



FPE016 Self Managed Superannuation Funds



Subject outline

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SECTION 1 — GENERAL INFORMATION

1.1 Administrative details

Duration	Credit points	Level
One study period (12 weeks)	6	AQF9

1.2 Core or elective subject

This is an elective subject for the 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, FPC002B Ethics and Professionalism in Financial Advice, FPC003 Superannuation and Retirement Advice, FPC004 Insurance Advice, FPC005 Estate and Succession Planning, FPC006 Tax and Commercial Law for Financial Planning, FPC007B Client Engagement Skills, FPC008 Investment Advice, FPC009 Complex Financial Planning, or understand the content covered in those subjects, prior to undertaking FPE016 Self Managed Superannuation Funds.

1.6 Course transition subject equivalence

Students are not required to complete this subject if they have transitioned from a SIA/Finsia/Kaplan course and have completed the following subjects within the course completion time frame:

- there are no equivalences for this subject.



1.7 Work integrated learning

There are no placements, internships or work experience requirements associated with the undertaking of 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

This subject focuses on the regulation, establishment, operation and management of a Self Managed Superannuation Fund (SMSF). The subject covers issues related to taxation, estate planning, the steps involved in setting up a pension from an SMSF and the different strategies available for specific client situations.

Students will follow a fictitious case study through the assessment, so that they may apply their understanding of the above concepts for specific client situations.

Financial advisers seeking accreditation in specific knowledge areas should confirm education and training requirements for authorisation with their licensee.

From 1 January 2019, the Financial Adviser Standards and Ethics Authority (FASEA) has established education standards for advisers. This subject has been taught and assessed at Australian Qualification Framework Level 9, and is an elective subject within a FASEA-approved qualification.

Upon successful completion of this subject, existing advisers will meet the minimum education requirements of ASIC Regulatory Guide 146 (RG146) for providing personal advice in self-managed superannuation to retail clients. Existing advisers must also have completed Tier 1 Generic Knowledge.

2.2 Subject learning outcomes

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

1. Determine the role of a financial adviser throughout the lifecycle of an SMSF.
2. Compare the distinguishing characteristics of an SMSF and a regulated super fund.
3. Formulate investment strategies which demonstrate integrating knowledge of various investment standards that are unique to the operation of an SMSF.
4. Evaluate the reasons for providing pensions via an SMSF and the operation of superannuation interests as they apply to SMSFs.
5. Recommend SMSF fund administration, estate planning and taxation implications.
6. Judge the suitability of strategies that integrate relevant and ethical advantages of an SMSF.

2.3 Topic learning outcomes

Topic 1: Introduction to SMSFs

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

- explain what is meant by an SMSF and apply definitions for members, trustees and employees to determine whether a fund is or is not an SMSF
- discuss the advantages and disadvantages of SMSFs and how these factors relate to the development of the SMSF industry
- discuss the legislative framework and the role of regulators in the SMSF industry
- apply tax legislation to demonstrate the importance of maintaining complying fund status
- explain the importance of quality SMSF advice and who can provide advice under current and future regulations.

Topic 2: SMSF establishment

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

- explain the process of setting up an SMSF
- determine the most appropriate trustee structure for a fund
- apply the Australian Taxation Office's (ATO) interpretation on the use of enduring powers of attorney to scenarios involving the appointment of a legal personal representative (LPR) as a trustee or director
- discuss the need for outsourcing establishment tasks to appropriate service providers
- summarise the superannuation covenants and other responsibilities of superannuation trustees
- explain the *Superannuation Industry (Supervision) Act 1993* (Cth) (SIS Act) penalty regime
- describe the ATO's compliance approach.

Topic 3: Contributions

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

- explain and discuss the rules governing contributions as they relate to SMSFs
- discuss the different ways that excess contributions may be managed
- explain the advantages and disadvantages, including tax implications, of various contribution strategies.

Topic 4: Other taxation issues

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

- identify financial planning opportunities for SMSF trustees
- identify different strategies for SMSF trustees in relation to ETPs, small business CGT concessions and franking credits, then recommend an appropriate course of action
- describe the advantages and disadvantages of strategies relating to various taxation issues.

Topic 5: Investing and borrowing for SMSFs

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

- explain the investment restrictions placed on SMSFs
- describe the exemptions from the investment restrictions placed on SMSFs
- identify the importance of an investment strategy for SMSFs
- discuss the restrictions on SMSF borrowing and lending.

Topic 6: Insurance in superannuation

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

- explain the requirement to consider insurance and how it is documented
- identify when an insurance policy or a self-insurance strategy is most appropriate
- summarise the conditions which must be met for insurance proceeds to be paid out of an SMSF or how the proceeds can be allocated if remaining in the fund
- calculate the tax impact on insurance proceeds for different types of payments to different types of beneficiaries
- consider the tax and regulations applicable to insurance to evaluate whether insurance inside or outside an SMSF or a combination of both is most beneficial.

Topic 7: Accessing superannuation

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

- explain what is meant by a superannuation interests and how they operate in terms of taxable and tax-free components
- describe the preservation requirements and the responsibilities of trustees in maintaining preserved benefits
- identify and describe the various conditions of release
- determine the tax payable by members when they receive a lump sum benefit payment
- describe the different types of income streams available and their associated characteristics
- calculate the required income payments from different types of income streams
- explain the taxation consequences of an income stream benefit payment
- describe the steps involved to set up an income stream from an SMSF.

Topic 8: Superannuation and estate planning

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

- discuss the trade-off between flexibility and control with regard to binding and non-binding death benefit nominations, as well as the application of the death benefit rule
- describe to whom a death benefit can be paid, the form in which it can be paid and the tax impact relating to the type of beneficiary and form of payment
- explain the impact of transactions made to facilitate death benefit payments, such as the sale of assets and the implications of CGT
- outline strategies to maintain estate intentions and to maximise the available deductions relating to death benefits.

Topic 9: Fund administration

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

- discuss the requirements for SMSF record keeping, valuation of assets and annual and periodic reporting
- explain the impact of Guidance Statement GS 009 from the Auditing and Assurance Standards Board on the role and qualifications of an SMSF auditor and when an auditor must report a breach of the SIS Act or Regulations
- discuss the impact of bankruptcy on the funds in an SMSF and its members, and strategies to avoid loss of control of funds and/or fines and legal action
- outline the steps required to wind up an SMSF.

2.4 Assessment schedule

Assessment	Description	Week	Topics	Weighting	Subject learning outcomes assessed
Task	Short-answer questions	Week 5	1–4	10%	LO1–LO3, LO5
Assignment	Short-answer and long answer questions	Week 7	1–7	40%	LO1–LO6
Exam	Multiple-choice and short-answer questions	Week 12	1–9	50%	LO1–LO6

Please refer to our website <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 SMSFs	7
2	Topic 2: SMSF establishment	7
3	Topic 3: Contributions	8
4	Topic 4: Other taxation issues	8
5	Topic 5: Investing and borrowing for SMSFs Task (Weighting 10%)	15
6	Topic 6: Insurance in superannuation	15
7	Topic 7: Accessing superannuation Assignment (Weighting 40%)	20
8	Topic 8: Superannuation and estate planning	8
9	Topic 9: Fund administration	8
10–12	Exam (Weighting 50%)	24
Total hours		120 hours

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