employer matching.

4. What is a QDRO and how does it affect retirement plan benefits?

A. A court order dividing a participant's retirement benefits to an alternate payee (e.g., former spouse) in divorce.

B. A tax form used to allocate contributions to beneficiaries.

C. A plan amendment that allows early retirement options.

D. A regulatory guideline for investment diversification.

5. Under ERISA, which statement correctly contrasts welfare and pension plans?

A. Welfare plans must be funded under the Pension Protection Act.

B. Welfare plans cover health, life, disability benefits, while pension plans provide retirement income; they have different funding and testing rules.

C. Both are exempt from any testing requirements.

D. Pension plans are not subject to ERISA.

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6. SOC 2 reports are primarily used by which groups?

A. Public customers

B. Plan sponsors

C. External auditors

D. Management, regulators, and others under NDA

7. Under Part A, how many hospital days are covered before coinsurance applies?

A. 60 days

B. 30 days

C. 90 days

D. 120 days

8. Which statement about Part D financing is true?

A. It is funded entirely by payroll taxes

B. It receives funding from states to defray Medicaid prescription costs

C. It is funded solely by beneficiary premiums

D. It has no state funding

9. What is a High-Deductible Health Plan (HDHP) and its relationship to HSAs?

A. An HDHP has a low deductible and cannot contribute to an HSA

B. An HDHP is unrelated to HSAs

C. An HDHP is the only plan that can offer employer HSA contributions

D. An HDHP features a high deductible; it is a qualifying plan for contributing to an HSA

10. Which feature would be tremendously convenient and efficient for plan sponsors when used across markets?

A. Investment management cost reductions

B. Cross-border plan structures

C. Multinational call centers

D. Communication: Using a single set of communication materials across markets

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Answers

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1. D
2. D
3. A
4. A
5. B
6. D
7. A
8. B
9. D
10. D

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Explanations

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1. Which describes a retirement plan where the benefit is predetermined and the employer bears investment risk?

A. Employee stock ownership plan

B. Cash balance plan

C. Defined contribution plan

D. Defined benefit plan

In a defined benefit plan, the retirement benefit is fixed by a formula (for example, based on years of service and final average pay). Because the payout is predetermined, the employer must fund enough assets to meet that promise, and any investment shortfall is the employer's responsibility. The employee's eventual benefit doesn't depend on how the plan's investments perform. This is different from defined contribution plans, where contributions are defined but the eventual benefit depends on investment returns, placing the investment risk on the employee. So the described plan—benefit set by a formula with the employer bearing investment risk—is a defined benefit plan.

2. Which of the following is NOT listed as a deficiency type in the 2014 DOL audit quality study?

A. Internal Plan Processes

B. Regulatory requirements

C. Outside Service Providers

D. Data Security Controls

The question checks which deficiency areas the DOL identified in its 2014 audit quality study. That study grouped deficiencies into three main areas: Internal Plan Processes (how the plan is operated, including recordkeeping and processing), Regulatory requirements (compliance with ERISA rules, notices, filings, and fiduciary duties), and Outside Service Providers (issues in oversight of third-party vendors). Data Security Controls, while crucial in today's environment, was not listed as a deficiency type in that particular study. The study focused on governance and administrative/operational practices rather than IT security control categories, so data security concerns aren't part of the deficiency types it enumerated. Therefore, Data Security Controls is the option that doesn't fit.

3. How do annual 401(k) contribution limits and catch-up contributions affect plan design?

A. They cap deferrals for all participants; catch-up contributions allow older workers to contribute more, affecting overall funding and nondiscrimination planning.

B. They have no impact on plan design.

C. They require separate accounts for each employee.

D. They are adjusted to ensure automatic employer matching.

Annual 401(k) deferral limits set the maximum an individual can contribute from pay in a given year, and catch-up contributions allow workers who are older to add an extra amount beyond that limit. Plan design must work within these rules because the limits directly cap how much can come from employee deferrals and how much additional funding older participants can provide. That shapes the overall funding approach, including how generous the employer match can be and how contributions are allocated to keep the plan within nondiscrimination rules. Catch-up contributions can shift more of the plan's funding toward older, typically higher-earning participants, which affects testing and the strategies used to pass ADP/ACP nondiscrimination tests. Some plans might use safe harbor features or adjust matching to ensure the plan remains compliant and fair across participants. The other options overlook this impact: these limits do influence plan design, they do not require separate accounts, and they are not about guaranteeing automatic employer matching.

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4. What is a QDRO and how does it affect retirement plan benefits?

A. A court order dividing a participant's retirement benefits to an alternate payee (e.g., former spouse) in divorce.

B. A tax form used to allocate contributions to beneficiaries.

C. A plan amendment that allows early retirement options.

D. A regulatory guideline for investment diversification.

A QDRO, or Qualified Domestic Relations Order, is a court order used in divorce to divide a participant's retirement benefits between the participant and an alternate payee, such as a former spouse. It directs the retirement plan to pay a specified portion of the benefits to that alternate payee—either as periodic payments or a lump sum—while the rest remains with the participant. The plan administrator must honor the QDRO once it's approved by the court and by the plan, and the distribution follows the plan's rules, preserving the tax-advantaged status of the retirement benefits. A QDRO can specify how much is allocated (as a percentage or fixed amount) and whether survivor benefits continue to the alternate payee after the participant's death. This mechanism provides a legally enforceable method to divide retirement assets in a divorce without disrupting the tax-advantaged nature of the plan. It's not a tax form used to allocate contributions, not a plan amendment for early retirement, and not a regulatory guideline for investment diversification.

5. Under ERISA, which statement correctly contrasts welfare and pension plans?

A. Welfare plans must be funded under the Pension Protection Act.

B. Welfare plans cover health, life, disability benefits, while pension plans provide retirement income; they have different funding and testing rules.

C. Both are exempt from any testing requirements.

D. Pension plans are not subject to ERISA.

Under ERISA, welfare benefit plans and pension plans serve different purposes and are governed by different funding and testing requirements. Welfare plans cover non-retirement benefits such as health, life, and disability, while pension plans provide retirement income. Both types fall under ERISA, but pension plans—especially defined benefit plans—have specific funding standards and minimum funding requirements to ensure there are enough assets to pay promised benefits. Welfare plans generally do not follow these pension-specific funding rules, though they still carry ERISA duties like fiduciary responsibility and required reporting. The statement that welfare plans must be funded under the Pension Protection Act is not accurate because the PPA targets pension funding rules, not welfare plan funding. The idea that both types are exempt from testing is incorrect, since pension plans are subject to funding and other testing rules, while pension plans are clearly within ERISA. Pension plans are indeed subject to ERISA.

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6. SOC 2 reports are primarily used by which groups?

A. Public customers

B. Plan sponsors

C. External auditors

D. Management, regulators, and others under NDA

SOC 2 reports are designed to provide assurance about a service organization's controls to those who have a legitimate need to know and can be trusted with confidential information. They detail how the organization meets the trust services criteria for security, availability, processing integrity, confidentiality, and privacy, and, in a Type II report, how those controls operate over time. Because the report contains sensitive control descriptions and testing results, it is typically shared only under a non-disclosure agreement with the service user's management, regulators, and other authorized parties who have a contractual or regulatory need to know. It isn't intended for broad public distribution, and while external auditors may refer to or rely on the result as part of an overall risk assessment, the primary audience remains those with a need-to-know and proper confidentiality protections, such as management and regulators.

7. Under Part A, how many hospital days are covered before coinsurance applies?

A. 60 days

B. 30 days

C. 90 days

D. 120 days

In Part A, after meeting the deductible for a benefit period, the first 60 days of inpatient hospital care are covered with no coinsurance. Coinsurance starts on day 61. So, the number of hospital days covered before coinsurance applies is 60. (Beyond that, days 61–90 have coinsurance, and days 91–150 use lifetime reserve days with higher coinsurance.)

8. Which statement about Part D financing is true?

A. It is funded entirely by payroll taxes

B. It receives funding from states to defray Medicaid prescription costs

C. It is funded solely by beneficiary premiums

D. It has no state funding

Part D is financed through a mix rather than by a single source. Enrollees pay premiums, but federal general revenues and state payments also contribute. Specifically, states fund a portion to defray the prescription costs for individuals who are eligible for both Medicare and Medicaid (dual-eligibles). That blend of funding sources is what makes Part D workable and ensures ongoing drug coverage for those with Medicaid in addition to Medicare. So, the statement that states provide funding to help defray Medicaid prescription costs under Part D is true. Payroll taxes fund Part A, not Part D, and Part D is not financed solely by beneficiary premiums, and there is state funding for dual-eligibles, so the other descriptions aren't accurate.

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9. What is a High-Deductible Health Plan (HDHP) and its relationship to HSAs?

A. An HDHP has a low deductible and cannot contribute to an HSA

B. An HDHP is unrelated to HSAs

C. An HDHP is the only plan that can offer employer HSA contributions

D. An HDHP features a high deductible; it is a qualifying plan for contributing to an HSA

An HDHP is a health plan with a higher deductible and higher out-of-pocket limits, and it is the plan type that qualifies you to contribute to a Health Savings Account. Because the plan meets the IRS criteria for HDHPs, you can open and fund an HSA—contributions can come from you or your employer—and those funds grow tax-free and can be used tax-free for qualified medical expenses. The money stays with you and rolls over year to year, even if you change jobs or health plans. The other statements misstate the relationship: a low-deductible plan isn't eligible for HSA contributions, HSAs aren't unrelated to HDHPs, and employer contributions aren't exclusive to any other plan type. The essential point is that the HDHP's high deductible makes it eligible for an HSA.

10. Which feature would be tremendously convenient and efficient for plan sponsors when used across markets?

A. Investment management cost reductions

B. Cross-border plan structures

C. Multinational call centers

D. Communication: Using a single set of communication materials across markets

Standardizing communications across markets is tremendously convenient for plan sponsors because it creates a single, consistent messaging foundation that can be applied globally. When there is one set of materials for participants—descriptions of benefits, enrollment instructions, notices, and disclosures—the administrative burden drops significantly. Translation and localization efforts are focused on core documents rather than duplicating entire sets for each market, which reduces costs and minimizes the risk of inconsistent information or errors. Updates and regulatory changes can be rolled out quickly, since a single core version is revised and then deployed with any necessary local annotations. This approach also strengthens branding and governance, ensuring participants across regions receive the same clear information and experience. Other options offer benefits in their own right but don't deliver the same level of cross-market efficiency. Investment management cost reductions focus on expense savings but not on standardizing communications across countries. Cross-border plan structures add complexity and regulatory variation rather than streamlining communications. Multinational call centers can help support but introduce additional layers of cost and potential inconsistency. The universally efficient feature is a single, unified set of communication materials used across markets.

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Next Steps

Congratulations on reaching the final section of this guide. You've taken a meaningful step toward passing your certification exam and advancing your career.

As you continue preparing, remember that consistent practice, review, and self-reflection are key to success. Make time to revisit difficult topics, simulate exam conditions, and track your progress along the way.

If you need help, have suggestions, or want to share feedback, we'd love to hear from you. Reach out to our team at hello@examzify.com.

Or visit your dedicated course page for more study tools and resources:

https://cebsgbarpa3.examzify.com

We wish you the very best on your exam journey. You've got this!

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