



Australian Government

FNSSMS602 Consider taxation requirements when advising in self-managed superannuation funds

Release: 1

FNSSMS602 Consider taxation requirements when advising in self-managed superannuation funds

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Application

This unit covers the skills and knowledge required to provide advice to trustees (clients) on the potential taxation implications of particular strategies and solutions being considered for self-managed superannuation funds.

It does not encompass taxation planning or the provision of taxation planning advice, but does include identifying and providing explanation of self-managed superannuation fund taxation requirements.

It applies to individuals who use specialised industry knowledge to respond to enquiries and assist clients with complex needs and requirements.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Unit Sector

Self-managed superannuation

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Advise trustee on fund taxation requirements and implications	1.1 Outline importance of receiving complete advice on taxation requirements and implications for self-managed superannuation fund 1.2 Explain scope and authority of taxation information able to be provided to trustee 1.3 Recommend appropriate providers of specialist taxation advice

ELEMENT	PERFORMANCE CRITERIA
	1.4 Identify sources of taxation information appropriate to self-managed superannuation funds 1.5 Advise trustee on taxation and other requirements that apply to self-managed superannuation fund structures, within scope of authority 1.6 Inform trustee of role of Australian Taxation Office (ATO) in regulating and supervising self-managed superannuation funds 1.7 Advise trustee of fund residency requirements for taxation purposes
2. Advise trustee on implications for contributions made to fund	2.1 Advise trustee of types and amounts of contributions, including in specie contributions, that self-managed superannuation fund can accept and investment restrictions 2.2 Advise trustee on taxation treatment of contributions to self-managed superannuation funds 2.3 Calculate and explain to trustee any relevant taxation concessions for contributor 2.4 Reinforce taxation impacts and risks regarding various types of contributions to trustee and confirm trustee understanding of risk 2.5 Advise trustee on treatment of rollovers
3. Advise trustee on implications for fund's income and asset returns	3.1 Advise trustee on treatment of reserves and residual fund assets, within scope of adviser authority 3.2 Advise trustee of taxation implications and benefits relating to investment earnings, including capital gains tax (accumulation and pensions), within scope of adviser authority 3.3 Explain goods and services tax (GST) and pay as you go (PAYG) implications for fund income, expenditure and benefit payments to trustee, within scope of adviser authority 3.4 Advise trustee of tax deductions available to self-managed superannuation fund, within scope of adviser authority 3.5 Identify fund credits, including franking and foreign taxation credits, for trustee, within scope of adviser authority
4. Advise trustee on implications for benefits paid out of fund	4.1 Advise trustee on taxation and social security treatment of income streams to members from self-managed superannuation fund, within scope of adviser authority 4.2 Inform trustee of tax treatment of death benefits (lump sum and income stream), and effect of binding or non-binding nominations, within scope of adviser authority 4.3 Advise trustee of taxation and social security treatment of any

ELEMENT	PERFORMANCE CRITERIA
	existing assets test exempt income streams, within scope of adviser authority

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.2, 1.4	Accesses, comprehends and interprets complex documents with a high level of technical detail, assessing the accuracy and relevance of the information
Writing	1.1-1.6, 2.1-2.5, 3.1-3.5, 4.1-4.3	Records and consolidates related information and organises content in a manner that supports the purposes and format of the document
Oral Communication	1.1-1.6, 2.1-2.5, 3.1-3.5, 4.1-4.3	- Presents information, choosing language and register appropriate to the audience - Asks questions and listens to responses from trustees using appropriate register, vocabulary and paralinguistic features
Numeracy	2.1-2.5, 3.1-3.5, 4.1-4.3	Extracts, comprehends and analyses mathematical information embedded in a range of complex documents, particularly those related to taxation and with taxation implications
Navigate the world of work	1.1-1.7, 2.2, 2.3, 3.1-3.5, 4.1-4.3	Accepts responsibility for providing advice according to requirements of own role and relevant legislation
Interact with others	1.1-1.6, 2.1-2.5, 3.1-3.5, 4.1-4.3	- Uses a range of strategies, including reading of verbal and non-verbal signals, to establish connection and build rapport with trustees - Selects and uses appropriate conventions and protocols when liaising or sharing information with trustees
Get the work done	1.1-1.7, 2.1-2.5, 3.1-3.5, 4.1-4.3	- Plans, organises and implements tasks, aiming to provide accurate information to trustees - Applies systematic and analytical processes to decide on most appropriate advice for clients in complex and non-routine situations - Uses the main features and functions of digital tools to complete work tasks and to access information

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSSMS602 Consider taxation requirements when advising in self-managed superannuation funds	FNSSMS602 Apply taxation requirements when advising in self-managed superannuation funds	Updated to meet Standards for Training Packages. Changed title. Rewritten, reordered and clarified performance criteria.	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -
<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=c7200cc8-0566-4f04-b76f-e89fd6f102fe>

Assessment Requirements for FNSSMS602 Consider taxation requirements when advising in self-managed superannuation funds

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 1.0.

Performance Evidence

Evidence of the ability to:

- use effective communication and interpersonal skills to advise trustees on the potential taxation implications and other requirements to be considered for self-managed superannuation funds including:
 - contributions and benefits
 - fund income and assets
 - compliance with legislation and Australian Taxation Office (ATO) guidelines.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- interpret ATO requirements regarding self-managed superannuation funds
- interpret and explain critical features of the key legislative requirements regarding self-managed superannuation funds and the Superannuation Industry (Supervision) (SIS) Act
- define and describe capital gains treatment for investment earnings (accumulation and pensions)
- define and describe fund residency and complying status for tax purposes
- define and describe general taxation of investment earnings (accumulation and pension)
- define and describe pay as you go (PAYG) and goods and services tax (GST) considerations relating to self-managed superannuation funds
- identify tax deductions available to, and taxation of income streams from, self-managed superannuation funds
- discuss taxation treatment of:

- contributions to the fund
- existing assets test exempt income streams (taxation and social security issues)
- death benefits (lump sum and pension issues)
- franking credits
- reserves and residual fund assets
- rollovers, including in specie issues.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the self-managed superannuation field of work and include access to:

- organisational financial records
- organisational policy and procedures
- special purpose tools, equipment, materials and industry software packages.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

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