

Chartered Retirement Planning Counselor (CRPC) Practice Exam (Sample)

Study Guide



Everything you need from our exam experts!

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Table of Contents

Copyright	1
Table of Contents	2
Introduction	3
How to Use This Guide	4
Questions	5
Answers	8
Explanations	10
Next Steps	16

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

- 1. What is the implication of substantial risk of forfeiture concerning an employee's vested interest?**
 - A. Benefits are guaranteed regardless of service**
 - B. Benefits can be lost without proper service**
 - C. All benefits are vested immediately**
 - D. Risk is only based on age**
- 2. What does the income of a Qualified Terminable Interest Property Trust (QTIP) typically go towards?**
 - A. To charity**
 - B. To the grantor's spouse**
 - C. To the trust beneficiaries**
 - D. To tax payments**
- 3. What type of care is covered under Part A of Medicare?**
 - A. Outpatient surgery**
 - B. Psychiatric hospital care**
 - C. Preventive services**
 - D. Physical therapy**
- 4. How is a donee's basis in gifted property determined if the property has appreciated in value?**
 - A. The market value at the time of the gift**
 - B. The donor's adjusted basis at the time of the gift**
 - C. The appraised value at the time of sale**
 - D. The fair market value post-sale**
- 5. Which factor has contributed to more people working past traditional retirement age?**
 - A. Increased availability of part-time jobs.**
 - B. Decline in employers offering retiree healthcare insurance.**
 - C. Government incentives to delay retirement.**
 - D. Growth in retirement savings accounts.**

- 6. Which formula determines benefits based on a fixed amount per month earned during employment, considering years of service?**
- A. Unit benefit percentage formula**
 - B. Unit benefit dollar formula**
 - C. Flat percentage benefit formula**
 - D. Cash balance pension plan**
- 7. A funded excess benefit plan is known to adhere to which regulatory standards?**
- A. Only for high-ranking employees**
 - B. None, as it is exempt from all regulations**
 - C. ERISA's fiduciary, administrative, and enforcement requirements**
 - D. Just the reporting requirements**
- 8. What is the primary goal of the windfall elimination provision?**
- A. To promote savings**
 - B. To adjust benefits due to government pensions**
 - C. To increase retirement age**
 - D. To administer tax benefits**
- 9. Which of the following charges are typically NOT covered by Medigap policies?**
- A. Deductibles and coinsurance**
 - B. Routine physical examinations**
 - C. Emergency room visits**
 - D. Prescription medications**
- 10. Which services are typically covered by long-term care (LTC) policies?**
- A. Cognitive impairment**
 - B. Alzheimer's disease**
 - C. Suicide prevention**
 - D. War-related healthcare**

Answers

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

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Explanations

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1. What is the implication of substantial risk of forfeiture concerning an employee's vested interest?

- A. Benefits are guaranteed regardless of service**
- B. Benefits can be lost without proper service**
- C. All benefits are vested immediately**
- D. Risk is only based on age**

The implication of substantial risk of forfeiture is primarily that certain benefits can be lost if the employee does not meet specific service requirements or performance criteria. When a benefit is subject to a substantial risk of forfeiture, it means that the employee's entitlement to that benefit is contingent upon their continued service or fulfillment of certain conditions. Therefore, should the employee leave the company or fail to meet those conditions, they may not receive the expected benefits. In contrast, other options relate to more straightforward or guaranteed outcomes. For example, suggesting that benefits are guaranteed regardless of service implies no conditions affecting the employee's entitlement, which directly contradicts the concept of substantial risk of forfeiture. Likewise, stating that all benefits are vested immediately ignores the notion of conditionality that the risk of forfeiture implies. Finally, stating that risk is only based on age does not consider the broader range of factors involved in vesting and forfeiture. Consequently, the accurate interpretation of substantial risk of forfeiture clearly aligns with the idea that benefits can indeed be lost without the proper service.

2. What does the income of a Qualified Terminable Interest Property Trust (QTIP) typically go towards?

- A. To charity**
- B. To the grantor's spouse**
- C. To the trust beneficiaries**
- D. To tax payments**

A Qualified Terminable Interest Property Trust (QTIP) is designed to provide income to a surviving spouse while allowing the grantor to control the ultimate distribution of the trust assets after the spouse's death. The income generated by the trust typically goes to the grantor's spouse, ensuring that they receive financial support during their lifetime. After the spouse passes away, the remaining assets in the trust are distributed according to the terms set by the grantor, which may involve different beneficiaries. The structure of a QTIP trust is beneficial for estate planning. It allows the grantor to provide for the spouse's needs while also ensuring that the trust assets are ultimately passed on to other beneficiaries, such as children or other relatives, according to the grantor's wishes during their lifetime. This aligns with the purpose of a QTIP, which is to create a stream of income for the spouse, addressing both financial security and estate control.

3. What type of care is covered under Part A of Medicare?

- A. Outpatient surgery**
- B. Psychiatric hospital care**
- C. Preventive services**
- D. Physical therapy**

Part A of Medicare primarily covers inpatient care, which includes services provided in hospitals and skilled nursing facilities. Among the options listed, psychiatric hospital care is indeed covered under Part A. This includes inpatient mental health services received in a psychiatric hospital, allowing beneficiaries access to important treatment options for mental health disorders. Other types of care mentioned in the options, such as outpatient surgery, preventive services, and physical therapy, do not fall under the Part A coverage. Outpatient surgery and preventive services are generally covered under Part B. Physical therapy may also be included under both Part B for outpatient services and Part A if done in a skilled nursing facility following a qualifying hospital stay, but the specific context of the question leans towards the inpatient nature of Part A. Thus, psychiatric hospital care stands out as the correct answer within the scope of Part A coverage.

4. How is a donee's basis in gifted property determined if the property has appreciated in value?

- A. The market value at the time of the gift**
- B. The donor's adjusted basis at the time of the gift**
- C. The appraised value at the time of sale**
- D. The fair market value post-sale**

The determination of a donee's basis in gifted property when the property has appreciated in value is based on the donor's adjusted basis at the time of the gift. When a property is gifted, the IRS uses the principle of carryover basis, meaning that the recipient (donee) takes the same basis that the donor had in the property, adjusted for any specific situations. In the case of appreciated property, the donee's basis is primarily the donor's adjusted basis, which does not change just because the property has increased in value. This approach ensures that if the donee later sells the property, any capital gains tax is calculated based on the original basis of the property (from the donor), rather than the fair market value at the time of the gift. It's important to note that while the fair market value of the appreciated property may be relevant for determining gift tax purposes, it does not affect the donee's basis for future transactions. The criteria for determining the basis in appreciated property gifted is rooted in understanding that the tax implications for capital gains are tied to the original cost basis rather than the current market value.

5. Which factor has contributed to more people working past traditional retirement age?

- A. Increased availability of part-time jobs.**
- B. Decline in employers offering retiree healthcare insurance.**
- C. Government incentives to delay retirement.**
- D. Growth in retirement savings accounts.**

The choice indicating the decline in employers offering retiree healthcare insurance highlights a significant factor in people choosing to work beyond the traditional retirement age. When companies reduce or eliminate healthcare benefits for retirees, many individuals find it financially necessary to continue working in order to have access to healthcare coverage through their employer. This need for insurance can be a powerful motivator for older employees to remain in the workforce, as it provides essential health benefits that are often vital at an age where medical expenses can increase. In contrast, while part-time job availability, government incentives, and growth in retirement savings accounts can also affect retirement decisions, they do not directly address the immediate financial and health needs that arise from the lack of retiree healthcare coverage. The need for health insurance is a pressing concern for many individuals, making the decline in employer-sponsored retiree healthcare a significant driver of the trend toward working past retirement age.

6. Which formula determines benefits based on a fixed amount per month earned during employment, considering years of service?

- A. Unit benefit percentage formula**
- B. Unit benefit dollar formula**
- C. Flat percentage benefit formula**
- D. Cash balance pension plan**

The unit benefit dollar formula is used to determine retirement benefits where the calculation is based on a specific dollar amount earned for each year of service. This formula typically takes into account the years an employee has worked and the predetermined dollar amount that is credited for each year. For example, if the formula states that for each year of service, an employee earns \$100 per month, then an employee with 30 years of service would expect a monthly benefit of \$3,000 at retirement, assuming no other adjustments. This approach focuses on providing a clear and predictable benefit based on the fixed dollar amount, making it easier for employees to anticipate their retirement income based on their service duration. The formula effectively aligns the benefits with the actual service rendered, ensuring that longer-serving employees receive proportionally greater benefits. While other options like the unit benefit percentage formula or flat percentage benefit formula might also relate to calculating retirement benefits, they do not specifically use a fixed dollar amount per year of service, which is the distinguishing factor for the unit benefit dollar formula. A cash balance pension plan, on the other hand, operates differently, as it combines features of both defined benefit and defined contribution plans without relying exclusively on years of service in the same manner.

7. A funded excess benefit plan is known to adhere to which regulatory standards?

- A. Only for high-ranking employees**
- B. None, as it is exempt from all regulations**
- C. ERISA's fiduciary, administrative, and enforcement requirements**
- D. Just the reporting requirements**

A funded excess benefit plan is indeed regulated by ERISA's fiduciary, administrative, and enforcement requirements. This option accurately reflects the fact that while certain non-qualified deferred compensation plans may have more flexibility, a funded excess benefit plan is still subject to specific legal standards that govern its operation. Under ERISA, fiduciaries have a duty to act in the best interests of plan participants, which includes high-ranking employees who benefit from such plans. The administrative requirements ensure that plans maintain proper documentation, provide necessary disclosures, and ensure compliance with established guidelines. Additionally, the enforcement aspect of ERISA allows participants to seek remedies in the event of a breach of fiduciary duty or other violations. In summary, while excess benefit plans may have unique features compared to traditional plans, they remain under the purview of key ERISA regulations, ensuring that they are managed responsibly and transparently for the benefit of participants.

8. What is the primary goal of the windfall elimination provision?

- A. To promote savings**
- B. To adjust benefits due to government pensions**
- C. To increase retirement age**
- D. To administer tax benefits**

The primary goal of the windfall elimination provision is to adjust benefits due to government pensions. This provision affects how Social Security benefits are calculated for individuals who receive a pension from a job not covered by Social Security, such as many government roles. The adjustment is designed to ensure that the benefit levels reflect the contributions made to the Social Security system, thus preventing individuals from receiving disproportionately high benefits due to their combined pension and Social Security entitlements. This mechanism aligns with the principle of equitable treatment in the Social Security system, aiming to ensure that the benefits received correlate more closely with the actual earnings and contributions made during a person's working life.

9. Which of the following charges are typically NOT covered by Medigap policies?

- A. Deductibles and coinsurance**
- B. Routine physical examinations**
- C. Emergency room visits**
- D. Prescription medications**

Medigap policies are designed to supplement Original Medicare by covering certain out-of-pocket costs such as deductibles, coinsurance, and copayments. However, routine physical examinations are generally not covered by Medigap policies. This is because Medicare provides limited coverage for preventive services, including routine physical exams, which are often billed directly to beneficiaries under the preventive services umbrella. On the other hand, Medigap policies typically cover things like deductibles and coinsurance associated with hospital stays and outpatient services, as well as emergency room visits when they are part of a covered service. Coverage for prescription medications, however, is not included in Medigap plans either; this is covered separately through Medicare Part D prescription drug plans. Hence, the routine nature of physical examinations and their separate treatment under Medicare is why this specific charge is not included in Medigap coverage.

10. Which services are typically covered by long-term care (LTC) policies?

- A. Cognitive impairment**
- B. Alzheimer's disease**
- C. Suicide prevention**
- D. War-related healthcare**

Long-term care (LTC) policies are designed to provide support for individuals who need assistance with daily activities over an extended period. One of the primary services covered by LTC policies is cognitive impairment. This encompasses conditions that affect cognitive functioning, such as dementia, and includes medical supervision and assistance with day-to-day activities. When a policy covers cognitive impairment, it allows individuals with such conditions to receive the necessary care that may not be provided by standard health insurance. This care can include services like personal assistance, supervision, and even home health care, which are essential for maintaining quality of life for those with cognitive issues. Although other conditions, such as Alzheimer's disease, are a specific type of cognitive impairment and may also be covered, the broader category of cognitive impairment is more representative of the policies' coverage. Services related to suicide prevention or war-related healthcare typically fall outside the scope of long-term care policies, which focus on chronic conditions requiring ongoing assistance.

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://crpc.examzify.com>

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