



Australian Government

FNSSUP420 Establish and administer retirement income streams

Release: 1

FNSSUP420 Establish and administer retirement income streams

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 set up and manage retirement income streams in compliance with current legislation and regulations.

The unit applies to those who use specialised industry knowledge and work systematically to review and process information and data according to defined procedures.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. Users are advised to check with the relevant state and territory regulatory authorities to confirm those 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. Receive application and verify data	1.1 Receive new income stream application and payment where required, and compile required documentation 1.2 Check that documentation is correct and complete 1.3 Identify and address issues or irregularities and seek advice from team members or authorised personnel as required 1.4 Gather further information from appropriate sources to proceed with application if required 1.5 Update new and additional information according to organisational policies and procedures
2. Calculate amount of retirement income stream	2.1 Calculate amount of a non-account based income stream according to minimum and maximum annual limits 2.2 Confirm payment selected by the member in an account-based

ELEMENT	PERFORMANCE CRITERIA
	income stream is within age-related limits 2.3 Calculate payment for transition to retirement account-based income stream, according to minimum and maximum annual limits 2.4 Administer incoming payments and outgoing benefits using required portals and systems
3. Set up new member records	3.1 Extract information required to set up income stream from application form and information collected, including setting up pay as you go (PAYG) instalments 3.2 Enter data into organisational system and follow checking and authorisation procedures for setting up new income streams including reversionary pensions 3.3 Process client's nominated investment choice for an account-based income stream according to organisational policies and procedures 3.4 Send confirmation, policy documents or investor certificate and details of cooling off period to client according to organisational policies and procedures 3.5 File documentation according to organisational policies and procedures
4. Meet compliance requirements	4.1 Send to client periodic statement and PAYG summary with income stream details 4.2 Provide to clients and relevant government departments information relating to income stream products, within legislative and regulatory limits 4.3 Conduct system checks according to organisational policies and procedures and check for any irregularities of payments 4.4 Identify and rectify consequences of incorrect payments 4.5 Determine compliance of retirement income streams according to legislative and regulatory requirements
5. Maintain member records	5.1 Process requests for changes to client's nominated investment choice according to organisational guidelines 5.2 Apply earning rates and consumer price index (CPI) adjustments to retirement income stream 5.3 Determine, on an annual basis, that nominated account-based income stream payments are within the relevant age range set out by legislation, and make adjustments where required 5.4 Update client's personal details and allowable changes to nominated beneficiaries as required

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 data relating to retirement income streams
Oral communication	• Uses appropriate conventions and protocols, including language and concepts relevant to audience and purpose, to convey and clarify information in a range of familiar work contexts • Uses active listening and questioning techniques in verbal exchanges to determine and confirm client requirements
Reading	• Interprets written and numerical information from a range of sources and identifies key information
Writing	• Records and completes organisational documentation and correspondence using accurate 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 and own workload to achieve organisational requirements • Uses a formal decision-making process in undertaking evaluations against set criteria
Self-management	• Follows legislative and ethical requirements and organisational policies and procedures to meet 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 FNSSUP410 Establish and administer 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>

Assessment Requirements for FNSSUP420 Establish and administer retirement income streams

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Performance Evidence

The candidate must demonstrate the ability to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including evidence of the ability to:

- establish and administer retirement income streams for at least three different clients.

In the course of the above, the candidate must:

- access member contract guidelines and prepare income benefit documentation
- calculate tax payable on an income stream paid to a client, taking into account client's age
- process documentation and commutations, including taxation payable
- comply with legislative and regulatory requirements and organisational policies and procedures when determining compliance of retirement income streams.

Knowledge Evidence

The candidate must be able to demonstrate knowledge to complete the tasks outlined in the elements, performance criteria and foundation skills of this unit, including knowledge of:

- legislative and regulatory requirements relating to:
 - establishing retirement income streams
 - key features of Australian privacy principles
 - data protection
- organisational policies, procedures and guidelines relating to establishing and administering retirement income streams, including the steps in:
 - setting up an income stream and the documents required, including the verification process
 - maintaining an income stream and the documents required, including proof of life for non-account based income streams
- types of income streams earned by clients, including:
 - those included in pay as you go (PAYG) documentation
 - reversionary pensions

- retirement income stream products of the organisation
- ethical considerations in handling confidential and private client information
- ways and processes by which a person can purchase a retirement pension or annuity
- retirement pension or annuity options available to clients, including hybrid fund options
- position and implications for beneficiaries in establishing a retirement income stream, including:
 - relevance to reversionary pensions
 - account-based income streams
 - death benefit nominations
 - estate planning
- key features and benefits of retirement income stream products
- documentation required to establish retirement income streams, including certified copies of appropriate identification
- requirements for accessing an income stream
- methods used to perform calculations relating to retirement income streams
- consequences of incorrect processing of income stream payments, incorrect maintenance of the income stream, and of other breaches
- key features of policy documents for investment clients, including:
 - confirmations
 - investor certificates
 - details regarding cooling off periods.

Assessment Conditions

Skills in this unit must be demonstrated in a workplace or simulated environment where the conditions are typical of those in a working environment in this industry.

This includes access to:

- organisational equipment, technology, software and consumables
- financial services product information
- client documentation required to establish and administer retirement income streams, including PAYG summary documentation with income stream details
- publicly available information required to establish and administer retirement income streams, including the latest consumer price index (CPI) information available
- organisational policies and procedures relevant to establishing and administering 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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