



**FPC003 Superannuation  
and Retirement Advice**



# Subject outline

## FPC003 Superannuation and Retirement Advice

### Section 1 — General information

#### 1.1 Administrative details

---

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

#### 1.2 Core or elective subject

---

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

---

This subject is delivered online.

#### 1.4 Prerequisites

---

There are no prerequisites for this subject. However please review the 'Assumed knowledge' section below to understand the prior knowledge Kaplan advises you should hold before enrolling in this subject.

#### 1.5 Assumed knowledge

---

Whilst there are no prerequisites for this subject. 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.

#### 1.6 Course transition subject equivalence

---

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.



### **1.7 Work integrated learning**

---

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

### **1.8 Other resource requirements**

---

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



## Section 2 — Academic details

### 2.1 Subject overview

---

The subject addresses the different aspects of superannuation, including contributions, benefits and income streams, as well as how superannuation is treated in death, divorce and bankruptcy. Retirement savings accounts, retail funds, industry funds, self-managed superannuation funds, aged care and equity release schemes are also covered.

The subject covers the formulation of a Statement of Advice (SOA), concentrating on how to structure the various required elements and providing recommendations.

Students will examine a fictitious client's personal and financial details, so they can apply their understanding, when analysing and considering appropriate strategies to consider when preparing a statement of advice.

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

---

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

1. Analyse superannuation structures and strategies for various client situations.
2. Explain the taxation implications of superannuation strategies for contribution, withdrawal and insurance at the fund level.
3. Analyse superannuation retirement income stream strategies according to their benefits, tax implications and social security treatment as they relate to different client situations.
4. Formulate strategies to maximise superannuation benefits and clients' entitlements to social security benefits and aged care.
5. Discuss the advantages and disadvantages of equity release schemes as a source of retirement income.
6. Design superannuation strategies in respect of divorce, bankruptcy and death benefits.
7. Develop a compliant Statement of Advice (SOA).

## 2.3 Topic learning outcomes

---

### Topic 1: Introduction to retirement planning and superannuation

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

- outline the three phases of retirement planning and changing demographics
- discuss the role of social security and superannuation in retirement planning
- describe the main types of superannuation funds
- explain how the superannuation industry is regulated
- distinguish between defined benefit and accumulation superannuation schemes
- explain the choice of superannuation fund provisions.

### Topic 2: Contributions

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

- 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
- distinguish the link between small business CGT concessions and superannuation contributions
- discuss the treatment of overseas transfers and personal injury payments.

### Topic 3: Tax

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

- describe the relationship between a superannuation fund, its contributors and beneficiaries
- differentiate between complying and non-complying superannuation funds
- outline the consequences of a superannuation fund becoming non-complying
- identify items that are taxable for a superannuation fund
- identify payments by funds that are generally deductible
- analyse taxes on superannuation contributions and earnings
- outline the effects of a change in residency of a superannuation fund
- evaluate the advantages and disadvantages of rolling over superannuation fund assets.

### Topic 4: Superannuation benefits

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

- 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: 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
- evaluate strategies for using retirement income stream products.

## Topic 6: 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.

## Topic 7: Self-managed superannuation funds

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

- identify circumstances in which it would be appropriate to establish an SMSF
- describe the procedures for establishing, running and winding up an SMSF
- explain the investment requirements for an SMSF
- identify circumstances when a small fund would not qualify as an SMSF
- demonstrate the tax treatment of SMSF pension and accumulation assets
- understand strategic and tax planning opportunities and problems arising from an SMSF.

## Topic 8: Statement of advice — structure and recommendations

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.

## Topic 9: Death benefits

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.

## Topic 10: Divorce and bankruptcy

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

- discuss the options for splitting superannuation in the case of marriage breakdown
- identify which benefits can and which cannot be split
- outline the taxation implications and components of a split benefit
- outline the steps involved to help a client effect a split
- outline the circumstances whereby superannuation can be protected from bankruptcy.

## Topic 11: Superannuation strategies and equity release schemes

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

- identify the different methods of contributing to superannuation
- articulate the benefit of a recontribution strategy in minimising superannuation death benefit tax
- identify situations when a transition to retirement income stream could be commenced to add strategic value
- outline the steps involved in a self-managed superannuation fund borrowing under a limited recourse borrowing arrangement
- outline the steps involved in taxpayers potentially being eligible for the small business CGT concessions and interactions with contributing the proceeds to superannuation
- outline the social security assessment of reverse mortgages. Identify where a reverse mortgage may be suitable to meet a client's needs.

## Topic 12: Ongoing service

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

- 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
Exam	Multiple-choice questions and short-answer questions	Week 6	1–6	50%	LO1–LO4
Assignment	Case study and preparation of a Statement of Advice	Week 12	1–12	50%	LO1–LO7

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: Introduction to retirement planning and superannuation Topic 2: Contributions	12
2–3	Topic 3: Tax Topic 4: Superannuation benefits	20
4–5	Topic 5: Income streams Topic 6: Social security and aged care	20
6	<b>Exam (Weighting 50%)</b>	10
7	Topic 7: Self-managed superannuation funds Topic 8: Statement of advice — structure and recommendations	15
8–9	Topic 9: Death benefits Topic 10: Divorce and bankruptcy	17
10–11	Topic 11: Superannuation strategies and equity release schemes Topic 12: Ongoing service	15
12	<b>Assignment (Weighting 50%)</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>