



## Subject Outline

# **FPC003 Superannuation and Retirement Advice**



## Section 1 — General information

### 1.1 Administrative details

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Duration	Credit points	Level
One study period (12 weeks)	6	AQF8

### 1.2 Core or elective subject

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This is a core subject for the Graduate Certificate in Financial Planning, Graduate Diploma of Financial Planning and Master of Financial Planning.

### 1.3 Delivery mode

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This subject is delivered online.

### 1.4 Assumed knowledge

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Kaplan assumes that students have completed FPC001B Economic and Legal Context for Financial Planning and FPC002B Ethics and Professionalism in Financial Advice, or understand the content covered in those subjects, prior to undertaking FPC003 Superannuation and Retirement Advice.

### 1.5 Course transition subject equivalence

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Students may not be required to complete this subject if they have transitioned from a SIA/Finsia/Kaplan course and have completed the following subjects:

- there are no equivalences for this subject.

### 1.6 Work integrated learning

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There are no placements, internships or work experience requirements associated with undertaking this subject.

### 1.7 Other resource requirements

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Students do not require access to specialist facilities and/or equipment to undertake this subject.



## Section 2 — Academic details

### 2.1 Subject overview

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The subject addresses aspects of superannuation, including contributions, benefit payments and income streams, as well as how superannuation is treated in death, divorce and bankruptcy. Retirement planning products and strategies including types of superannuation funds, social security, equity release and aged care considerations are also covered. The subject covers the construction of a Statement of Advice (SoA), concentrating on how to structure the various required elements as well as developing and incorporating appropriate recommendations. Students will examine a client case study so they can apply their understanding, when analysing and considering appropriate strategies in order to prepare and present a statement of advice.

Financial advisers seeking accreditation in specific knowledge areas should confirm education and training requirements for authorisation with their licensee. Since 1 January 2019, the Education and Training Standards 2018 (previously known as 'FASEA standards') have applied to financial advisers. This subject has been taught and assessed at Australian Qualification Framework Level 8 and is a core subject within an approved qualification (Corporations (Relevant Providers Degrees, Qualifications and Courses Standard) Determination 2020).

From SP6 2016 onwards, upon completion of FPC003 *Superannuation and Retirement Advice* and FPE016 *Self Managed Superannuation Funds*, students will meet [ASIC RG 146](#) minimum standards to provide personal advice on superannuation and the specific product training relating to providing advice on self managed superannuation funds.

### 2.2 Subject learning outcomes

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On successful completion of this subject, students should be able to:

1. Explain retirement planning in the Australian context.
2. Critically analyse key elements of superannuation including the contribution, accumulation and payment of benefits.
3. Identify and critique retirement planning strategies and formulate solutions for client situations.
4. Construct and present a Statement of Advice (SoA) in an ethical and professional manner.

### 2.3 Topic learning outcomes

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#### Topic 1: Retirement planning and superannuation in Australia

On successful completion of this topic, students should be able to:

- discuss key aspects and changing demographics of the Australian retirement planning landscape
- discuss the role of social security and superannuation in retirement planning
- explain how the superannuation industry is regulated
- outline the three phases of retirement planning
- describe the main types of superannuation funds including public offer funds and SMSFs
- explain the key elements of the super guarantee system and choice of superannuation fund provisions.

## Topic 2: Superannuation contributions

On successful completion of this topic, students should be able to:

- explain the eligibility requirements for making contributions to superannuation
- identify various methods of contributing to superannuation
- differentiate between concessional and non-concessional contributions
- explain and apply the rules and limits (caps) for superannuation contributions
- discuss the tax treatment of superannuation contributions
- explain the SG and its implications for employees and employers
- discuss the options for splitting superannuation in the case of marriage breakdown
- identify which benefits can and cannot be split
- outline the taxation implications and components of a split benefit
- outline the steps involved to help a client effect a split.

## Topic 3: Contribution strategies

On successful completion of this topic, students should be able to:

- identify and devise strategies to maximise contributions to superannuation in a variety of client situations
- articulate the benefit of adopting such strategies in order to maximise taxation and other outcomes
- outline the steps involved in taxpayers potentially being eligible for the small business CGT concessions and interactions with contributing the proceeds to superannuation.

## Topic 4: Accessing superannuation and benefit payments

On successful completion of this topic, students should be able to:

- discuss options for superannuation in the accumulation phase
- outline the circumstances when superannuation must be kept in superannuation (preserved)
- outline the circumstances when superannuation can be withdrawn
- describe the two components of superannuation benefits: tax-free and taxable
- calculate the tax payable on the taxable component of superannuation if withdrawn as a lump sum.

## Topic 5: Superannuation Income streams

On successful completion of this topic, students should be able to:

- distinguish between the retirement income products available for investors
- outline the key features of a range of retirement income streams and explain how they work
- apply the basic taxation assessment rules to retirement income streams
- explain the taxation calculations that apply to superannuation income streams
- calculate the taxation treatment and pension tax offset applicable to an income stream benefit.

## Topic 6: Death benefits, insurance and estate planning

On successful completion of this topic, students should be able to:

- establish how death benefits will be paid out in specific situations
- explain the taxation implications of superannuation death benefits
- discuss the issues relating to superannuation death benefit nominations
- discuss the strategies relating to superannuation death benefits
- outline the circumstances whereby superannuation can be protected from bankruptcy.

## Topic 7: Superannuation strategies

On successful completion of this topic, students should be able to:

- evaluate strategies for combining superannuation funds
- outline optimal structuring in terms of tax, e.g. retribution
- discuss transition to retirement strategies
- evaluate strategies for using retirement income stream products
- discuss the strategies relating to superannuation death benefits
- articulate the benefit of a retribution strategy in minimising superannuation death benefit tax.

## Topic 8: Social security and aged care

On successful completion of this topic, students should be able to:

- explain the income and assets tests that apply to pensions and allowances
- assess simple client situations for pension and allowance eligibility
- describe, and illustrate with examples, the application of the social security assessment of investments
- assess how a client might be affected by waiting periods
- explain and interpret the assessment of deemed income
- outline the social security appeals process
- outline the tax offsets available to clients
- calculate accommodation payments and ongoing charges for a person entering an aged care facility
- discuss the similarities and differences of income and assets test assessment for Centrelink's age pension entitlement and aged care fees
- outline the options available under the home equity access scheme
- outline concession card access options.

## Topic 9: Integrated retirement planning strategies

On successful completion of this topic, students should be able to:

- integrate strategies to meet more complex client needs
- outline strategies to maximise retirement outcomes incorporating both superannuation pensions and Centrelink benefits
- optimise asset structuring for aged care purposes
- articulate benefits of strategies using equity access schemes and their impact on Centrelink benefits
- outline strategies for managing benefits in excess of the total superannuation balance.

## Topic 10: Constructing and presenting a Statement of Advice (SoA)

On successful completion of this topic, students should be able to:

- explain the importance of the client interview as the basis of an SOA
- compile an SOA in accordance with the appropriate structure
- prepare a covering letter to accompany an SOA
- discuss the compliance and disclosure elements of an SOA
- use cash flows and assets and liabilities tables in an SOA
- discuss the use of risk profiles and asset allocations in an SOA
- discuss the relationship between gap analysis and SOA recommendations
- discuss the features of a quality SOA
- provide comprehensive information for each strategy included in the SOA, including the benefits and risks of each recommendation
- address tax, social security, risk profile and asset allocation within recommendations
- document the match of a client's needs to appropriate strategies and products
- recommend and justify strategies
- explain the process of providing ongoing service
- identify the areas of advice that need reviewing when providing ongoing service
- identify the documentation and communication requirements when providing ongoing service
- communicate with clients effectively to obtain personal information
- evaluate and implement client relationship building through the ongoing review planning process.

### 2.4 Assessment schedule

Assessment	Description	Week	Topics	Weighting	Subject learning outcomes assessed
Quiz	Multiple-choice	5	1–4	20%	LO1 & LO2
Assignment 1	<b>Strategy discussion paper</b> Case study scenarios (2) provided for students to assess strategies and formulate solutions and advice to meet client objectives. To include strategy options and supporting calculations	8	2–7	40%	LO2 & LO3
Assignment 2	<b>Statement of Advice (SoA)</b> Case study provided for students to prepare strategy and advice recommendations provided for a SoA.	12	2–10	40%	LO2–LO4

Please refer to our website <[www.kaplanprofessional.edu.au](http://www.kaplanprofessional.edu.au)> to review student policies relating to your assessment, including the *Kaplan Assessment Policy* and *Academic Integrity and Conduct Policy*.

## 2.5 Prescribed text

There is no prescribed text for this subject. Students are provided with key readings and access to Kaplan's online databases. Students are encouraged to research and read widely on the topic.

## 2.6 Study plan

Week(s)	Topic name	Study load in hours
1	Topic 1: Retirement planning and superannuation in Australia Topic 2: Superannuation contributions	12
2–3	Topic 3: Contribution strategies Topic 4: Accessing superannuation and benefit payments	20
4–5	Topic 5: Superannuation income streams	20
5	<b>Online quiz (Weighting 20%)</b>	
6	Topic 6: Death benefits, insurance and estate planning	10
7	Topic 7: Superannuation strategies	15
8–9	Topic 8: Social security and aged care	17
8	<b>Assignment 1 (Weighting 40%)</b>	
10–11	Topic 9: Integrated retirement planning strategies Topic 10: Constructing and presenting a Statement of Advice (SoA)	15
12	<b>Assignment 2 (Weighting 40%)</b>	11
<b>Total minimum study load</b>		<b>120 hours</b>

Additional study hours (if required), dependent on knowledge and personal commitments	60 hours
<b>Total study load, including additional study hours</b>	<b>180 hours</b>