



# inseta

INSURANCE SECTOR EDUCATION  
AND TRAINING AUTHORITY

<b>Learner Name</b>	
<b>ID Number</b>	
<b>Organisation</b>	

## FORMATIVE ASSESSMENT: LEARNER WORK FILE VERSION 1

Unit Standard Title: **Apply technical knowledge and skill to advise an individual on planning for retirement**

Unit Standard No: **242613**

Unit Standard Credits: **5**

NQF Level: **5**

### Mark information:

Specific Outcome/Section	1	2	3	4	5	Total	%	C / NYC
Maximum marks	28	12	24	14		78	100	

This outcomes-based learning material was developed by Masifunde Training Centre with funding from INSETA in July 2014. The material is generic in nature and is intended to serve as a minimum standard for the industry.

This material may be used and copied for your own personal use. This material may not be republished, nor may it be reverse engineered, translated, modified or used to make derivative information of materials without the express written permission of INSETA which can be obtained by contacting [insetacallcentre@inseta.org.za](mailto:insetacallcentre@inseta.org.za). Short excerpts from the material may be reproduced without authorisation on condition that the source is indicated.

### Disclaimer

Whilst every effort has been made to ensure that the learning material is accurate, INSETA and Masifunde Training Centre (Pty) Ltd take no responsibility for any loss or damage suffered by any person as a result of the reliance upon the information contained herein.

## Formative Activities

### Section 1: 28 marks

#### Activity 1

In this activity, you have to apply knowledge of legislation to retirement planning.

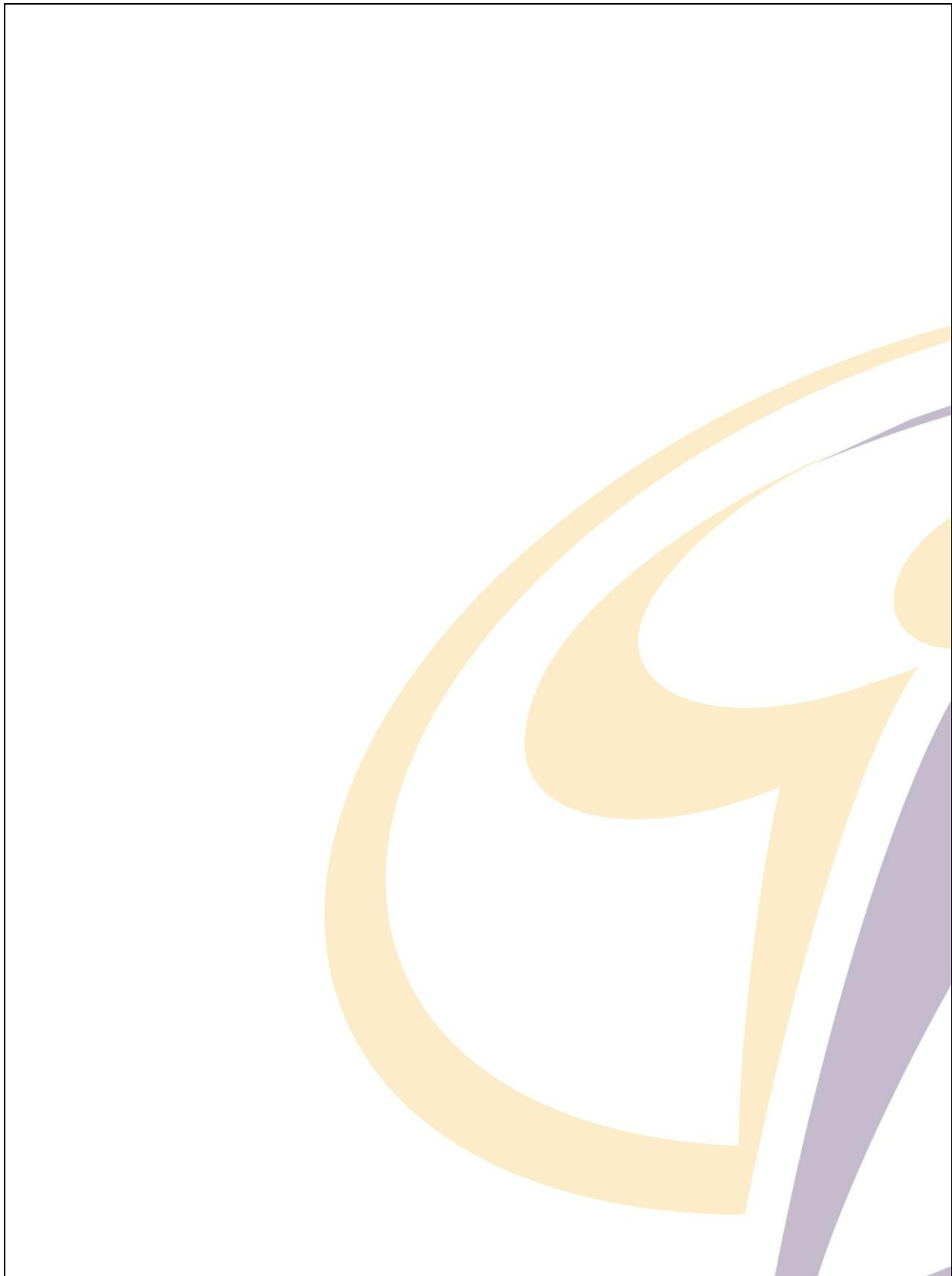
1.1 Analyse and explain the impact of the Pension Funds Act on retirement planning.

(8)

1.2 You are required to apply knowledge of legislation to retirement planning when assisting a client from your organisation. Use the following guidelines: (20)

- a) Analyse the impact of legislation on retirement planning for that client.
- b) Research and discuss developments relating to retirement funds with reference to current trends. Present your answer in a report format. Attach a copy of the report in your Learner Work File.

- c) Analyse the implications of changes in legislation on existing retirement plans
- d) Propose an updated financial solution to meet the needs of the client.



**Section 2: 12 marks****Activity 2**

In this activity, you have to assess objectives and provisions to determine a financial strategy.

2.1 Analyse the nature and term of the needs and lifestyle objectives of one of your clients in order to determine how much capital is required at retirement. (If you do not have a client on which to base your answer for this activity, please indicate the rough rule of thumb and some factors that should be taken into account when determining how much capital is required at retirement. (6)

2.2 If your client's existing financial provisions for retirement are inadequate, suggest 4 ways that he can realign his retirement goals and lifestyle expectations. (4)



2.3 Based on the information and analysis referred in Activity 2.1 and 2.2, propose a financial strategy for the client (e.g. what the best option for retirement planning is for the client) and motivate your recommendation. (2)



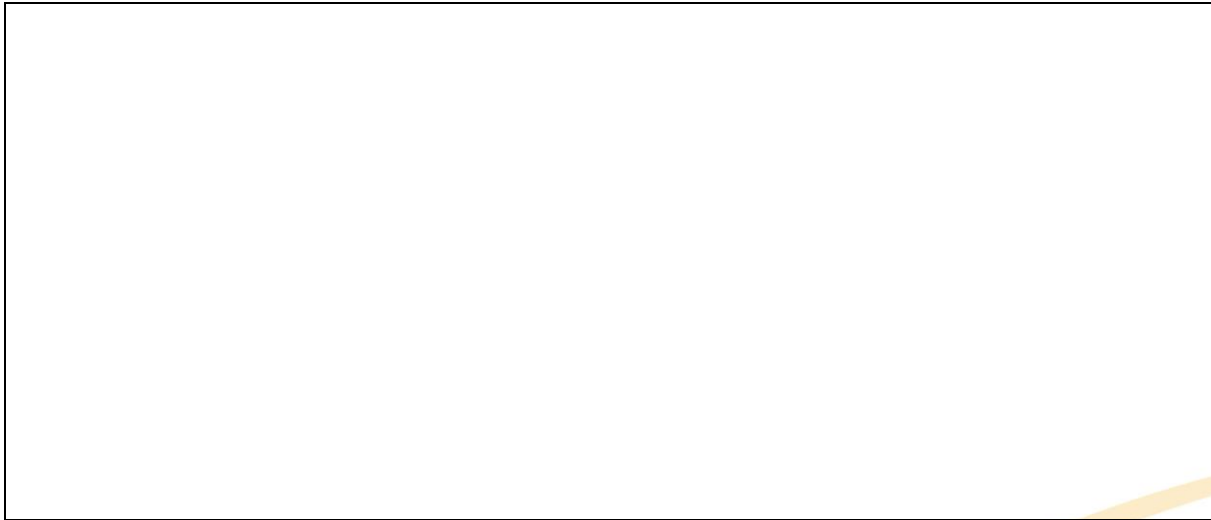
### **Section 3: 24 marks**

#### **Activity 3**

In this activity, you have to construct a portfolio for a specific client based on a client's risk tolerance and objectives.

3.1 You are required to construct a portfolio for a client from your organisation based on the client's risk tolerance and objectives. Use the guidelines below:

- a) Conduct a risk tolerance assessment to set an investment strategy. Attach your results in the Learner Work File. (5)



- b) Propose appropriate retirement investment vehicles to the client based on (15)

- risk tolerance
- term
- liquidity
- tax
- cost, and
- ability to deal with the consequences.

Attach a copy of your proposal in the Learner Work File.





c) Discuss how you shall implement and review the agreed strategy. (4)



**Section 4: 14 marks****Activity 4**

In this activity, you have to recommend changes to a retirement plan after an unplanned life event.

4.1 Briefly discuss the impact of any 2 (two) unplanned life events on a client's existing retirement plan with reference to immediate prospects and future options.

(4)

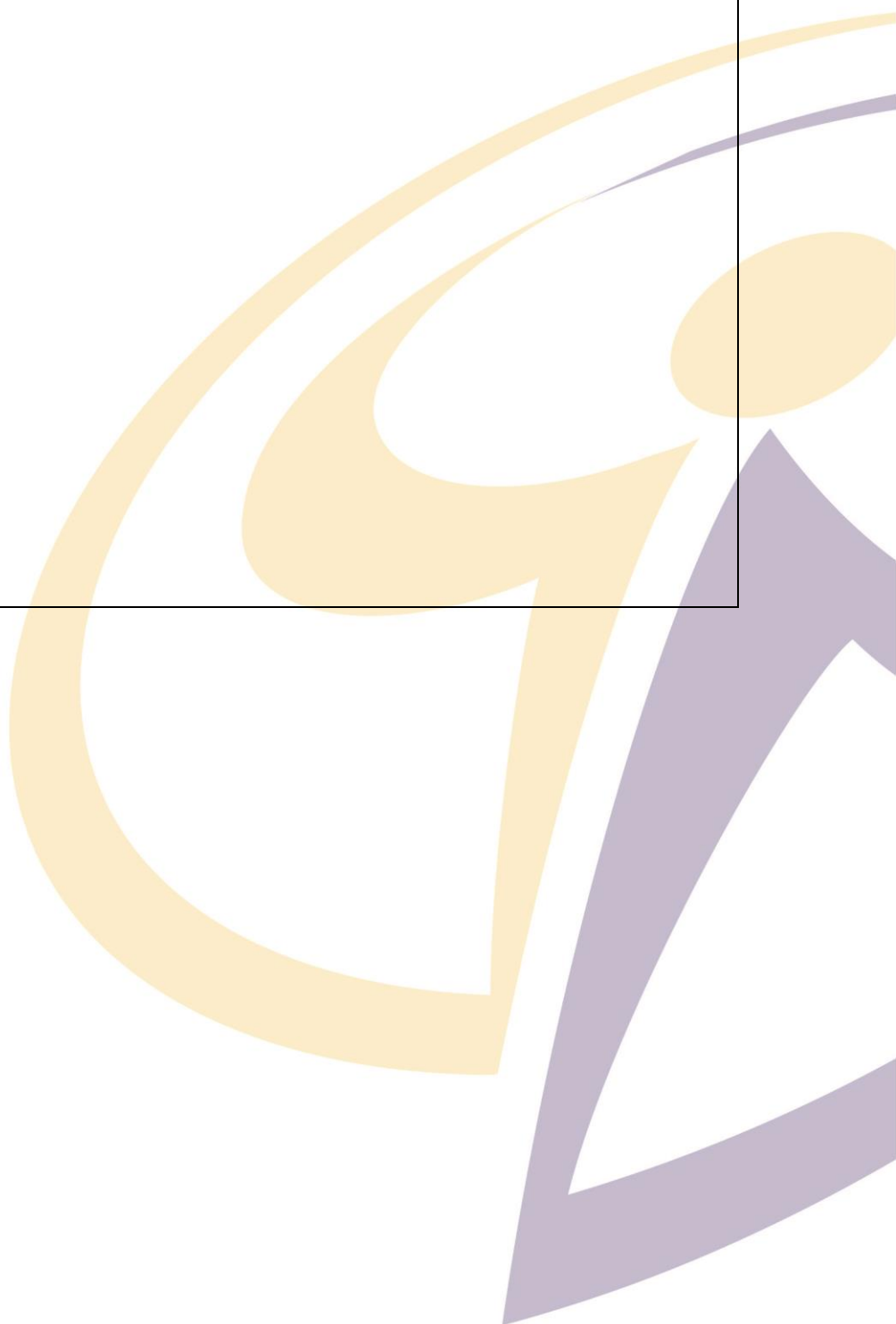


4.2 You are required to recommend changes to a retirement plan of one of your organisation's clients after an unplanned life event. Use the guidelines below: (10)

- a) Assess the impact of an unplanned life event on an existing retirement plan with reference to immediate prospects and future options.
- b) Propose changes to the client's existing retirement plan with reference to revised objectives and what can reasonably be achieved within the time horizon.

Note: Attach all evidence in your Learner Work File.





<b>NAME:</b> ..... <b>COMPANY:</b> ..... <b>ID:</b> .....		<b>EVALUATION CHECKLIST</b> <b>DATE:</b>  <b>TIME:</b>  Activity: 3 and 4	
<b>EVALUATION CRITERIONS</b>	<b>MET REQUIREMENTS</b>	<b>DID NOT MEET REQUIREMENTS</b>	<b>COMMENTS OR ACTION REQUIRED</b>
<b>TASK 3</b>			
<b>CONSTRUCTING A CLIENT'S PORTFOLIO</b>			
Was the learner able to conduct a risk tolerance assessment to set an investment strategy?			
Was the learner able to propose appropriate retirement investment vehicles to the client based on risk tolerance?			
Was the learner able to propose appropriate retirement investment vehicles to the client based on term?			
Was the learner able to propose appropriate retirement investment vehicles to the client based on liquidity?			
Was the learner able to propose appropriate retirement investment vehicles to the client based on tax?			
Was the learner able to propose appropriate retirement investment vehicles to the client based on cost?			
Was the learner able to propose appropriate retirement investment vehicles to the client based on ability to deal with the			

consequences?			
Was the learner able to implement agreed strategy?			
Was the learner able to propose a management plan to for the review of strategy?			
<b>TASK 4</b>			
<b>RECOMMENDING CHANGES TO A RETIREMENT PLAN</b>			
Was the learner able to assess the impact of an unplanned life event on an existing retirement plan with reference to immediate prospects and future options?			
Was the learner able to propose changes to the client's existing retirement plan with reference to revised objectives and what can reasonably be achieved within the time horizon?			
<b>General comments</b>			
Name of supervisor	Date	Signature	



*All qualifications and part qualifications registered on the National Qualifications Framework are public property. Thus the only payment that can be made for them is for service and reproduction. It is illegal to sell this material for profit. If the material is reproduced or quoted, the South African Qualifications Authority (SAQA) should be acknowledged as the source.*

## SOUTH AFRICAN QUALIFICATIONS AUTHORITY

### REGISTERED UNIT STANDARD:

**Apply technical knowledge and skill to advise an individual on planning for retirement**

<b>SAQA US ID</b>	<b>UNIT STANDARD TITLE</b>			
242613	Apply technical knowledge and skill to advise an individual on planning for retirement			
<b>ORIGINATOR</b>		<b>ORIGINATING PROVIDER</b>		
SGB Insurance and Investment				
<b>QUALITY ASSURING BODY</b>				
-				
<b>FIELD</b>			<b>SUBFIELD</b>	
Field 03 - Business, Commerce and Management Studies			Finance, Economics and Accounting	
<b>ABET BAND</b>	<b>UNIT STANDARD TYPE</b>	<b>OLD NQF LEVEL</b>	<b>NEW NQF LEVEL</b>	<b>CREDITS</b>
Undefined	Regular	Level 5	New Level Assignment Pend.	5
<b>REGISTRATION STATUS</b>		<b>REGISTRATION START DATE</b>	<b>REGISTRATION END DATE</b>	<b>SAQA DECISION NUMBER</b>
Reregistered		2009-11-03	2012-06-30	SAQA 0160/05
<b>LAST DATE FOR ENROLMENT</b>		<b>LAST DATE FOR ACHIEVEMENT</b>		
2013-06-30		2016-06-30		

In all of the tables in this document, both the old and the new NQF Levels are shown. In the text (purpose statements, qualification rules, etc), any reference to NQF Levels are to the old levels unless specifically stated otherwise.

This unit standard does not replace any other unit standard and is not replaced by any other unit standard.

### **PURPOSE OF THE UNIT STANDARD**

This Unit Standard is intended for learners who advise individuals at any life stage on retirement planning and who give financial advice or engage in wealth management or financial planning including retirement funding. It is applicable to Broker Consultants, Intermediaries, Financial Planners, Actuaries and Managers in life insurance and financial planning organisations.

The qualifying learner is capable of:

- Applying knowledge of legislation to retirement planning.
- Assessing objectives and provisions to determine a financial strategy.
- Constructing a portfolio for a specific client based on a client's risk tolerance and objectives.
- Recommending changes to a retirement plan after an unplanned life event.

### **LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING**

It is assumed that learners are competent in Communication and Mathematical Literacy at NQF Level 4.

### **UNIT STANDARD RANGE**

The typical scope of this Unit Standard is:

- Retirement vehicles include, but are not limited to Retirement Annuities, Provident Funds, Pension funds, Preservation Funds and other investment instruments.

- Needs include, but are not limited to, bond repayments, children's education needs, contingency money, emergency fund, provision for medical expenses, covering debt, and income.
- Lifestyle objectives include, but are not limited to, overseas trips, holidays and cars.
- Unplanned life events include, but are not limited to, retrenchment, resignation, divorce, permanent disability and dismissal.
- Legislation includes, but is not limited to, the Pension Fund Act, Income Tax Act, Tax on Retirement Funds Act, Labour Relations Act, Long-Term Insurance Act and Divorce Act.

### **Specific Outcomes and Assessment Criteria:**

#### **SPECIFIC OUTCOME 1**

Apply knowledge of legislation to retirement planning.

#### **ASSESSMENT CRITERIA**

##### **ASSESSMENT CRITERION 1**

The impact of legislation on retirement planning is analysed for a specific client.

##### **ASSESSMENT CRITERION 2**

Developments relating to retirement funds are researched and discussed with reference to current trends.

##### **ASSESSMENT CRITERION 3**

The implications of changes in legislation on existing retirement plans are analysed with a view to proposing an updated financial solution.

#### **SPECIFIC OUTCOME 2**

Assess objectives and provisions to determine a financial strategy.

## **ASSESSMENT CRITERIA**

### **ASSESSMENT CRITERION 1**

The nature and term of needs and lifestyle objectives are analysed to determine capital requirements at retirement.

### **ASSESSMENT CRITERION 2**

The nature and term of existing financial provisions are analysed to determine the situation at retirement.

### **ASSESSMENT CRITERION 3**

Different assumptions are applied to specific scenarios to propose and substantiate a well argued financial strategy.

## **SPECIFIC OUTCOME 3**

Construct a portfolio for a specific client based on a client's risk tolerance and objectives.

## **ASSESSMENT CRITERIA**

### **ASSESSMENT CRITERION 1**

A risk tolerance assessment is conducted to set an investment strategy.

### **ASSESSMENT CRITERION 2**

Appropriate retirement investment vehicles are proposed based on risk tolerance, term, liquidity, tax, cost and ability to deal with the consequences.



**ASSESSMENT CRITERION 3**

The agreed strategy is implemented and a management plan is proposed to allow for review.

**SPECIFIC OUTCOME 4**

Recommend changes to a retirement plan after an unplanned life event.

**ASSESSMENT CRITERIA****ASSESSMENT CRITERION 1**

The impact of an unplanned life event on an existing retirement plan is assessed with reference to immediate prospects and future options.

**ASSESSMENT CRITERION 2**

Changes to an existing retirement plan are proposed with reference to revised objectives and what can reasonably be achieved within the time horizon.

**UNIT STANDARD ACCREDITATION AND MODERATION OPTIONS**

- Anyone assessing a candidate against this Unit Standard must be registered as an assessor with the relevant ETQA or ETQA where a Memorandum of Understanding (MOU) exists with the relevant ETQA.
- Any institution offering learning that will enable achievement of this Unit Standard must be accredited as a provider through the relevant ETQA or ETQA where a Memorandum of Understanding (MOU) exists with the relevant ETQA.
- Moderation of assessment will be overseen by the relevant ETQA according to the moderation guidelines and the agreed ETQA procedures.

**UNIT STANDARD ESSENTIAL EMBEDDED KNOWLEDGE**

N/A



**UNIT STANDARD DEVELOPMENTAL OUTCOME**

N/A

**UNIT STANDARD LINKAGES**

N/A

**Critical Cross-field Outcomes (CCFO):****UNIT STANDARD CCFO IDENTIFYING**

The learner is able to identify and solve problems in which responses show that responsible decisions using critical and creative thinking have been made in proposing a financial strategy.

**UNIT STANDARD CCFO COLLECTING**

The learner is able to collect, organise and critically evaluate information in assessing intended liabilities and proposing investment instruments.

**UNIT STANDARD CCFO COMMUNICATING**

The learner is able to communicate effectively using visual, mathematics and language skills in the modes of oral and/or written presentations in proposing a well argued financial strategy and presenting options to minimise tax.

---

*All qualifications and part qualifications registered on the National Qualifications Framework are public property. Thus the only payment that can be made for them is for service and reproduction. It is illegal to sell this material for profit. If the material is reproduced or quoted, the South African Qualifications Authority (SAQA) should be acknowledged as the source.*