

CPFA: Certified Plan Fiduciary Adviser 2017 Syllabus

Credential Overview

Federal law regulates standards of conduct for those who manage qualified retirement plans. Plan advisers who sell and service these plans must act in accordance with these basic fiduciary principles.

The Certified Plan Fiduciary Adviser (CPFA) credential demonstrates an adviser's knowledge, expertise and commitment to working with retirement plans. Plan advisers who earn their CPFA demonstrate the expertise required to act as a plan fiduciary or help plan fiduciaries manage their roles and responsibilities.

To earn the CPFA credential candidates must pass the CPFA examination.

Exam Format

The CPFA exam includes 75 multiple choice questions for which a candidate will have 3 hours to complete. Candidates will receive a grade immediately upon completing the exam. Exams are given in a proctored setting at Prometric Testing Centers during two examination windows. Please refer to the Education calendar at www.asppa-net.org/education-calendar for specific exam windows as well as registration and postponement deadlines.

Study Materials

NAPA CPFA Online Course

The CPFA Online Course is the preferred study material for the examination and can be purchased separately.

The CPFA online course is divided into four modules covering all the examination content:

1. Fiduciary Management under ERISA
2. ERISA Plan Management 1
3. ERISA Plan Investment Management
4. ERISA Plan Management 2

Time Period Covered by This Material

For the 2017 program year, this examination and corresponding course will cover legislative and regulatory changes as amended through August 1, 2016.

Additional Information

All candidates are encouraged to visit Candidate Corner (www.asppa-net.org/candidate-corner) for additional information. It is the candidate's responsibility to check the website for the most current information on examinations and publications. The Candidate Corner includes instructions for locating Prometric testing centers to schedule examinations, exam windows and dates, study tips, current information on regulatory limits and other helpful information. You may also contact ASPPA with questions at education@asppa.org.

Exam Specifications

Topic 1: Fiduciary Roles and Responsibilities

Learning Objectives

The successful candidate will be able to:

- 1.01 Explain ERISA exclusive purpose and ERISA prudence rule.
- 1.02 Identify named fiduciaries.
- 1.03 Identify actions that might establish a fiduciary relationship.
- 1.04 Explain roles and responsibilities of named fiduciaries.
- 1.05 Identify actions covered by the Best Interest Contract Exemption.
- 1.06 Differentiate investment advice and investment education.
- 1.07 Describe the "best interest contract exemption" under the DOL fiduciary regulation.
- 1.08 Differentiate between 3(16), 3(21) and 3(38) fiduciaries.

Exam Weighting

This topic will comprise approximately 9 to 11 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 1 – Fiduciary Management under ERISA. Units 1 and 2.

Topic 2: Non-Fiduciary Service Providers

Learning Objectives

The successful candidate will be able to:

- 2.01 Identify ministerial functions performed by non-fiduciary service providers.

Exam Weighting

This topic will comprise approximately 5 to 7 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 1 – Fiduciary Management under ERISA. Unit 3.

Topic 3 – Plan Governance and Fiduciary Documentation

Learning Objectives

The successful candidate will be able to:

- 3.01 Identify required and additional documentation for maintaining plan records according to fiduciary best practice.
- 3.02 Explain service provider role in assisting with prudent process documentation.
- 3.03 Identify when plan documents should be updated.

Exam Weighting

This topic will comprise approximately 5 to 7 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 1 – Fiduciary Management under ERISA. Unit 4.

Topic 4 – Fiduciary Oversight

Learning Objectives

The successful candidate will be able to:

- 4.01 Identify parties-in-interest to the plan.
- 4.02 Identify Prohibited Transactions and possible fiduciary breach events.
- 4.03 Identify possible consequences of Prohibited Transactions and fiduciary breach events.
- 4.04 Explain the DOL role in overseeing plans.
- 4.05 Explain how common problems can be corrected using DOL and IRS correction programs.
- 4.06 Analyze situations for possible Ethics issues under conflict of interests.
- 4.07 Explain best practice for determining reasonableness of fees.
- 4.08 Classify expenses as payable and not payable by the plan assets.
- 4.09 Identify main consequences of not documenting prudent process for reviewing fees and services.
- 4.10 Compare and contrast a Fidelity bond and fiduciary insurance.

Exam Weighting

This topic will comprise approximately 9 to 11 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 1 – Fiduciary Management under ERISA. Units 5 and 6.

Topic 5 – Plan Goals and Objectives

Learning Objectives

The successful candidate will be able to:

- 5.01 List considerations when formulating plan goals and objectives.
- 5.02 Identify Plan Sponsor's business structure and related entities.
- 5.03 Explain impact of family and related company ownership on plan design.
- 5.04 Describe impact of cash flow and budget on plan design.

Exam Weighting

This topic will comprise approximately 7 to 9 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 2 – ERISA Plan Management 1. Unit 1.

Topic 6 – Plan Types and Provisions

Learning Objectives

The successful candidate will be able to:

- 6.01 Compare and contrast IRA-based plans to 401(k) plans.
- 6.02 Explain hybrid plan combinations.
- 6.03 Explain plan features.
- 6.04 Summarize how plan features support plan goals and objectives.
- 6.05 Explain which plan features are optional based on the plan design.
- 6.06 Describe roles and responsibilities of the parties involved in creating plan documents based on plan design.
- 6.07 Explain the different components of an adoption agreement.
- 6.08 Identify required and optional amendments.

Exam Weighting

This topic will comprise approximately 5 to 7 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 2 – ERISA Plan Management 1. Units 2 and 3.

Topic 7 – Participant Outcomes

Learning Objectives

The successful candidate will be able to:

- 7.01 Explain importance of successful participant outcomes to Plan Sponsor and participants.

- 7.02 List considerations for Plan Sponsor to help create successful participant outcomes.
- 7.03 Compare and contrast education approach and behavioral finance techniques.
- 7.04 Explain re-enrollment process.
- 7.05 Evaluate participant outcome by using gap analysis.

Exam Weighting

This topic will comprise approximately 8 to 10 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 2 – ERISA Plan Management 1. Unit 4.

Topic 8 – Service Provider Selection

Learning Objectives

The successful candidate will be able to:

- 8.01 Explain the roles of service providers.
- 8.02 Identify factors used to assist in service provider selection.
- 8.03 Describe fiduciary prudent process for selecting service providers.
- 8.04 Explain different types of service providers, including bundled and unbundled service models.
- 8.05 Describe the role of Plan Sponsors regarding required participant disclosures.

Exam Weighting

This topic will comprise approximately 3 to 5 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 2 – ERISA Plan Management 1. Unit 5.

Topic 9 – Educating Fiduciaries on Plan Investments

Learning Objectives

The successful candidate will be able to:

- 9.01 Explain risk/return, asset classes and diversification of investments.
- 9.02 Explain differences and similarities between investment options.
- 9.03 Compare to/through target date funds.
- 9.04 Explain Qualified Default Investment Alternative (QDIA) rules.
- 9.05 Compare asset allocation fund models, including impact on participant outcomes.
- 9.06 Compare active and passive management.

- 9.07 Explain the impact of revenue sharing on fiduciary prudent process.
- 9.08 Summarize the process of prudent investment selection.

Exam Weighting

This topic will comprise approximately 7 to 9 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 3 – ERISA Plan Investment Management. Units 1 and 2.

Topic 10 – Investment Policy Statement

Learning Objectives

The successful candidate will be able to:

- 10.01 Explain fiduciary prudent process to create a broad-based IPS.
- 10.02 Identify basic criteria and procedures to follow when selecting and replacing investment options.
- 10.03 Identify parties responsible for maintaining the IPS.
- 10.04 Describe fiduciary prudent process to change IPS according to best practices.

Exam Weighting

This topic will comprise approximately 7 to 9 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 3 – ERISA Plan Investment Management. Unit 3.

Topic 11 – Plan Investment Oversight

Learning Objectives

The successful candidate will be able to:

- 11.01 Identify components of investment reviews.
- 11.02 Recommend the frequency for performing investment reviews and/or plan committee meetings.
- 11.03 Describe the importance of investment performance evaluation for a fiduciary prudent process.
- 11.04 Determine when investment replacements are appropriate.
- 11.05 Identify best practice documentation needed for documenting prudent process when monitoring plan investments.

Exam Weighting

This topic will comprise approximately 9 to 11 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 3 – ERISA Plan Investment Management. Unit 4.

Topic 12 – Liaison Services

Learning Objectives

The successful candidate will be able to:

- 12.01 Explain daily activities required by plan sponsor staff while interacting with service providers.
- 12.02 Identify most important actions to prevent most common errors.

Exam Weighting

This topic will comprise approximately 2 to 4 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 4 – ERISA Plan Management 2. Unit 1.

Topic 13 – Retirement Plan Committee & Fiduciary Training

Learning Objectives

The successful candidate will be able to:

- 13.01 Identify the role of adviser related to the Retirement Plan Committee.
- 13.02 Identify attributes of an effective Retirement Plan Committee.
- 13.03 Explain the importance of meetings for fiduciary due diligence.
- 13.04 Identify best practices for fiduciary training.
- 13.05 Describe the process for appointing and replacing fiduciaries.

Exam Weighting

This topic will comprise approximately 8 to 10 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 4 – ERISA Plan Management 2. Unit 2.

Topic 14 – Conversions

Learning Objectives

The successful candidate will be able to:

- 14.01 Identify conversion documentation as a plan management best practice.
- 14.02 Identify conversion documents that are part of a plan management prudent process.

Exam Weighting

This topic will comprise approximately 2 to 4 percent of the exam questions.

Study Material Reference

CPFA Online Course Module 4 – ERISA Plan Management 2. Unit 3.

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