

CERTIFIED EMPLOYEE BENEFIT SPECIALIST (CEBS) RETIREMENT PLANS ASSOCIATE (RPA) 1 PRACTICE EXAM (SAMPLE)

STUDY GUIDE



SAMPLE STUDY GUIDE WITH LIMITED QUESTIONS

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THE FULL VERSION STUDY GUIDE**

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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. What type of contributions are made to a Roth IRA?**
 - A. Pre-tax contributions
 - B. After-tax contributions
 - C. Employer contributions only
 - D. Tax-free contributions
- 2. What is a common limit for a first-time home purchase distribution from a Roth IRA?**
 - A. \$5,000
 - B. \$10,000
 - C. \$15,000
 - D. \$20,000
- 3. What does the term "compensation" refer to within the context of retirement plans?**
 - A. Compensation used solely for tax purposes
 - B. Compensation utilized for the life insurance policies
 - C. Compensation used for the purposes of the plan
 - D. Compensation limited to annual bonuses
- 4. Which types of plans are categorized under Keogh plans?**
 - A. Retirement Savings and Health Savings
 - B. Defined Benefit and Defined Contribution
 - C. Life Insurance and Disability Insurance
 - D. Only Defined Benefit
- 5. What does the term "flat dollar amount" generally imply in retirement plans?**
 - A. Benefits vary based on job title
 - B. A fixed amount paid irrespective of other variables
 - C. Payouts change annually based on inflation
 - D. Benefits depend on the company's profitability

- 6. In a flat amount formula, what does the benefit depend on?**
- A. The employee's highest salary
 - B. A set dollar amount, regardless of service or pay
 - C. The years of service of the employee
 - D. A percentage of the employee's average salary
- 7. What type of employer contribution structure is associated with SIMPLE plans?**
- A. Defined benefit
 - B. Fixed contributions only
 - C. Matching or non-elective
 - D. Variable contributions based on profits
- 8. What type of contributions are Qualified Matching Contributions (QMAC)?**
- A. Employer contributions to match employee elective deferrals
 - B. Employee contributions made on a pre-tax basis
 - C. Employer contributions made in excess of normal matching
 - D. Taxable contributions made to the plan
- 9. What does the Tax Equity and Fiscal Responsibility Act of 1982 primarily address?**
- A. Creation of new tax benefits for retirement plans
 - B. Improvements to Social Security regulations
 - C. Restrictions on top heavy retirement plans
 - D. New requirements for employee disclosure
- 10. What is the minimum service requirement for an employee to be fully vested in a profit-sharing plan?**
- A. One year
 - B. Two years
 - C. Three years
 - D. Four years

Answers

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

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Explanations

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1. What type of contributions are made to a Roth IRA?

- A. Pre-tax contributions
- B. After-tax contributions**
- C. Employer contributions only
- D. Tax-free contributions

Roth IRA contributions are classified as after-tax contributions, meaning that the money contributed to the account has already been subjected to income taxes before it is deposited. This unique feature of Roth IRAs allows for tax-free growth and tax-free withdrawals in retirement, provided certain conditions are met, such as maintaining the account for at least five years and being at least 59½ years old at the time of withdrawal. When individuals contribute to a Roth IRA, they do not receive an immediate tax deduction, which differentiates it from traditional IRAs, where contributions may be made on a pre-tax basis. This after-tax contribution method ultimately allows for greater tax benefits upon distribution, as qualified withdrawals are not taxed again. Employer contributions, while possible in some retirement plans, are not relevant for Roth IRAs in the way they are for other plans like 401(k)s. Roth IRAs are primarily individual accounts funded by the account holder and do not typically have an employer contribution component. Thus, understanding that contributions to a Roth IRA are specifically after-tax is crucial for maximizing retirement benefits.

2. What is a common limit for a first-time home purchase distribution from a Roth IRA?

- A. \$5,000
- B. \$10,000**
- C. \$15,000
- D. \$20,000

The limit for a first-time home purchase distribution from a Roth IRA is \$10,000. This provision allows individuals to withdraw up to this amount without incurring a penalty or taxes, provided the funds are used to purchase, build, or significantly improve a first home. This withdrawal can be particularly beneficial for first-time homebuyers by easing the financial constraints associated with home purchasing. This limit applies to the individual account holder; however, if a married couple both have Roth IRAs, they can each withdraw up to \$10,000, potentially allowing for a total of \$20,000 for the purchase. The Roth IRA distribution must be used for a qualifying first home purchase within a specified time frame, and the account holder must meet the other requirements set forth by the IRS to benefit from this exemption. If someone were to reference other amounts, such as \$5,000 or \$15,000, they do not align with the established IRS guidelines for Roth IRA first-time homebuyer distributions, which helps clarify why those amounts are not acceptable answers. The \$20,000 amount implies that it might be a couple's combined distribution but does not represent a single individual's limit.

3. What does the term "compensation" refer to within the context of retirement plans?

- A. Compensation used solely for tax purposes
- B. Compensation utilized for the life insurance policies
- C. Compensation used for the purposes of the plan**
- D. Compensation limited to annual bonuses

The term "compensation" within the context of retirement plans refers specifically to the earnings and payments made to employees that are considered when determining benefits or contributions under the plan. This often includes base salary, bonuses, overtime, and any other types of remuneration that are relevant to calculating how much will be contributed to retirement plans such as 401(k) or pension plans. In particular, when defining compensation for a retirement plan, it encompasses any wages or earnings from employment that contribute to the employee's retirement savings or benefits—this is crucial for both calculating contributions and determining eligibility. This broad understanding of compensation ensures that various forms of earnings are acknowledged within the plan's structure, thereby allowing for a more comprehensive and fair approach to retirement benefits for all employees. This is why the correct answer focuses on compensation used for the purposes of the plan, highlighting its role in benefit calculations and overall plan effectiveness.

4. Which types of plans are categorized under Keogh plans?

- A. Retirement Savings and Health Savings
- B. Defined Benefit and Defined Contribution**
- C. Life Insurance and Disability Insurance
- D. Only Defined Benefit

Keogh plans, also known as HR10 plans, are designed specifically for self-employed individuals and unincorporated businesses. They can take two primary forms: Defined Benefit plans and Defined Contribution plans. The reason why Defined Benefit and Defined Contribution plans are the correct categorization under Keogh plans is rooted in their structural characteristics. Defined Contribution plans, such as profit-sharing plans or money purchase pension plans, allow the plan sponsor to make contributions to individual accounts. The amount of benefits a participant receives at retirement depends on the contributions made and the performance of the investments. On the other hand, Defined Benefit plans promise a predetermined retirement benefit, which is based on factors like salary history and years of service, and these are also permissible under the Keogh structure. In contrast, the other options do not accurately reflect the nature of Keogh plans. Retirement and Health Savings, as an example, blend different types of accounts and do not specifically pertain to the retirement plan context. Life and disability insurance, while important in the realm of employee benefits, do not fall under the categorization of Keogh plans since they focus solely on retirement savings. Lastly, stating "Only Defined Benefit" fails to acknowledge the inclusion of Defined Contribution plans, which is a key aspect of

5. What does the term "flat dollar amount" generally imply in retirement plans?

- A. Benefits vary based on job title
- B. A fixed amount paid irrespective of other variables**
- C. Payouts change annually based on inflation
- D. Benefits depend on the company's profitability

The term "flat dollar amount" in retirement plans refers to a specific, fixed sum of money that is paid out, regardless of external factors or variables. This means that participants will receive the same dollar amount as specified, without any adjustments for job titles, company performance, inflation rates, or other influence factors that may typically affect the calculation of benefits. This straightforward approach provides clarity and predictability for both the employer and the employee in the context of retirement planning. Thus, it reflects the essence of what a "flat dollar amount" represents in retirement benefits.

6. In a flat amount formula, what does the benefit depend on?

- A. The employee's highest salary
- B. A set dollar amount, regardless of service or pay**
- C. The years of service of the employee
- D. A percentage of the employee's average salary

In a flat amount formula for retirement benefits, the benefit is determined by a fixed dollar amount that does not vary based on the employee's salary, years of service, or any other factors. This type of formula provides a straightforward and predictable benefit, ensuring that every qualifying employee receives the same set dollar benefit upon retirement. The focus in a flat amount formula is solely on the predetermined dollar figure, making it simple for both employers and employees to understand and plan around. For instance, if a plan states that retirees are entitled to \$1,000 per month, then that will be the benefit amount regardless of how long the employee worked for the company or their salary during their employment. Other options mention factors like salary or years of service, which do not relate to a flat amount formula. This sets the flat amount approach apart from more complex benefit calculations that might use varying factors. Thus, the correct answer effectively highlights the straightforward nature of the benefits in this type of formula.

7. What type of employer contribution structure is associated with SIMPLE plans?

- A. Defined benefit
- B. Fixed contributions only
- C. Matching or non-elective**
- D. Variable contributions based on profits

In SIMPLE (Savings Incentive Match Plan for Employees) plans, the employer contribution structure is indeed categorized as matching or non-elective. This flexibility allows employers to choose the type of contribution they will make, which can be tailored to their business situation. The matching contribution option allows the employer to match employee contributions up to a certain percentage, encouraging employees to save for retirement by receiving additional funds directly correlated with their own contributions. This approach motivates participation in the plan as employees see a direct benefit from their contributions through employer matching. Alternatively, employers may opt for the non-elective contribution, which requires them to contribute a set percentage of each eligible employee's compensation, regardless of whether the employee contributes to the plan. This ensures all eligible employees receive contributions from their employer, enhancing the overall retirement savings for employees. This dual structure is a key feature of SIMPLE plans, making them appealing for small businesses wanting to foster retirement savings for their employees while maintaining a straightforward contribution process. In contrast, other contribution structures are not applicable here, as defined benefit plans involve a different funding mechanism focused on providing specific retirement benefits rather than based on employee contributions. Fixed contributions only would not align with the optional matching and non-elective features. Lastly, variable contributions based on profits characterize

8. What type of contributions are Qualified Matching Contributions (QMAC)?

- A. Employer contributions to match employee elective deferrals**
- B. Employee contributions made on a pre-tax basis
- C. Employer contributions made in excess of normal matching
- D. Taxable contributions made to the plan

Qualified Matching Contributions (QMAC) are specifically designed as employer contributions that match the elective deferrals made by employees to their retirement savings plans, such as 401(k) plans. This matching feature incentivizes employees to contribute to their retirement plans, as they receive additional funds from their employer based on their own contributions. QMACs are essential in meeting the qualifications for certain tax treatments and compliance requirements under the Internal Revenue Code. They must adhere to specific guidelines to ensure they are considered qualified contributions, thereby benefiting both employees and employers through enhanced retirement savings opportunities. While other types of contributions exist, such as employee contributions on a pre-tax basis or contributions that exceed standard matching, they do not carry the same specific characteristics as QMACs. Thus, the nature of QMACs is uniquely tied to the employer's role in matching the employee's elective deferral contributions.

9. What does the Tax Equity and Fiscal Responsibility Act of 1982 primarily address?

- A. Creation of new tax benefits for retirement plans
- B. Improvements to Social Security regulations
- C. Restrictions on top heavy retirement plans**
- D. New requirements for employee disclosure

The Tax Equity and Fiscal Responsibility Act of 1982 primarily addresses restrictions on top-heavy retirement plans. This legislation was significant in setting criteria that define a top-heavy plan, which is one where the benefits are disproportionately allocated to key employees. The Act aimed to ensure that such plans would provide minimum benefits or contributions to non-key employees to promote fairness in retirement savings opportunities among all employees. This focus on top-heavy plans is crucial because it seeks to prevent discrimination in favor of higher-paid employees, thus addressing concerns about equity in retirement benefits. The regulations put forth by this Act create a framework that helps protect employees with lower wages and ensures they receive a fair share of retirement benefits. The other options, while relevant to the broader context of retirement planning and employee benefits, do not capture the primary intent of this specific legislation as accurately as the focus on top-heavy plans does.

10. What is the minimum service requirement for an employee to be fully vested in a profit-sharing plan?

- A. One year
- B. Two years**
- C. Three years
- D. Four years

To determine the minimum service requirement for an employee to be fully vested in a profit-sharing plan, it is important to reference the vesting standards outlined in retirement plan regulations. Under the Employee Retirement Income Security Act (ERISA), a common approach is the two-year minimum service requirement for full vesting in a profit-sharing plan, aligning with many plans that opt for this schedule. This means that once the employee completes two years of service, they are entitled to 100% of their accrued benefits in the profit-sharing plan, ensuring that employees cannot lose these benefits upon leaving the organization after reaching that milestone. Employers have the flexibility to set their own schedules, but full vesting after two years serves as a typical standard across many plans. By understanding this requirement, one can appreciate how it promotes employee retention and provides a clear framework for employees when considering their benefits and commitment toward the organization.

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:

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

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