



Australian Government

Department of Education, Employment and Workplace Relations

BSBHRM505B Manage remuneration and employee benefits

Revision Number: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to implement an organisation's remuneration and benefit plans. It incorporates all functions associated with remuneration, including packaging, salary benchmarking, market rate reviews, bonuses and the legislative aspects of remuneration and employee benefits.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
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Application of the Unit

Application of the unit	<p>This unit applies to human resources managers responsible for overseeing an organisation's remuneration process.</p>
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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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.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Develop organisation's remuneration strategy	1.1. Analyse strategic and operational plans to determine the scope of remuneration and benefits plans 1.2. Undertake research on current practice, recent developments and legislative parameters for the remuneration strategy 1.3. Develop options for consideration by relevant managers 1.4. Present options showing the link to organisational strategic objectives 1.5. Ensure remuneration policies and incentive plans are agreed and recorded 1.6. Ensure that organisation is positioned as an employer of choice and regarded as a desirable workplace
2. Implement remuneration strategy	2.1. Research occupational groups to determine those which are industrial agreement based 2.2. Access or undertake market rates surveys regularly to ensure the organisation's required level of competitiveness for particular occupational groups is maintained 2.3. Align remuneration and benefits plans with performance management system 2.4. Ensure that employees receive at least their minimum entitlements according to 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

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- interpersonal skills to:
 - communicate sensitively about remuneration
 - observe confidentiality
- numeracy and technology skills to:
 - calculate costs to the organisation
 - graph salary costs
 - link salaries to budgets
- research skills to determine appropriate models of remuneration and benefits for particular occupational groups and individuals

Required knowledge

- award structures for industrial agreements
- ethical practices relating to remuneration and benefits strategies
- leasing arrangements, including novated leases
- models for bonus and incentive schemes, including gain sharing or profit sharing
- relevant legislation, for example equal employment opportunity, diversity and anti-discrimination legislation
- remuneration principles or models and strategies
- requirements of the Australian Taxation Office in relation to income tax, superannuation reporting, FBT and bonus payments.

Evidence Guide

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 the legal aspects of managing remuneration and benefits
- application of remuneration strategies for different occupational groups and circumstances
- application of awards and agreements to structure remuneration processes
- application of the requirements of the Australian Taxation 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

The following assessment methods are appropriate for this unit:

- assessment of 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.

Range Statement

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.

<i>Remuneration and benefits</i> may include:	<ul style="list-style-type: none"> • allowances • annual leave • bonuses or incentives • competency-based progression • employee share plans • ex gratia payments • expense reimbursement • family and carer's leave • flexible work arrangements • fringe benefits • leave without pay • long service leave • motor vehicle • salaries and wages • share options • sick leave • special leave • study leave • superannuation.
<i>Employer of choice</i> may include:	<ul style="list-style-type: none"> • ability to attract and retain high performing staff • flexible and inclusive work environment supported by the chief executive officer and managers • policies and practices that discourage harassment or discrimination • reputation for good workplace relationships, a culture of trust and good pay and conditions • reputation for being fair, flexible, innovative and engendering employee engagement • training and development programs that encourage people to plan and follow a career pathway.
<i>Market rate surveys</i> may include:	<ul style="list-style-type: none"> • data from remuneration specialists • general community surveys • industry salary benchmarking

RANGE STATEMENT	
	<ul style="list-style-type: none"> • surveys conducted by the organisation.
<i>Salary packages:</i>	<ul style="list-style-type: none"> • may include payment arrangement where the total remuneration and benefits payable to an employee are calculated as total cost of employment, including: <ul style="list-style-type: none"> • salary • allowances • motor vehicle • superannuation • fringe benefits • do not include payroll tax or workers compensation insurance.
<i>Incentive arrangements</i> may include:	<ul style="list-style-type: none"> • commission • bonuses • share plans • share options • gain sharing • profit sharing.

Unit Sector(s)

Unit sector	
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Competency field

Competency field	Workforce development - human resource management
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Co-requisite units

Co-requisite units		

