BSBHRM505A Manage remuneration and employee benefits
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Modification History

Unit Descriptor
This unit describes the performance outcomes, skills and knowledge required to implement an organisations remuneration and benefit plans. It incorporates all functions associated with remuneration including packaging, salary benchmarking, market rates reviews, bonuses and the legislative aspects of remuneration and employee benefits.
No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

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Application of the Unit
This unit applies to human resources managers who have responsibility for overseeing the organisations remuneration process.

Licensing/Regulatory Information
Refer to Unit Descriptor

Pre-Requisites

Employability Skills Information
This unit contains employability skills.
This unit contains employability skills.
Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency. Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.

Elements and Performance Criteria

Elements describe the essential outcomes of a unit of competency. Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.

<table>
<thead>
<tr>
<th>Element</th>
<th>Performance Criteria</th>
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<tbody>
<tr>
<td>1</td>
<td>Develop organisation's remuneration strategy</td>
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<tr>
<td>1.1</td>
<td>Analyse strategic and operational plans to determine the scope of remuneration and benefits plans</td>
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<tr>
<td>1.2</td>
<td>Undertake research on current practice, recent developments and legislative parameters for the remuneration strategy</td>
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<td>1.3</td>
<td>Develop options for consideration by relevant managers</td>
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<td>1.4</td>
<td>Present options showing the link to organisational strategic objectives</td>
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<td>1.5</td>
<td>Ensure remuneration policies and incentive plans are agreed and documented</td>
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<tr>
<td>2</td>
<td>Implement remuneration strategy</td>
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<tr>
<td>2.1</td>
<td>Research occupational groups to determine those which are industrial agreement based</td>
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<tr>
<td>2.2</td>
<td>Access/undertake market rates surveys regularly to ensure the organisation's required level of competitiveness for particular occupational groups is maintained</td>
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<td>2.3</td>
<td>Align remuneration and benefits plans with performance management system</td>
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<td>2.4</td>
<td>Ensure that employees receive at least their minimum entitlements in accordance with</td>
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</table>
organisational policies and legal requirements

2.5 Ensure **salary packages** comply with organisational policies and legal requirements including fringe benefits tax (FBT) and superannuation

2.6 Ensure **incentive arrangements**, if included, comply with the organisation's remuneration strategy

3. Review and update remuneration strategy

3.1 Consult managers and employees about the effectiveness of the remuneration strategy

3.2 Amend strategy and plans as necessary to meet organisational policies and legal requirements

**Required Skills and Knowledge**

This section describes the skills and knowledge required for this unit.

**Required skills**

interpersonal skills and ethics to communicate sensitively about remuneration and to observe confidentiality

mathematical and technology skills to calculate costs to the organisation, to graph salary costs and to link salaries to budgets

research skills to determine appropriate models of remuneration and benefits for particular occupational groups and individuals.

**Required knowledge**

leasing arrangements including novated leases

models for bonus/incentive schemes including gain sharing/profit sharing

relevant legislation

remuneration principles/models and strategies

requirements of Australian Tax Office in relation to income tax, superannuation reporting, FBT and bonus payments.

award structures for industrial agreements.
Evidence Guide

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:
- compliance with all of the legal aspects of managing remuneration and benefits
- demonstrated capacity to research and apply remuneration strategies to different occupational groups and circumstances
- application of awards and agreements to structure remuneration processes
- knowledge of the requirements of the Australian Tax Office in relation to income tax, superannuation reporting, FBT and bonus payments.

Context of and specific resources for assessment

Assessment must ensure:
- access to appropriate documentation and resources normally used in the workplace.

Method of assessment

A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- assessment of written reports on remuneration models and approaches
- direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate
- review of research undertaken on current practice, recent developments and legislative parameters for the remuneration strategy
- review of remuneration options developed for consideration by relevant managers
- oral or written questioning to assess knowledge of legislation and the taxation
system.

**Guidance information for assessment**

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

other units from the Diploma of Human Resources Management.
Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Remuneration and benefits may include:
- allowances
- annual leave
- bonuses/incentives
- competency-based progression
- employee share plans
- ex gratia payments
- expense reimbursement
- family/carer's leave
- fringe benefits
- leave without pay
- long service leave
- motor vehicle
- salaries and wages
- share options
- sick leave
- special leave
- study leave
- superannuation

Market rates surveys may include:
- data from remuneration specialists
- general community surveys
- industry salary benchmarking
- surveys conducted by the organisation

Salary packages refers to:
- payment arrangement where the total remuneration and benefits payable to an employee are calculated as total cost of employment (i.e. salary, allowances, motor vehicle, superannuation and fringe benefits)
it does not include payroll tax or workers compensation insurance

**Incentive arrangements** may include:
- commission
- bonuses
- share plans
- share options
- gain sharing
- profit sharing

**Unit Sector(s)**
- empty
- empt

**Competency field**
- Workforce Development - Human Resource Management
- Workforce Development - Human Resource Management