



Australian Government

Department of Education, Employment and Workplace Relations

FNSFLT505A Facilitate customer or employee understanding of superannuation as an investment tool

Release: 1

FNSFLT505A Facilitate customer or employee understanding of superannuation as an investment tool

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to educate customers or other people in or entering the workforce about the role of superannuation as a long term investment device to assist with their preparation for retirement. This includes the purpose of superannuation, statutory requirements for employer contributions, the role of a range of investment vehicles in the building of a superannuation portfolio and the monitoring of a superannuation scheme's performance over time. No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.
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Application of the Unit

Application of the unit	This unit may be applied within the context of a financial counselling role or in educational programs facilitated by financial counsellors or financial institutions within the context of improving consumer financial literacy.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

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. Explore the contemporary superannuation environment in Australia	1.1. The purposes and benefits of superannuation as part of a long-term investment strategy to support people in retirement are identified and analysed 1.2. The characteristics of superannuation in Australia following the introduction of Superannuation Guarantee contributions by employers are canvassed and assessed for their impact on individual and community savings patterns 1.3. The role of regulators and trustees in the regulation and management of superannuation funds in the Australian superannuation industry is identified and explored 1.4. Key terminology used within the superannuation industry is explained and clarified 1.5. Sources for ongoing information about superannuation in Australia are identified and their uses explored
2. Analyse the range of investment vehicles used in superannuation funds	2.1. The nature and role of superannuation schemes and the range and types of superannuation fund managers are identified 2.2. A range of investment objectives and their related strategies are explained and analysed 2.3. The role of death benefits within superannuation schemes is identified 2.4. The costs of administering and managing superannuation funds are explained and analysed 2.5. A cross-section of superannuation funds' performance over time is analysed and compared, and the variables that contributed to performance are explained and analysed
3. Foster the active management of superannuation funds	3.1. The importance and means of checking superannuation statements for accuracy are explained and demonstrated to the customer 3.2. Techniques for analysing the performance, rate of return, government taxes and other costs are demonstrated and analysed 3.3. Strategies for building superannuation savings including personal contributions and salary sacrificing are described and analysed 3.4. The importance of retaining superannuation statements for future analysis is explained to the customer 3.5. Mechanisms to gain information, clarification or to

ELEMENT	PERFORMANCE CRITERIA
	lodge complaints if concerns or discrepancies arise about an individual's superannuation fund are explained and explored
4. Foster understanding of the structures and strategies to deploy superannuation savings	4.1. The processes and requirements for the management and deployment of funds when employment status or employer are changed are explained and explored 4.2. The role and nature of preserved and non-preserved components of superannuation funds are explained and explored 4.3. The government regulated minimum age when superannuation benefits can be accessed, and the regulation's impact, are defined and explained to the customer 4.4. The nature of accumulation or defined benefit funds are defined and explained to the customer 4.5. The range of structures and techniques for the utilisation of superannuation funds on retirement are explained and explored

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- communication skills to:
 - clearly explain superannuation purposes, functions and schemes to customers or employees, using questioning and active listening as required and responding with empathy in sensitive cases
 - liaise with others, share information, listen and understand
 - use language and concepts appropriate to cultural differences
- IT skills to use internet information and use calculators and spreadsheets to calculate superannuation costs and returns
- literacy skills for:
 - analysing information to ensure appropriateness to customer or employee needs, currency and accuracy
 - drafting documents for customers or employees
- problem solving skills to identify any issues that have the potential to impact on the customer or employee's understanding and develop options
- organisational skills, including the ability to plan and sequence work

Required knowledge

- relevant government legislation relating to superannuation
- relevant industry codes of practice including:
 - Consumer Credit Code
 - Privacy Act
 - Credit Act
- roles and relationships between participants within the Australian financial services industry, including banks and other financial intermediaries
- sound knowledge of consumer issues relating to superannuation information

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 ability to: • explain terminology used within the superannuation industry to a range of customers or employees • provide clear and relevant information to customers and/or those in or about to enter the workforce that will build understanding and confidence in the effective management of personal superannuation • identify and present to customers or employees, methods of managing their superannuation contributions and funds.
Context of and specific resources for assessment	Assessment must ensure: • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • access to financial services superannuation product information.
Method of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples, in combination, are appropriate for this unit: • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • observing processes and procedures in workplaces or role plays • verbal or written questioning on underpinning knowledge and skills • setting and reviewing workplace projects and business simulations or scenarios.
Guidance information for assessment	

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.	
Range of <i>characteristics of superannuation</i> in Australia include:	• ages at which people may access their superannuation savings • available tax concessions for self-employed people who take out superannuation • regulated contributions as a percentage of earnings paid by employers as the Superannuation Guarantee • tax arrangements for superannuation schemes.
The <i>regulators</i> within the superannuation industry are:	• Australian Prudential Regulation Authority (APRA) • Australian Securities and Investments Commission (ASIC) • Australian Taxation Office (ATO).
<i>Superannuation schemes</i> include:	• accumulation funds • defined benefit funds.
The types of superannuation <i>fund managers</i> include:	• employer or corporate funds • industry funds • retail funds • self-managed funds.
<i>Strategies</i> include:	• balanced • capital guaranteed • capital stable • growth.
The costs of <i>administering and managing superannuation funds</i> include:	• additional contributions costs • adviser service fees • commissions • deposit fees • early termination fees • entry costs • exist costs • fund management fees (usually a percentage of funds under management) • insurance premiums • switching fees

RANGE STATEMENT	
	trustee levy.
Common items that will be found when checking superannuation Statements may include:	- general details including: - confirmation tax file number received - date the member joined the fund - fund name - member name and date of birth - summary of account details including: - closing balance - deductions including fees and withdrawals by the member - investment earnings - list of contributions - opening balance - rebates - benefit details.
Changes to employment status or employer may result from:	- changing jobs - redundancy - retirement - retrenchment.

Unit Sector(s)

Unit sector	Financial literacy
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Competency field

Competency field	
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Co-requisite units

Co-requisite units		

