FIN 328 RETIREMENT AND ESTATE PLANNING

Pre-requisites: ACCY 221, FIN 221, FIN 251

SPRING 2005 WOLLONGONG

Lecturer and Subject Coordinator

MR BRIAN MURPHY  School of Accounting and Finance

Room:  40 311  Ph:  42215510  email:  bmurphy@uow.edu.au
Consultation:  Tuesday  Time:  09.30-10.30
                      15.30-16.30
                      Thursday  09.30-10.30
                                   14.30-15.30
SECTION A: GENERAL INFORMATION

LECTURE TIMES

<table>
<thead>
<tr>
<th>Day</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday</td>
<td>11.30-12.30</td>
<td>40.131</td>
</tr>
<tr>
<td>Wednesday</td>
<td>15.30-16.30</td>
<td>40.131</td>
</tr>
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</table>

TUTORIALS

<table>
<thead>
<tr>
<th>Day</th>
<th>Time</th>
<th>Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday</td>
<td>17.30-18.30</td>
<td>30:120</td>
</tr>
<tr>
<td>Thursday</td>
<td>11.30-12.30</td>
<td>25:G11</td>
</tr>
</tbody>
</table>

Tutorial Attendance

Attendance at tutorials is a compulsory requirement (see Students Code of Conduct) of this subject.

A schedule of the questions to be prepared for the tutorials is attached. These questions must be attempted before the tutorial. Attempted solutions to tutorial problems are to be submitted to tutors as required. Your tutors will provide further details on what is required.

Tutorials begin in week 2 and finish in week 13.

Your preparation and participation in weekly tutorial discussions will be taken into account when awarding your final mark and when considering requests for special consideration. You must attend your assigned tutorial. I would encourage you to attend an alternate tutorial if you are (on rare occasions) unable to attend your own. However, your tutorial participation assessment will only include attendance at your assigned tutorial (except in the case of public holidays).

Students will be able to seek help from tutors during consultation times. Tutors will indicate their availability in the first tutorial and their consultation times will be posted on the school noticeboard.

Public Holidays

If you have a tutorial that falls on a public holiday, consult the list of tutorial times and locations in this outline, on the School of Accounting and Finance Notice Board, third floor building 40 or on Web-CT and select an alternative time to attend for that week.

Access to Solutions

Solutions for tutorial problems will be placed on Web-CT at the completion of the week of tutorials (for example, solutions to week 2 tutorials will be released Friday afternoon of week 2). Students are advised to refer to the solutions provided.

WEBCT

FIN 328 has an online website based on a WebCT platform. On this site you will find such items as downloadable lecture slides, tutorial solutions, assignment information and class notices. You are expected to check for notices at least four times each week. WebCT can be accessed by students by going to the website: http://www.uow.edu.au/student/lol/

Your WebCT ID is your current UOW email ID. Your password is your current UOW email password.
BRIEF OUTLINE

The subject will provide an overview of the procedures and theory of retirement and estate planning. The course covers major elements in a practical understanding of retirement and estate planning issues that will enable them to identify sound financial planning strategies. It will discuss the goals and objectives of retirement planning with a view to maximisation of the benefits accruing to the retiree. The subject will also provide an overview of superannuation and the implications of superannuation strategies.

STUDENT LEARNING OUTCOMES

Upon completion of this subject students will be able to:

- Emphasize the importance of a structured approach to retirement and estate planning by financial planners.
- Provide an in-depth study of the Superannuation and social security industry in Australia as principle elements in retirement and estate planning.
- Equip students with a practical understanding of retirement and estate planning issues, concepts and principles for developing appropriate financial planning strategies for clients.
- Equip students to apply this knowledge in constructing plans for the pre-retirement (accumulation), retirement and post-retirement phases.

ATTENDANCE REQUIREMENTS

In order to maximise learning outcomes, it is strongly recommended that students attend all lectures. Attendance at tutorials is compulsory.

PARTICIPATION/CONTRIBUTION TO TUTORIALS

All students are expected to prepare responses to assigned questions prior to tutorials. All students are expected to attend tutorials and be prepared to discuss any questions they have regarding the assigned questions. You should note that your mere attendance at tutorials does not constitute participation. Students are required to attend a minimum of 10 tutorials to be eligible to pass the subject.

REQUIRED TEXT(S)


This textbook is available online from the University Bookshop at http://unishop.uow.edu.au/textbooks/

RECOMMENDED BACKGROUND AND FURTHER READING


Guide to estate planning North Ryde, [N.S.W.], CCH Australia, 2004

Guide to self managed super funds Grant Abbot North Ryde, [N.S.W.], CCH Australia, 2004

Guide to Super Choice Scott Charaneka and Wayne Spanner North Ryde, [N.S.W.], CCH Australia, 2005

Super strategies for wealth creation Darren Kingdon North Ryde, [N.S.W.], CCH Australia, 2001

This is not an exhaustive list of references. Students should also use the library catalogue and databases to locate additional resources.

ADDITIONAL MATERIALS

Journals (Available full-text through Proquest)

Australia
Australian CPA
Australian Accountant

International
Estate Planning
Financial planning
Financial Services Review
Journal of Financial Planning
The Journal of Financial Planning Today
Journal of Financial Services Professionals

There may be additional reading needed for various weeks. This will be announced at lectures and the material will be provided through the Web-CT site.
RECOMMENDED AUSTRALIAN WEB-SITES

Financial Planning Association of Australia
www.fpa.asn.au

There are several Government websites that are highly informative on specific aspects of retirement and estate planning and regulations. A good place to start is:

Community Government website at:


Association of Superannuation funds of Australia
http://www.asfa.asn.au

National Information Centre on Retirement Investments (NICRI)
A good source of leaflets on particular topics of retirement and estate planning

Australian Government Taxation Office – Superannuation

Australian Prudential Regulation Authority

Australian CPAS
http://www.cpaaustralia.com.au
SECTION B: ASSESSMENT

General Criteria

Assessment during the teaching session will comprise of one in-session test, one major assignment and the ongoing requirement to prepare tutorial work each week. There will be a final exam that covers the work from the entire session, held at the end of session in the normal exam period. **Students must complete all pieces of assessment.** To be considered for at least a passing grade in this subject, students must also attain a minimum of 50% in the final examination.

Summary

<table>
<thead>
<tr>
<th>Task</th>
<th>Weighting</th>
<th>Due Date</th>
<th>Return date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 In-session test</td>
<td>15%</td>
<td>7 Sep 2005</td>
<td>Within 2 weeks</td>
</tr>
<tr>
<td>Task 2 Major assignment</td>
<td>15%</td>
<td>21 Sep 2005</td>
<td>Within 3 weeks</td>
</tr>
<tr>
<td>Task 3 Tutorial preparation</td>
<td>10%</td>
<td>Each week</td>
<td>N/A</td>
</tr>
<tr>
<td>Task 4 Exam</td>
<td>60%</td>
<td>N/A</td>
<td>N/A</td>
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</tbody>
</table>

**NB.** Marks may be scaled.

Performance grades

<table>
<thead>
<tr>
<th>Grade</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>HD</td>
<td>High Distinction</td>
<td>85–100%</td>
</tr>
<tr>
<td>D</td>
<td>Distinction</td>
<td>75–84%</td>
</tr>
<tr>
<td>C</td>
<td>Credit</td>
<td>65–74%</td>
</tr>
<tr>
<td>P</td>
<td>Pass</td>
<td>50–64%</td>
</tr>
<tr>
<td>F</td>
<td>Fail (unsatisfactory completion)</td>
<td>0–49%</td>
</tr>
</tbody>
</table>

**SUBMISSION, RETENTION AND COLLECTION OF WRITTEN ASSESSMENT**

**Place of Submission:** Assignments are to be placed in the Assignment box outside Room 40.320 by 12.30 pm on the due date. Assignments will **not** be accepted by mail, fax or email.

**Assignment cover sheet:** You must complete and attach a Faculty of Commerce Assessment Cover Sheet to the front of your assignment (available at the following web address: http://www.uow.edu.au/commerce/pdf/assignmentcoversheet.pdf) **AND** a Marking Sheet. The declaration on the cover sheet must be signed by **ALL** group members.

**Collection:** Assignments will be distributed in your tutorial class in the relevant week. If you missed your tutorial class, you should make arrangements with the lecturer to collect your assignment.

**Extensions:** Extensions may be granted if circumstances beyond the control of the student interfere with their ability to complete the task on time. These will only be granted by the subject co-ordinator and must be applied for **before** the due date.

**Please Note:** Extensions will not be granted after the due date.
## Assessment Task Details

### Assessment 1: In-Session Test

| Date: | To be held in lecture in Week 8; i.e. Wednesday 7 September 2005 |
| Weighting: | 15% |
| Details | Questions cover Weeks 1-6; Multiple choice/True-false questions, questions may involve calculations. Non-programmable computers permitted |
| Marks | Students will be advised of their marks via SOLS within two weeks |
| Instructions | Please arrive at the lecture theatre by 11:25, and bring student card, a calculator, blue or black pen and liquid whiteout |

### Assessment 2: Major Assignment

| Due date: | By 12.30 on 21 September 2005 in box outside 40.311 |
| Weighting: | 15% |
| Length: | Approximately 3000 words |
| Details | To be available on WebCT |
| Marking criteria | See Marking Sheet available on WebCT |

### Assessment 3: Tutorial Preparation

| Topic | Preparation of work set for tutorials each week (12 weeks) |
| Marking criteria | Tutors will check students' tutorial preparation each week and students will be assessed on their tutorial preparation, receiving 1 mark per week for thorough preparation, ½ mark for partial preparation and 0 for inadequate preparation. The best 10 marks will be counted. |
| Weighting | 10% |
| Due date | Tutorial work is to be prepared **before** tutorials each week and brought to tutorials |
| Marks | Students will be advised of their marks via SOLS by end of Week 13 |

### Assessment 4: Final Examination

| Weighting | 60% |
| Date | During official university exam period. |
| Time allowed | 3 hours and 15 minutes |
| Structure of paper | To be advised |
| Scaling | Marks may be scaled |
REQUIRED ASSIGNMENT FORMAT

1. Assignments must be typed, 1.5 spaced, on one side of the paper only.
2. You must ensure that you have the capacity to provide a duplicate, should this be requested. Problems with computers, printers, software, lost disks, etc, will NOT be accepted as excuses for late submission or inability to reproduce on short notice a second copy (if required). Always make a backup of your disks as you work.
3. Pages are to be consecutively numbered.
4. You must attach a completed (and signed) assignment Cover Sheet.
5. You must attach the appropriate Marking Sheet immediately after the Cover Sheet.
6. There must a margin of 30mm (3 cm) on all sides.
7. Referencing must follow an acceptable academic format.
8. Do not plagiarise. Plagiarism is the unacknowledged work of another person. Plagiarism will result in zero marks plus the need for resubmission and could result in expulsion.

Assignments will be penalised for failure to meet any of these requirements.

PENALTIES FOR LATE SUBMISSION OF ASSESSMENT

Assignments must be handed in by the given date and time. Late assignments will be penalised by the loss of 20% per work day (or part thereof) of the total marks achievable. The operation of this rule will not result in a negative mark being carried forward.

Students who are unable to sit for the In-session Test for reasons beyond their control should apply for special consideration through SOLS and provide supporting documentation. If their application for special consideration is accepted, their final exam will be weighted more heavily in lieu of a supplementary test.

PLAGIARISM

Plagiarism means using the ideas of someone else without giving them proper credit. For example, that someone else may be an author, critic, journalist, artist, composer, lecturer, tutor or another student. Unintentional plagiarism can result if you don’t understand and use the acceptable scholarly methods of acknowledgement. Whether plagiarism is deliberate or unintentional, the University may impose penalties, which can be very severe. When it is desirable, or necessary, to use other people's material, take care to include appropriate references and attribution. Plagiarism will not be tolerated and has led to expulsion from the University.

Students should visit the following University website and become familiar with the University’s policy on Plagiarism.

SECTION C: RULES, CODES OF PRACTICE & POLICIES

C1 UNIVERSITY POLICIES

Information on the following University Policies can be found at the websites below:

<table>
<thead>
<tr>
<th>Policy</th>
<th>Website</th>
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<tbody>
<tr>
<td>Ethical objection by students to the use of animal and animal products</td>
<td><a href="http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html">http://www.uow.edu.au/about/policy/ethicalobjectionanimals.html</a></td>
</tr>
</tbody>
</table>

* see brief explanation of policy below.

C1.1 Non-discriminatory Language

The Faculty of Commerce supports the University’s policy on the use of non-discriminatory language. It is the responsibility of students to ensure that they understand and abide by this policy. The policy is available at:

http://staff.uow.edu.au/eeo/nondiscrimlanguage.html

C1.2 Special Consideration Policy

The Faculty of Commerce recognises that it has a responsibility to ensure equity and consistency across its subjects for all students. Sometimes, in exceptional circumstances, students need to apply for special consideration in order to complete all assessable work. The University applies strict criteria to the granting of special consideration. Before applying for special consideration students should carefully read the University’s policy. The policy can be found at:


Students must apply for special consideration through SOLS.
C1.3 Student Academic Grievance Policy

The Faculty of Commerce aims to provide a fair, equitable and productive learning environment for all its students. The Student Academic Grievance Policy seeks to support the achievement of this goal by providing a transparent and consistent process for resolving student academic grievances.

Any student who has a grievance over a result should obtain and complete a Faculty of Commerce Appeal of Assessment Form from


The student should first take the form to the marker/lecturer to discuss the matter and, if the student is still not satisfied, s/he should take the next step as outlined on the form.

Once the grievance has been considered by the Faculty, if the student still feels the situation has not been fully resolved s/he may consult the Dean of Students. However, the Dean of Students can have no input into the academic judgement of the lecturer and can only review the grievance to ensure proper procedure has been followed.

For more information, please consult the policy in full at


C2 Faculty and School Policies

Referencing

Why do you need to reference?

At University it is necessary to acknowledge the sources of information and ideas that you have incorporated in your assignments. Failure to do this thoroughly may result in accusations of plagiarism: this is the academic equivalent of stealing (because by not acknowledging someone else's work, you are presenting it as your own). Plagiarism is taken very seriously by the University and may result in expulsion from the University.

Referencing is not only about acknowledging other people's work: accurate referencing and lists of references are beneficial when researching a topic as they allow the reader to follow up information and read further into the area. In a sense, references provide readers with clues to help them explore different avenues of a topic. This aspect of referencing will become more valuable to you as you progress in your studies.

There is a correct procedure that must be followed when referencing and using footnotes. Not complying with these set techniques and format will most likely result in loss of marks.

When writing an essay it is easiest to reference as you go, making sure you are writing down all relevant information. This will save hours trying to find the source again in the library.

The Harvard System of Referencing

The Faculty of Commerce uses the Harvard system of referencing. This system makes use of short references within the body of the text. It is supplemented by a detailed list of references at the end of the text, which provides all the information necessary to find the source material. In-text references include the author and year of publication, and where necessary the page number(s).

It is the responsibility of students to ensure that they are familiar with the Harvard system of referencing and that they use it accurately in all written work submitted.

Students should consult the following University Library website for a detailed explanation and examples of the Harvard system of referencing.

CITATION OF ELECTRONIC SOURCES

It is necessary for students to reference all sources used in their written work, including file transfer protocol sites, worldwide web sites, telnet sites, synchronous communications (MOOs, MUDs, IRC, etc.) Gopher sites, and email, Listserv and Newsgroup citations.

It is the responsibility of students to ensure that they are familiar with the accepted Faculty of Commerce practice for referencing electronic material and that they use it accurately in all written work submitted.

Students should consult the following University Library website for a detailed explanation and examples of how to reference electronic material:


C3 SUPPORT SERVICES AND FACILITIES

LEARNING RESOURCE CENTRE

Learning Development offers a range of free services to all enrolled students who wish to improve their academic or English language skills. There are a range of workshops available including; essay writing and editing; reading for assignments; grammar; presentation skills; pronunciation and exam preparation.

For information on language and academic skills workshops, or to make appointments for consultations, please visit the Learning Resource Centre (LRC), Building 19, Ground Floor, Room G102, or Phone 02 4221 3977. For further information visit the website:


FACULTY LIBRARIANS

Each faculty has a Faculty Librarian who is available to help with research related enquiries. Research Help Desk staff are also available in the Library to assist with research needs.

The Faculty Librarians for Commerce can be contacted as follows:

email: lib_commerce@uow.edu.au
telephone: 42 213078

DISABILITY LIAISON OFFICER

The Disability Liaison Officer (DLO) can provide advice on how particular disabilities affect university study and information on resources available at the University for assisting students with disabilities. Students commencing courses are advised to contact the Disability Liaison Officer prior to the beginning of their first session of study.

For further information on services offered, consult the Disability Services website or contact the office.

web address: http://www.uow.edu.au/student/services/ds/
telephone: 42 213445
fax: 42 215667
FACULTY DISABILITY ADVISERS

Faculty Disability Advisers are academic staff who provide assistance and support to students with disabilities within their Faculty and act as an intermediary between the student and the Faculty's academic and general staff. They provide support, educational advice and referral to appropriate staff on issues related to teaching and learning within the Faculty and the University. Students are advised to communicate specific information about the ways in which their disability affects learning to the Faculty Disability Adviser as soon as possible after enrolment.

The Faculty of Commerce Disability Adviser is Mr. Ron Perrin. Mr Perrin can be contacted as follows:

- Office location: Building 40, room 224
- email address: ron_perrin@uow.edu.au
- telephone: 42 214118

WOOLYUNGA INDIGENOUS CENTRE

The Woolyunga Indigenous (WIC) provides academic and personal support for Aboriginal & Torres Strait Islander and other indigenous students. The Centre also runs an Indigenous Specific Orientation Program for students who gain entry to the University through the alternative admissions program.

For further information on services offered, consult the Woolyunga Indigenous Centre website or contact the office.

- Centre location: Building 30
- web address: http://www.uow.edu.au/aec/
- telephone: 42 213563
- fax: 42 214244
<table>
<thead>
<tr>
<th>Week</th>
<th>date</th>
<th>Topic</th>
<th>CCH</th>
<th>Dearborn</th>
<th>Robinson</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>18/7</td>
<td>Introduction, Compliance</td>
<td>8</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>25/7</td>
<td>Planning to retire</td>
<td>9,15</td>
<td>3</td>
<td>6</td>
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<tr>
<td>3</td>
<td>1/8</td>
<td>Pre-retirement - Investments</td>
<td>9,15</td>
<td>1,3</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>8/8</td>
<td>Superannuation/Other Investments Super Funds</td>
<td>4,15</td>
<td>6</td>
<td>5,6</td>
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<tr>
<td>5</td>
<td>15/8</td>
<td>Superannuation - Contributions</td>
<td>4,15</td>
<td></td>
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<td>6</td>
<td>22/8</td>
<td>Super – Withdrawals and Benefits</td>
<td>4, 15</td>
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<tr>
<td>7</td>
<td>29/8</td>
<td>Withdrawals and Benefits</td>
<td>4,15</td>
<td></td>
<td>8</td>
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<tr>
<td>8</td>
<td>5/9</td>
<td>Retirement strategies – goals, needs, circumstances. <strong>Mid Session Test</strong></td>
<td>14,15,16</td>
<td></td>
<td>2, 4</td>
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<tr>
<td>9</td>
<td>12/9</td>
<td>Retirement income streams</td>
<td>6, 14, 16</td>
<td>4</td>
<td>2, 6</td>
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<tr>
<td>10</td>
<td>19/9</td>
<td>Retirement incomes(cont’d)</td>
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<td><strong>ASSIGNMENT DUE (21st Sept)</strong></td>
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<tr>
<td>11</td>
<td>3/10</td>
<td>Estate Planning –Wills</td>
<td>18</td>
<td>13</td>
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<tr>
<td>12</td>
<td>10/10</td>
<td>Estate Planning – Structures and Beneficiaries</td>
<td>18</td>
<td>13</td>
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<tr>
<td>13</td>
<td>17/10</td>
<td>Review week</td>
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