ACST815
Superannuation
Semester 1, 2012

Department of Applied Finance and Actuarial Studies
MACQUARIE UNIVERSITY
FACULTY OF BUSINESS AND ECONOMICS
UNIT GUIDE

Year and Semester:  Semester 1, 2012

Unit convenor:  Shauna Ferris

Prerequisites:  ACST603 or admission to MCom or MIB or MEc or M.Act.Prac. prior to 2011

Credit points:  4

Students in this unit should read this unit guide carefully at the start of semester. It contains important information about the unit. If anything in it is unclear, please consult one of the teaching staff in the unit.

ABOUT THIS UNIT

Topics include: a market overview and historical perspective; the introduction of compulsory superannuation (award based and superannuation guarantee); the prudential requirements protecting superannuation fund members; superannuation in the government's retirement incomes policy (including proposed reforms); tax concessions and superannuation; social legislation affecting superannuation (e.g. family law and anti-discrimination legislation); and post retirement products.

This unit is relevant for students who want to work in the superannuation industry in the future.

TEACHING STAFF

• Convenor:  Shaun Ferris
  Room E4A 617
  Email Shauna.Ferris@mq.edu.au

• Other Staff  Dr Sachi Purcal
  Room E4A 615
  Email: Sachi.purcal@mq.edu.au

CONTACTING STAFF

• Consultation times

Shauna Ferris will be available for consultation on Tuesday afternoon between 2 pm and 4 pm in room E4A 617.
Dr Sachi Purcal will be available for consultation on **Thursdays, 2 pm to 4 pm, E4A 615.**

You are encouraged to seek help at a time that is convenient to you from a staff member teaching on this unit during their regular consultation hours. In special circumstances, an appointment may be made outside regular consultation hours. You may phone staff during their consultation hours (Shauna’s Telephone number is 9850 7294).

- **Other ways of contacting staff**

If you have any other enquiries, please contact the unit convenor, Shauna Ferris, by email at shauna.ferris@mq.edu.au. If necessary you can arrange an appointment with Shauna at her office in E4A 617.

Students experiencing significant difficulties with any topic in the unit must seek assistance immediately.

**CLASSES**

- Lectures : 3 hours per week from 6 pm to 9 pm on Thursdays

- The timetable for classes can be found on the University web site at: [http://www.timetables.mq.edu.au/](http://www.timetables.mq.edu.au/). This timetable shows the class times and locations.

- We strongly recommend that students attend lectures. This will help you to keep up to date with the course material.

**UNIT WEB PAGE**

- Course material is available on the learning management system (iLearn)

**REQUIRED AND RECOMMENDED TEXTS AND/OR MATERIALS**

There is no text book for this course. Readings that are required or recommended each week will be posted on iLearn.

Lecture notes will be made available on the iLearn system.

**TECHNOLOGY USED AND REQUIRED**

You will required to use iLearn, word processing software (like Word), spreadsheet software (like Excel) and be able to create and read pdf files.
Both iLearn and any required software will be accessible via the University’s computer labs.

**LEARNING OUTCOMES**

The learning outcomes of this unit are:

1. Describe the main features of the Australian system of superannuation.
2. Outline the major issues, including ageing, that are germane to superannuation systems.
3. Explain the typical regulatory issues that arise in superannuation and particular features of regulation in Australia.
4. Describe the different forms superannuation systems can take and their consequences.
5. Outline the considerations relevant to the retirement decision.
6. Explain the pertinent issues involved in life cycle saving and investment, including international investment.

**GRADUATE CAPABILITIES**

In addition to the discipline-based learning objectives, all academic programs at Macquarie seek to develop the capabilities the University’s graduates will need to develop to address the challenges, and to be effective, engaged participants in their world.

This unit contributes to this by developing the following graduate capabilities:

1. Discipline Specific Knowledge and Skills
2. Critical, Analytical and Integrative Thinking
3. Problem Solving and Research Capability
4. Effective Communication
5. Engaged and Ethical Local and Global citizens
6. Capable of Professional and Personal Judgement and Initiative
**LEARNING AND TEACHING ACTIVITIES**

Lectures will review the main topics and provide coverage of the course concepts. They are an opportunity for students to develop an understanding of the main topics covered in the course and the level of knowledge expected. They provide a guide to the course of study during the session and the material students need to read and review. Students should read the prescribed readings prior to the lecture.

Tutorial discussions and in-class activities are for students to ask questions on aspects of the course that need further clarification, and to interact with other students in the course.

- Week-by-week list of the topics to be covered.

<table>
<thead>
<tr>
<th>Week</th>
<th>Topic</th>
<th>Lecturer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Introduction to Retirement Income Policy</td>
<td>SF</td>
</tr>
<tr>
<td>2</td>
<td>Overview of Superannuation in Australia</td>
<td>SF</td>
</tr>
<tr>
<td>3</td>
<td>Compulsory and Voluntary Superannuation</td>
<td>SF</td>
</tr>
<tr>
<td>4</td>
<td>Types of Fund, Choice of Fund</td>
<td>SF</td>
</tr>
<tr>
<td>5</td>
<td>Prudential Legislation</td>
<td>SF</td>
</tr>
<tr>
<td>6</td>
<td>Future Policy Directions</td>
<td>SF</td>
</tr>
<tr>
<td>7</td>
<td>Class Test (1.5 hours)</td>
<td>SF</td>
</tr>
<tr>
<td>8</td>
<td>Savings and Investment over the Life Cycle</td>
<td>SP</td>
</tr>
<tr>
<td>9</td>
<td>Retirement Income Streams</td>
<td>SP</td>
</tr>
<tr>
<td>10</td>
<td>More on Managing Life Cycle Investments</td>
<td>SP</td>
</tr>
<tr>
<td>11</td>
<td>Class Presentations</td>
<td>SP</td>
</tr>
<tr>
<td>12</td>
<td>Retirement</td>
<td>SP</td>
</tr>
<tr>
<td>13</td>
<td>Investing Internationally</td>
<td>SP</td>
</tr>
</tbody>
</table>

**RESEARCH AND PRACTICE**

- This unit uses research from a range of sources. References for given topics will be available on the iLearn system.
- This unit also gives you opportunities to conduct your own research.

**RELATIONSHIP BETWEEN ASSESSMENT AND LEARNING OUTCOMES**

Assessment tasks include:

<table>
<thead>
<tr>
<th>Assessment Task</th>
<th>Due Date</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 Reports</td>
<td></td>
<td>5% each = 20%</td>
</tr>
<tr>
<td>Review Essay &amp; Presentation</td>
<td>Week 11 (May 24)</td>
<td>20%</td>
</tr>
<tr>
<td>Class Test</td>
<td>Week 7 (April 26)</td>
<td>20%</td>
</tr>
<tr>
<td>Final Examination</td>
<td>Examination Period</td>
<td>40%</td>
</tr>
</tbody>
</table>

You will also be given a diagnostic test in week 2. This does not count for assessment but will be used to identify people who may need extra help.
<table>
<thead>
<tr>
<th>Title/Name</th>
<th>Assessment Task 1</th>
<th>Assessment Task 2</th>
<th>Assessment Task 3</th>
<th>Assessment Task 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description (including length or similar as applicable)</td>
<td>1000 words “Who is missing out?” (ANAO Review of SGC and Co-contributions)</td>
<td>1000 words “Is Super a Rip-off?” (the Cooper Review)</td>
<td>1000 words “Arguing With the Trustees” (role of the SCT)</td>
<td>1000 words on “Why Can’t I have my Money?” (Liquidity risk management)</td>
</tr>
<tr>
<td>Due date</td>
<td>Friday 5 pm Week 3 = 16 March</td>
<td>Friday 5 pm Week 5 = 30 March</td>
<td>Friday 5pm in break = 13 April</td>
<td>Friday 5pm Week 8 = May 4</td>
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<tr>
<td>% Weighting</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Grading method - marking criteria/standards - expectations in relation to presentation - referencing requirements</td>
<td>This will be assessed on (a) your understanding of the issues (b) ability to communicate clearly</td>
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<tr>
<td>Submission method</td>
<td>Electronic via iLearn</td>
<td>Electronic via iLearn</td>
<td>Electronic via iLearn</td>
<td>Electronic via iLearn</td>
</tr>
<tr>
<td>Feedback (type, method, date)</td>
<td>Marker’s grades and comments</td>
<td>Marker’s grades and comments</td>
<td>Marker’s grades and comments</td>
<td>Marker’s grades and comments</td>
</tr>
<tr>
<td>Estimated student workload (hours)</td>
<td>3-5 hours</td>
<td>3-5 hours</td>
<td>3-5 hours</td>
<td>3-5 hours</td>
</tr>
<tr>
<td>Learning outcomes assessed (max 6)</td>
<td>Coverage of topic which was covered during the preceding week</td>
<td>Understanding of some basic insurance what risks are insurable, which are uninsurable</td>
<td>Understanding of the pros and cons of risk classification;</td>
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</tr>
<tr>
<td>Graduate capabilities assessed (max 4)</td>
<td>Critical, Analytical and Integrative Thinking</td>
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<td>Critical, Analytical and Integrative Thinking</td>
<td>Critical, Analytical and Integrative Thinking</td>
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<td></td>
<td>Research Capability</td>
<td>Research Capability</td>
<td>Research Capability</td>
<td>Research Capability</td>
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<td></td>
<td>Effective Communication</td>
<td>Effective Communication</td>
<td>Effective Communication</td>
<td>Effective Communication</td>
</tr>
<tr>
<td>Assessment Task 5</td>
<td>Assessment Task 6</td>
<td>Assessment Task 7</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Title/Name</td>
<td>Essay &amp; Class Presentation</td>
<td>Class Test</td>
<td>Final Exam</td>
<td></td>
</tr>
<tr>
<td>Description (<em>including length or similar as applicable</em>)</td>
<td>See description on iLearn</td>
<td>1.5 hour test</td>
<td>3 hour exam</td>
<td></td>
</tr>
<tr>
<td>Due date</td>
<td>Week 11, May 24, by 6 pm.</td>
<td>In Lecture, week 7 (April 23)</td>
<td>During Semester 1 Examination Period (see below)</td>
<td></td>
</tr>
<tr>
<td>% Weighting</td>
<td>20%</td>
<td>20%</td>
<td>40%</td>
<td></td>
</tr>
<tr>
<td>Submission method</td>
<td>Electronic for essay</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Feedback (<em>type, method, date</em>)</td>
<td>A marking rubric is given on iLearn. Students must give a 5-minute presentation (not assessed)</td>
<td>Model solutions provided after the test; score on test plus markers comments on test paper, approximately 2 weeks after the test</td>
<td>Students may look at their exam papers after grades are released.</td>
<td></td>
</tr>
<tr>
<td>Estimated student workload (hours)</td>
<td>15-25</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td></td>
</tr>
<tr>
<td>Learning outcomes assessed (<em>max 6</em>)</td>
<td>All topics covered up to the end of week 7</td>
<td>All topics covered up to the end of week 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduate capabilities assessed (<em>max 4</em>)</td>
<td>Critical, Analytical and Integrative Thinking</td>
<td>Critical, Analytical and Integrative Thinking</td>
<td>Critical, Analytical and Integrative Thinking</td>
<td></td>
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<tr>
<td>2 Problem Solving and Research Capability</td>
<td>Problem Solving and Research Capability</td>
<td>Problem Solving and Research Capability</td>
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<tr>
<td>3 Effective Communication</td>
<td>Effective Communication</td>
<td>Effective Communication</td>
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</table>

- **Extension requests**: If you suffer unavoidable disruption to your studies, you may ask for an extension by sending an email to Shauna Ferris (shauna.ferris@mq.edu.au)

- **Late submissions**: Any assessment tasks which are submitted late will be subject to a penalty of 10% of the marks for the assessment task, per day or part-day. For
example if there is an assignment worth 5 marks, and you hand it in 10 hours late, you will lose 0.5 marks from the total; if you hand it in 3 days late you will lose 1.5 marks. If you have a good reason for handing it in late (i.e. unavoidable disruption) you can send an email to Shauna to request a waiver of the penalty.

- **Examinations**

A final examination is included as an assessment task for this unit to provide assurance that:

i) the product belongs to the student and

ii) the student has attained the knowledge and skills tested in the exam.

A 3 hour final examination for this unit will be held during the University Examination period.

The University Examination period in First Half Year 2012 is from June 12 to June 29.

You are expected to present yourself for examination at the time and place designated in the University Examination Timetable. The timetable will be available in Draft form approximately eight weeks before the commencement of the examinations and in Final form approximately four weeks before the commencement of the examinations.

http://exams.mq.edu.au/

The only exception to not sitting an examination at the designated time is because of documented illness or unavoidable disruption. In these circumstances you may wish to consider applying for Special Consideration. The University’s policy on special consideration process is available at

http://www.mq.edu.au/policy/docs/special_consideration/policy.html

If a Supplementary Examination is granted as a result of the Special Consideration process the examination will be scheduled after the conclusion of the official examination period. (Individual Faculties may wish to signal when the Faculties’ Supplementary Exams are normally scheduled.)

The Macquarie university examination policy details the principles and conduct of examinations at the University. The policy is available at:

http://www.mq.edu.au/policy/docs/examination/policy.htm

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**Academic Honesty**

The nature of scholarly endeavour, dependent as it is on the work of others, binds all members of the University community to abide by the principles of academic honesty. Its fundamental principle is that all staff and students act with integrity in the creation, development, application and use of ideas and information. This means that:

- all academic work claimed as original is the work of the author making the claim
• all academic collaborations are acknowledged
• academic work is not falsified in any way
• when the ideas of others are used, these ideas are acknowledged appropriately.

Further information on the academic honesty can be found in the Macquarie University Academic Honesty Policy at http://www.mq.edu.au/policy/docs/academic_honesty/policy.html

GRADES
Macquarie University uses the following grades in coursework units of study:

HD - High Distinction
D - Distinction
CR - Credit
P - Pass
F - Fail

Grade descriptors and other information concerning grading are contained in the Macquarie University Grading Policy which is available at: http://www.mq.edu.au/policy/docs/grading/policy.html

GRADING APPEALS AND FINAL EXAMINATION SCRIPT VIEWING
If, at the conclusion of the unit, you have performed below expectations, and are considering lodging an appeal of grade and/or viewing your final exam script please refer to the following website which provides information about these processes and the cut off dates in the first instance. Please read the instructions provided concerning what constitutes a valid grounds for appeal before appealing your grade.

http://www.businessandeconomics.mq.edu.au/new_and_current_students/undergraduate_current_students/how_do_i/grade_appeals

SPECIAL CONSIDERATION

The University is committed to equity and fairness in all aspects of its learning and teaching. In stating this commitment, the University recognises that there may be circumstances where a student is prevented by unavoidable disruption from performing in accordance with their ability. A special consideration policy exists to support students who experience serious and unavoidable disruption such that they do not reach their usual demonstrated performance level. The policy is available at: http://www.mq.edu.au/policy/docs/special_consideration/policy.html

STUDENT SUPPORT SERVICES
Macquarie University provides a range of Academic Support Services. Details of these and other services for students can be accessed at http://www.student.mq.edu.au.

**IT CONDITIONS OF USE**

Access to all student computing facilities within the Faculty of Business and Economics is restricted to authorised coursework for approved units. Student ID cards must be displayed in the locations provided at all times.

Students are expected to act responsibly when using University IT facilities. The following regulations apply to the use of computing facilities and online services:

- Accessing inappropriate web sites or downloading inappropriate material is not permitted. Material that is not related to coursework for approved units is deemed inappropriate.
- Downloading copyright material without permission from the copyright owner is illegal, and strictly prohibited. Students detected undertaking such activities will face disciplinary action, which may result in criminal proceedings.

Non-compliance with these conditions may result in disciplinary action without further notice.

Students must use their Macquarie University email addresses to communicate with staff as it is University policy that the University issued email account is used for official University communication.