Australian Government

FNSSUP431 Terminate retirement income streams

Release: 1

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Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 5.0.

Application

This unit describes the skills and knowledge required to terminate retirement income stream benefit payments, process commutation claims or permit partial withdrawals and determine taxable component of terminated income stream for clients. In the case of a client's death, the described activities will be performed for the beneficiary of the retirement income stream.

The unit applies to those who use specialised industry knowledge and systematic approaches to thoroughly and accurately complete a range of tasks that meet organisational quality assurance procedures.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Unit Sector

Superannuation

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
Elements describe the essential outcomes.	*Performance criteria describe the performance needed to demonstrate achievement of the element.*
1. Process outstanding transactions	1.1 Determine identity and authority of person making enquiry in respect of client's income stream 1.2 Respond to enquiry relating to terminating retirement income stream by detailing proposed actions according to organisational policies and procedures 1.3 Identify the type of income stream 1.4 Determine whether the client is requesting a full or partial withdrawal or commutation from the income stream 1.5 Determine whether income stream can be commuted, terminated or whether it permits partial withdrawals and whether a

ELEMENT	PERFORMANCE CRITERIA
	reversionary pension or payment to the client's estate is available in the case of client's death 1.6 Assess whether client is exercising their rights under the cooling-off period
2. Complete and action fund documentation	2.1 Record and communicate options to client or beneficiary and process required action according to their instructions and organisational procedures 2.2 Process reversionary pension and other payments to the client's estate in the event of client's death, confirm relevant documentation has been received, and initiate claim staking processes where required 2.3 Contact relevant person to obtain complying benefit payment request where payments are requested to be made to a third party 2.4 Action client request to roll over a lump sum to another superannuation fund according to organisational procedures 2.5 Establish a new reversionary income stream resulting from the termination of client's income stream according to organisational policies and procedures 2.6 Follow organisational procedures where a partial withdrawal by client from an account-based pension results in a breach of minimum and maximum range for income stream
3. Determine taxable component of terminated income stream	3.1 Determine payment of a lump sum from an income stream, complying with legislative and regulatory requirements 3.2 Establish client's age to determine whether tax is payable where the lump sum is a full or part withdrawal or commutation is paid to the client 3.3 Use Australian Tax Office (ATO) guidelines to confirm dependency status and age of beneficiaries or estate recipients where a lump sum is payable 3.4 Follow organisational procedures regarding payment of a tax anti-detriment adjustment where a lump sum is payable to beneficiaries or the estate 3.5 Calculate and record relevant tax component in system according to legislative requirements and operational procedures 3.6 Prepare documentation relevant to taxation calculations and forward to required personnel for review according to organisational policies and procedures
4. Finalise payments	4.1 Determine entitlements within authority levels and obtain sign-off 4.2 Communicate outcome and nominated rollover fund details to client, beneficiary or client's legal representative and send required information to client, their nominated rollover fund, beneficiary or legal representative, according to legislative and organisational

ELEMENT	PERFORMANCE CRITERIA
	requirements 4.3 File copies of documents correctly and in a timely manner 4.4 Respond to further client enquiries and refer complex enquiries to required personnel 4.5 Implement system and process checks according to organisational policies and procedures, and correct irregularities 4.6 Communicate irregularities to required personnel according to organisational policies and procedures

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

SKILL	DESCRIPTION
Numeracy	• Uses mathematical operations to perform calculations and check accuracy of financial information relating to work activities
Oral communication	• Uses appropriate conventions and protocols, including language and concepts appropriate to audience and purpose, to convey and clarify information in a range of contexts • Uses questioning and active listening in verbal exchanges to determine and confirm requirements
Reading	• Interprets written and numerical information from a range of sources and identifies required information to complete work activities
Writing	• Records and completes organisational documentation and correspondence using correct terminology, grammar and spelling to ensure clarity and readability • Prepares and structures documentation logically and concisely according to organisational formats and correct procedures and protocols
Planning and organising	• Plans, sequences and prioritises tasks to achieve organisational requirements • Uses formal decision-making processes and guidelines to resolve routine and non-routine issues and irregularities
Self-management	• Follows organisational policies and procedures and legislative and ethical requirements and meets expectations associated with own role
Technology	• Uses the main features and functions of digital tools and systems to access and manage information

Unit Mapping Information

Supersedes and is equivalent to FNSSUP411 Terminate retirement income streams.

Links

Companion Volume Implementation Guide is found on VETNet - https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe