

# Certified Employee Benefit Specialist (CEBS) - Group Benefits Associate (GBA) / Retirement Plans Associate (RPA) Course 3 Practice Test (Sample)

## Study Guide



**Everything you need from our exam experts!**

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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.

# 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!**

## Questions

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- 1. Germany and Belgium retirement plans are best described as what?**
  - A. A government-mandated guaranteed-return system**
  - B. Open-architecture, broad-investment choices**
  - C. Personal pension brokered markets**
  - D. A government-mandated or collectively bargained guaranteed-return system with set returns on participant savings**
  
- 2. Chile and New Zealand retirement plans are characterized by what?**
  - A. A government- or state-approved provider system with some degree of investment choice**
  - B. A government-mandated guaranteed return**
  - C. Open-architecture funds with multiple investment options**
  - D. Personal pension brokers**
  
- 3. SPD renewal rules require which of the following?**
  - A. Renew every 5 years; changes every 5?**
  - B. Renew every 15 years; provide within 30 days**
  - C. Renew every 10 years, every 5 years if changes; provide to participants no later than 210 days after plan year in which changes were made**
  - D. No renewal required**
  
- 4. In Sulyma v. Intel, which statement about prudent investing is correct?**
  - A. The standard requires annual performance benchmarking**
  - B. The standard is judged by the process to investigate and monitor the investment**
  - C. The standard does not apply to ERISA plans**
  - D. The standard is based on results in hindsight**

- 5. In Social Security, a single credit is earned for earnings up to a threshold. In 2017, what is the earnings threshold for one credit?**
- A. 1 credit per \$1,300 earned**
  - B. 1 credit per \$1,500 earned**
  - C. 1 credit per \$1,000 earned**
  - D. 1 credit per \$2,000 earned**
- 6. When does a Medicare Part A benefit period begin?**
- A. When you are admitted to a hospital**
  - B. When you start Part B**
  - C. When you enroll in Medicare Advantage**
  - D. When you enter a SNF**
- 7. Under a Section 3121(l) agreement, which statement describes a potential reason a U.S. employer might not want to use it?**
- A. It allows the employee to continue paying payroll taxes into the host jurisdiction's system.**
  - B. It requires the employee to switch payroll taxes to the host jurisdiction.**
  - C. The employee will work for a separate host jurisdiction employer that has its own social insurance contribution program**
  - D. It automatically doubles payroll tax obligations**
- 8. To be Currently Insured, how many credits are required in the last 13 calendar quarters ending with the quarter of death, disability, or entitlement to retirement benefits?**
- A. 8 credits**
  - B. 12 credits**
  - C. 6 credits**
  - D. 40 credits**

- 9. For workers born in 1943 or later, what is the annual increase in the primary insurance amount due to the delayed retirement credit?**
- A. Three percent**
  - B. Eight percent**
  - C. Six percent**
  - D. Ten percent**
- 10. Which item is identified as a challenge facing Medicare?**
- A. Solvency of the HI trust**
  - B. Long-range health of HI trust**
  - C. Rapid growth of SMI costs as a percentage of GDP**
  - D. Reduction in Part B physician payment rates**

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## Answers

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

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## **Explanations**

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**1. Germany and Belgium retirement plans are best described as what?**

- A. A government-mandated guaranteed-return system**
- B. Open-architecture, broad-investment choices**
- C. Personal pension brokered markets**
- D. A government-mandated or collectively bargained guaranteed-return system with set returns on participant savings**

These systems are defined by policy guarantees rather than market-driven investment results. In Germany and Belgium, retirement income comes from government-mandated or collectively bargained structures where benefits are determined by a formula and are guaranteed or protected by regulation or collective agreements. Returns on participant savings are effectively set by policy, not by how investments perform in the market. This describes a guaranteed-return framework with set returns on savings. The other options imply participants choose investments or rely on private, brokered markets with market risk, which isn't how these countries' core retirement benefits are structured.

**2. Chile and New Zealand retirement plans are characterized by what?**

- A. A government- or state-approved provider system with some degree of investment choice**
- B. A government-mandated guaranteed return**
- C. Open-architecture funds with multiple investment options**
- D. Personal pension brokers**

The key idea is that these systems run through private providers that are approved and overseen by the government, giving individuals some choice within that regulated framework. In Chile, private pension fund administrators (AFPs) manage individual accounts under government rules and offer a range of investment options within those funds. In New Zealand, KiwiSaver works with private providers that are licensed and regulated by the government, offering different fund choices for members. This combination of state approval and private administration with limited investment choice best describes how these retirement plans operate. The other options don't fit as well: there isn't a government-guaranteed return in these models, since fund performance depends on market investments. The core structure isn't driven by open-architecture funds outside a regulated provider system, nor is it primarily about using personal pension brokers; the emphasis is on government-approved providers delivering private accounts with investable choices.

### 3. SPD renewal rules require which of the following?

- A. Renew every 5 years; changes every 5?
- B. Renew every 15 years; provide within 30 days
- C. Renew every 10 years, every 5 years if changes; provide to participants no later than 210 days after plan year in which changes were made**
- D. No renewal required

SPDs must be kept current and any changes to the plan terms must be communicated to participants within specific timeframes. The renewal rule used here states that the Summary Plan Description should be updated on a regular cycle, and if there are changes, those changes must be reflected promptly. Specifically, updates should occur at least every 5 years if there have been changes, and the plan must provide participants with a Summary of Material Modifications no later than 210 days after the end of the plan year in which the change was adopted. If there are no changes, the renewal cycle is effectively every 10 years, but any modification triggers a sooner update and distribution. This is why the correct approach is to renew the SPD on a 10-year baseline, update every 5 years if changes occur, and distribute the modification information to participants within 210 days after the plan year end in which those changes were made. The other options conflict with the requirement to inform participants within that 210-day window and with the ongoing duty to keep the SPD current when changes occur.

### 4. In *Sulyma v. Intel*, which statement about prudent investing is correct?

- A. The standard requires annual performance benchmarking
- B. The standard is judged by the process to investigate and monitor the investment
- C. The standard does not apply to ERISA plans
- D. The standard is based on results in hindsight**

The key idea here is that the prudent investor standard is about how a fiduciary acts, not about how investments happen to perform after the fact. A fiduciary is expected to use a careful, diligent process to select and regularly monitor investments, including appropriate due diligence, diversification, ongoing oversight, and documentation of decisions. It's this conduct and the procedures used at the time of investment and monitoring that determine prudence, not the ultimate returns that result—so outcomes aren't the measure of prudence, and hindsight performance doesn't define whether the decision was prudent. *Sulyma v. Intel* reinforces that focus on process: the case clarifies that what matters is what the fiduciary did when making and monitoring investments, rather than just the results seen afterward. It also confirms that ERISA plans are governed by this standard. Therefore, describing the standard as being based on the process to investigate and monitor investments is the correct interpretation, rather than tying prudence to annual benchmarks or to hindsight outcomes.

**5. In Social Security, a single credit is earned for earnings up to a threshold. In 2017, what is the earnings threshold for one credit?**

- A. 1 credit per \$1,300 earned**
- B. 1 credit per \$1,500 earned**
- C. 1 credit per \$1,000 earned**
- D. 1 credit per \$2,000 earned**

Earnings credits are the mechanism Social Security uses to count your work history. Each year you earn up to a fixed dollar amount to receive one credit, and you can earn multiple credits in a year—up to four. In 2017, the amount of earnings required for one credit is \$1,300, so earning \$1,300 earns you one credit, \$2,600 earns two credits, and so on, up to four credits if you reach \$5,200 in that year. This system links years of work to eligibility for benefits—the total credits needed for retirement typically amount to 40 (about 10 years of work), though specific requirements can vary by benefit type. The other numbers listed aren't correct for 2017; they either reflect different years or would not correspond to a single year's credit threshold.

**6. When does a Medicare Part A benefit period begin?**

- A. When you are admitted to a hospital**
- B. When you start Part B**
- C. When you enroll in Medicare Advantage**
- D. When you enter a SNF**

Medicare Part A benefit periods start on the day you are admitted as an inpatient for care in a hospital (the same timing applies if you're admitted as an inpatient to a skilled nursing facility for skilled care). Inpatient admission is the trigger that initiates the period during which Part A benefits are used. The period ends after 60 consecutive days without any inpatient hospital or SNF care, and if you're readmitted after that break, a new benefit period begins. Enrollment in Part B or Medicare Advantage does not start a Part A benefit period.

**7. Under a Section 3121(l) agreement, which statement describes a potential reason a U.S. employer might not want to use it?**

- A. It allows the employee to continue paying payroll taxes into the host jurisdiction's system.**
- B. It requires the employee to switch payroll taxes to the host jurisdiction.**
- C. The employee will work for a separate host jurisdiction employer that has its own social insurance contribution program**
- D. It automatically doubles payroll tax obligations**

This question hinges on what happens under a Section 3121(l) agreement when an employee works outside the U.S. and how payroll and social-insurance coverage are handled. Such an agreement is used to coordinate or sometimes shift social-security coverage so that the employee isn't doubly taxed, typically involving foreign coverage instead of U.S. FICA. A potential drawback is that the arrangement can require the employee to be employed by a host-country employer that has its own social-insurance program. That means the U.S. company may need to deal with a local employer of record or establish a local payroll setup, adding complexity, separate administration, and potentially unfamiliar rules and costs. This added complexity is a real reason a U.S. employer might avoid using the section 3121(l) path. The other options describe scenarios that are more neutral or beneficial aspects of such an arrangement (for example, aligning payroll with the host system to avoid double taxation, or indicating a shift in tax handling that isn't inherently a downside). And the option about doubling payroll tax obligations runs counter to the purpose of these agreements, which is to prevent double taxation. So, the statement about working for a separate host jurisdiction employer with its own social-insurance program captures a practical, real-world drawback that can deter an employer from pursuing a 3121(l) agreement.

**8. To be Currently Insured, how many credits are required in the last 13 calendar quarters ending with the quarter of death, disability, or entitlement to retirement benefits?**

- A. 8 credits**
- B. 12 credits**
- C. 6 credits**
- D. 40 credits**

Being currently insured means you have enough recent work credits under Social Security to qualify for retirement or disability benefits when they become due. The rule is to earn at least six credits in the 13 calendar quarters ending with the quarter in which death, disability, or entitlement to retirement benefits occurs. You can earn up to four credits in a single year, based on earnings, so six credits can be accumulated in as little as a year and a half if earnings are high enough. This 13-quarter span keeps the test focused on relatively recent work activity. If you don't reach six credits in that window, you're not currently insured, though you could still be insured under other rules (for example, fully insured status generally requires 40 credits).

**9. For workers born in 1943 or later, what is the annual increase in the primary insurance amount due to the delayed retirement credit?**

- A. Three percent**
- B. Eight percent**
- C. Six percent**
- D. Ten percent**

Delaying retirement beyond your full retirement age earns a yearly increase called a delayed retirement credit, applied to your primary insurance amount (PIA). For workers born in 1943 or later, this annual increase is 8% for each year you delay, up to age 70. So waiting one year adds 8% to the PIA, two years add 16%, and you can reach a maximum of 32% if you delay for four years. That's why the correct annual increase is 8 percent—the rate applies specifically to those born in 1943 or later. The smaller per-year credits apply to earlier birth years.

**10. Which item is identified as a challenge facing Medicare?**

- A. Solvency of the HI trust**
- B. Long-range health of HI trust**
- C. Rapid growth of SMI costs as a percentage of GDP**
- D. Reduction in Part B physician payment rates**

Medicare faces pressures from how fast its medical costs grow, especially within Supplementary Medical Insurance (SMI). SMI covers Part B (and Part D drug costs), and its spending tends to rise faster than the overall economy. When SMI costs increase as a share of GDP, it means a larger portion of national resources must be devoted to Medicare, which can push up federal spending, affect budgets, and prompt tougher funding or reform decisions in the long run. This rapid cost growth captures the sustainability challenge because it signals that keeping benefits as-is will require more general revenue, higher taxes, or cuts elsewhere. The other options touch on related issues, but they're more specific policy levers or separate trust-fund concerns. Solvency or long-range health of the Hospital Insurance trust fund relates to the financing of the hospital insurance portion, which is important but not the broad cost-growth trend across the program. Reductions in Part B physician payment rates are policy tools to manage costs, not a description of the ongoing challenge itself. The rapid growth of SMI costs as a percentage of GDP best encapsulates the systemic challenge Medicare faces.

## 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](mailto: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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