



Australian Government

FNSSUP411 Terminate retirement income streams

Release: 1

FNSSUP411 Terminate retirement income streams

Modification History

Release	Comments
Release 1	This version first released with FNS Financial Services Training Package Version 2.0.

Application

This unit describes the skills and knowledge required to terminate retirement income stream benefit payments and process commutation claims.

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

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

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. Process transactions	1.1 Receive and respond to client enquiries for access to a lump sum from an income stream, including notification of the client's death, and document according to organisational procedures 1.2 Assess the circumstance and type of income stream to determine if it can be commuted, terminated or permits partial withdrawals or, in the case of the death of the client, if a reversionary pension or payment to the client's estate is available 1.3 Assess whether a client is exercising their rights under the cooling off period 1.4 Determine whether the client is requesting a full or partial

ELEMENT	PERFORMANCE CRITERIA
	withdrawal or commutation from the income stream
2. Complete and action fund documentation	2.1 Record information and send additional information to the client or approved representative to process required action in accordance with organisational procedures 2.2 Process reversionary pension and/or other payments to the client's estate, in the event of the client's death, on receipt of appropriate documentation and apply claim staking processes where required 2.3 Contact the 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 in accordance with organisational procedures 2.5 Establish a new reversionary income stream resulting from the termination of a client's income stream in accordance with organisational procedures 2.6 Follow organisational procedures where a partial withdrawal from an account based pension by the client results in a breach of the minimum and maximum range for the income stream
3. Determine taxable component of terminated income stream	3.1 Establish the client's age to determine whether tax is payable where the lump sum is a full or part withdrawal or commutation paid to the client 3.2 Use Australian Tax Office (ATO) guidelines to confirm dependency status and age of beneficiaries or estate recipients where a lump sum is payable 3.3 Follow organisational procedures regarding payment of a tax anti-detriment adjustment where a lump sum is payable to beneficiaries or the estate 3.4 Calculate appropriate tax component according to legislative requirements and record in appropriate system in line with organisational procedures 3.5 Prepare documents and forward to appropriate personnel for checking in line with organisational procedures
4. Forward information and payments to appropriate parties	4.1 Determine entitlements within authority levels and obtain sign off 4.2 Send information, depending on payment type, to the client, their nominated rollover fund, beneficiary or client's legal representative according to organisational and legislative requirements 4.3 Communicate with clients, beneficiaries and client's legal representative according to organisational procedures 4.4 File copies of documents correctly and in a timely manner

ELEMENT	PERFORMANCE CRITERIA
5. Respond to enquiries from clients and other persons entitled to make an enquiry	5.1 Determine identity and authority of person making enquiry in respect of a client's income stream 5.2 Treat enquiries from clients and other parties professionally and provide required information according to organisational and legislative requirements 5.3 Refer complex enquiries to appropriate personnel
6. Follow quality assurance procedures	6.1 Follow organisational procedures to ensure all work is completed accurately 6.2 Comply with regulations and legislation determining payment of a lump sum from an income stream 6.3 Implement system and process checks and identify any irregularities 6.4 Correct any irregularities or communicate to appropriate personnel

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	1.1-1.4, 3.1, 3.2, 3.3, 5.1	Interprets written and numerical information from a range of sources and identifies relevant information to complete work activities
Writing	1.1, 2.1-2.6, 3.4, 3.5, 4.2, 4.3, 5.2	- Accurately records and completes organisational documents 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
Oral Communication	1.1, 2.3, 4.3, 5.1, 5.2	- Uses language and concepts appropriate to audience and purpose to convey and clarify information - Uses questioning and active listening in verbal exchanges to determine and confirm requirements
Numeracy	2.2, 2.4-2.6, 3.3, 3.4, 4.1	Uses mathematical operations to perform calculations and check accuracy of financial information relating to work activities

Navigate the world of work	1.3, 2.1, 2.4-2.6, 3.2-3.5, 4.1-4.3, 6.1-6.4	Recognises and follows explicit and implicit protocols and legislative and ethical requirements and meets expectations associated with own role
Interact with others	1.1, 2.3, 3.5, 5.1-5.3	Selects and uses the appropriate conventions and protocols when communicating in a range of familiar work contexts
Get the work done	1.1-1.4, 2.1-2.6, 3.1-3.5, 4.1-4.4, 5.3, 6.4	- 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 - Uses the main features and functions of digital tools and systems to access and manage information required to complete work tasks and to communicate with others

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FNSSUP411 Terminate retirement income streams	Not Applicable	New unit	No 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 FNSSUP411 Terminate retirement income streams

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Performance Evidence

Evidence of the ability to:

- follow organisational procedures to terminate or commute retirement income streams for clients including:
 - processing and preparing all documentation accurately
 - calculating income stream payouts including full and partial withdrawals or commutations
 - calculating tax on lump sums
- communicate efficiently and effectively with clients, beneficiaries, team members and other relevant parties.

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:

- explain who is entitled to make enquiries about a client's superannuation and how to deal with those enquiries
- outline key features of organisational policies and procedures in relation to the termination of income stream products including the steps in:
 - terminating or ceasing income streams and annuities
 - partial withdrawal and partial commutation of pensions
 - communications with client, beneficiaries and client's legal representative
- explain key features of regulatory requirements relevant to the termination of retirement income streams
- discuss ethical and legal considerations in handling confidential and private client information
- outline the process and issues relevant to the nomination of beneficiaries

- explain how death benefits are processed and calculated
- describe timing rules and how commutations of non-account based income streams are calculated
- describe the claim staking process for death benefits
- describe the different definitions of dependant including Superannuation Industry (Supervision) (SIS) Act and Australian Tax Office (ATO) definitions
- explain anti-detriment tax adjustments for lump sum benefits paid to dependants
- provide an overview of taxation implications on retirement income stream or annuity products
- describe access and preservation rules
- describe applicable situations, rules and processes involved in:
 - rolling back a pension
 - rolling over and refreshing a pension
 - reversionary pensions.

Assessment Conditions

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

- office equipment, technology, software and consumables
- organisational policies and procedures including requirements relevant to terminating retirement income streams.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

Links

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