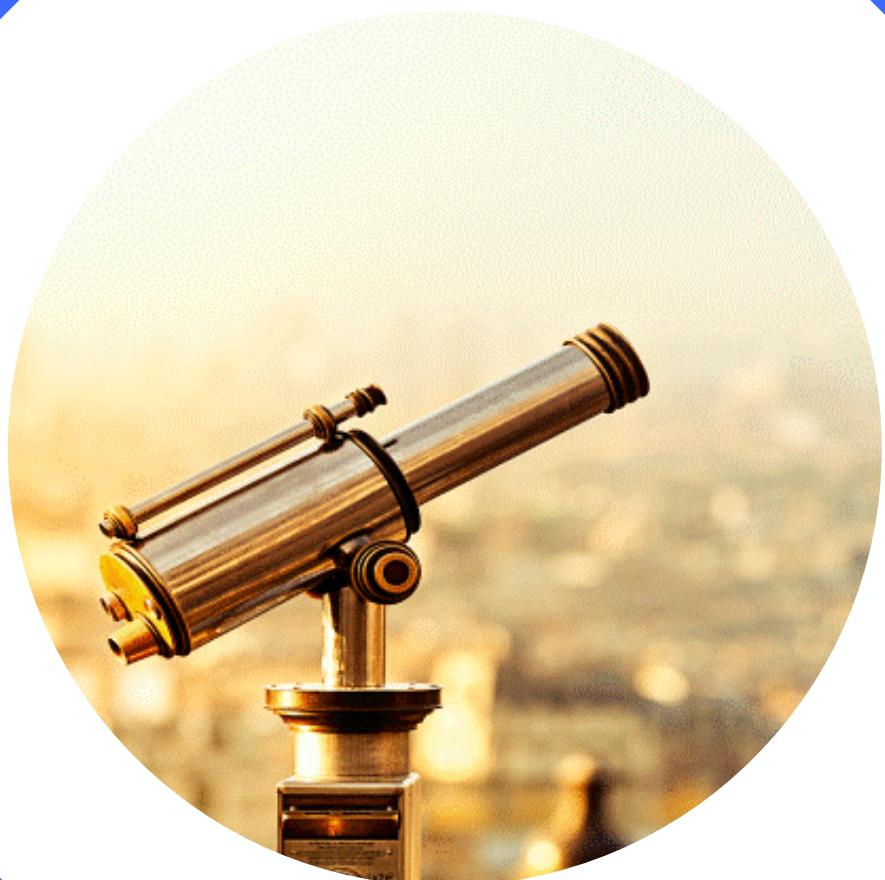


# Superannuation and Retirement Applications

Subject Syllabus 2026





## 1. Overview and aim

The theme of the subject is to promote the concept of the actuary as an expert advisor on superannuation and retirement funds, with a focus on the Australian environment. Assisting all stakeholders to work together to ensure that member needs are met forms a core message in the subject. The implications of serving the public good will also be discussed.

The subject has considerable focus on the external environment, the role and function of superannuation and retirement funds and how government policies have a significant impact on fund operations and member outcomes.

Regulatory and technical aspects of actuarial management of a fund are described. Students will be expected to identify financial and demographic risks and how to manage these risks in both superannuation (accumulation) and retirement income products.

The broader issue of the management required for a fund to ensure the best possible outcomes for its members is introduced by explaining actuarial roles across the retirement sector, including defined contribution and retirement income products. The intention is to show students that actuaries are not just technical experts but are also strategic advisors to trustees, sponsors and other stakeholders.

In particular, while actuaries are not responsible for trustee decisions, actions and behaviour, they play an important specialist advisor role to trustees in many situations.

## 2. Student outcomes

After successfully completing this subject, students will be able to:

- discuss ageing population issues and the principles of retirement systems globally;
- interpret the legislative, regulatory and environmental factors of the Australian retirement income system;
- explain the statutory and professional roles for the actuary in relation to Australian superannuation and retirement funds;
- demonstrate a deep understanding of Australian defined contribution funds;
- apply the actuarial control cycle to manage projects for superannuation and retirement funds;
- demonstrate a deep understanding of Australian retirement income products; and
- develop models to support consumer decision-making.



Note: The regulatory and technical aspects of actuarial management of a defined benefit fund are described in detail in a separate Defined Benefit CPD subject. That covers the specific legislative and prudential requirements for Australian defined benefit funds, and the Registrable Superannuation Entity Actuary role and responsibilities. That subject is an option for members considering a defined benefit role, whether as an RSE Actuary or a consulting actuary.

## **3. Prerequisites**

It is assumed that students have studied (but not necessarily passed) the Foundation and Actuary program subjects or equivalent.

Students are required to have studied (but not necessarily passed) the Life Insurance and Retirement Product Development Fellowship Principles subject (LIRPD) and studied (but not necessarily passed) another Fellowship Principles subject.

An exception to the second principles subject prerequisite applies to certain members. To be eligible for the exception you must have passed, or been granted exemptions, for all Foundation and Actuary Program subjects and LIRPD. Contact [education@actuaries.asn.au](mailto:education@actuaries.asn.au) to apply for the prerequisite exception.

## **4. Assessment skill level**

Assessment of this subject will be split across the following skill levels:

- Simple Application (20%): demonstration of a detailed knowledge and understanding of the topic;
- Application (50%): demonstration of an ability to apply the principles underlying the topic within a given context; and
- Higher Order (30%): demonstration of an ability to perform deeper analysis and assessment of situations, including forming judgements, considering different points of view, comparing and contrasting situations, suggesting possible solutions and actions and making recommendations.

## **5. Assessment method**

The subject is assessed via a three-hour open-book examination worth 80% and an assignment worth 20%.



## 6. Learning objectives

The following is a list of the learning objectives for this subject. The chapters have been aligned with learning objectives.

- 1 Apply terminology associated with retirement, and recognise global variances in terms**
  - 1.1 Apply appropriate terminology when preparing assignments and examination responses**
  - 1.2 Explain terms specific to the Australian system to a global audience**
- 2 Consider retirement issues across the globe (10%)**
  - 2.1 Assess the issues relating to ageing populations**
    - 2.1.1 Describe an ageing population
    - 2.1.2 Describe the three drivers of an ageing population
    - 2.1.3 Assess retiree expenditure, income needs and potential funding sources
    - 2.1.4 Discuss the risks faced by an individual retiree, with regard to longevity and investment
    - 2.1.5 Assess the economic impact of longevity on societies
  - 2.2 Analyse the principles of retirement systems in place globally**
    - 2.2.1 Analyse the three pillars of retirement systems in a variety of countries
    - 2.2.2 Examine actual and possible government responses to longevity
    - 2.2.3 Analyse a tax regime with respect to the retirement system
    - 2.2.4 Analyse a regulatory regime with respect to the retirement system
- 3 Assess the Australian government's approach to superannuation and retirement (15%)**
  - 3.1 Assess the role of government managing a retirement income system including monitoring outcomes and use of policy levers**
    - 3.1.1 Relate the government's management of a retirement income system to the actuarial control cycle
    - 3.1.2 Explain the levers available to government
  - 3.2 Examine the legislative, regulatory and other environmental factors of the Australian retirement income system**
    - 3.2.1 Analyse the three pillars of the Australian retirement income system



- 3.2.2 Describe the characteristics of retirement products including accumulation and defined benefit superannuation funds, allocated pensions, annuities, life pensions and income stream products
- 3.2.3 Describe the sole purpose test and other trustee obligations under the Superannuation Industry (Supervision) Act 1993 (Cwlth) (SIS Act)
- 3.2.4 Describe the obligations on employers under the Superannuation Guarantee Act 1992 (Cwlth) (SG Act)
- 3.2.5 Identify the allowable types of contributions
- 3.2.6 Examine allowable investment strategies for superannuation funds
- 3.2.7 Summarise the elements of taxation relevant to a superannuation fund and to an individual
- 3.2.8 Distinguish the features of the Self-Managed Superannuation Fund system
- 3.3 **Evaluate the retirement system performance against Government objectives and possible adjustments using policy levers**
  - 3.3.1 Assess the mechanisms to monitor system outcomes
  - 3.3.2 Assess the system outcomes against the Government's policy and objectives
  - 3.3.3 Explain the findings of recent regulator and government investigations into superannuation
  - 3.3.4 Explain current trends and issues that may lead to further use of policy levers
- 4 **Assess risk management in the Australian retirement income system including the role and responsibilities of actuaries (15%)**
  - 4.1 **Consider the role of the actuary in the Australian retirement income system**
    - 4.1.1 Discuss the key stakeholders in the retirement income system, their roles, objectives and key risks
    - 4.1.2 Describe the role of actuaries in the retirement income system, including statutory roles, professional obligations and contractual responsibilities
    - 4.1.3 Examine key professional issues such as reporting obligations, conflicts of interest, disclosure and privacy
    - 4.1.4 Propose how actuaries should interact with other independent professionals in the context of a retirement fund operations
    - 4.1.5 Evaluate the potential equity issues in the provision of retirement benefits, including arising due to anti-discrimination legislation
    - 4.1.6 Consider the conflicts that could emerge when developing and implementing retirement incomes policy and how they can be managed



**4.2 Explain the risk management framework of the Australian retirement income system**

4.2.1 Apply the risk management model and processes required to manage and mitigate the various risks in the Australian retirement incomes system

4.2.2 Relate the roles of government and the major stakeholders to the management and mitigation of system risks

**4.3 Assess the APRA risk management framework for retirement funds**

4.3.1 Consider the risk management framework, plan and processes required to manage and mitigate the various risks in an Australian retirement fund

4.3.2 Evaluate the major risks associated with a retirement fund and the consequences for the members

4.3.3 Propose alternative ways to manage or mitigate fund risks

4.3.4 Propose alternative ways to monitor fund risks

4.3.5 Analyse risks that all retirement funds face and mitigation strategies for them (including money laundering, terrorism funding, fraud, identity theft, cyber security)

**5 Propose product design and management tools for defined contribution (DC) funds (15%)**

5.1 **Consider stakeholder responsibilities for DC funds**

5.1.1 Assess the trustee responsibilities

5.1.2 Consider the challenges individuals face in a DC fund environment

5.2 **Propose DC fund product design, including MySuper and Choice, based on sound principles**

5.2.1 Analyse the design issues that relate specifically to DC funds

5.2.2 Propose appropriate benefit designs for retirement, resignation, death and disability benefits

5.2.3 Design the benefits for a MySuper product

5.2.4 Assess the issues arising from member choice for insurance and investments

5.2.5 Explain the impact of Your Future Your Super and other government initiatives on the provision of insurance benefits

5.3 **Examine risk and investment management issues for a DC fund**

5.3.1 Examine the strategic issues associated with managing a DC fund

5.3.2 Explain the purpose of an Operational Risk Financial Requirement and other reserves that may be required

5.3.3 Explain the purpose of trustee capital and the mechanisms available to supply it



- 5.3.4 Outline the tasks required to establish and manage an investment option
- 5.3.5 Describe how funds distribute investment returns and how the associated risks are managed
- 5.4 Evaluate actuarial tools to monitor a DC fund**
  - 5.4.1 Analyse the progress of a DC fund and its management of risks
  - 5.4.2 Evaluate the results and limitations of DC fund level comparisons
  - 5.4.3 Critique the APRA Comprehensive Product Performance Package including the Performance Tests
  - 5.4.4 Critique the ATO YourSuper comparison website
- 5.5 Consider how experience affects the management of a DC fund**
  - 5.5.1 Suggest how experience, as it emerges, will potentially affect the management of the fund
  - 5.5.2 Demonstrate how a DC fund may respond to an external event
- 6 Prepare to manage specific projects for superannuation and retirement funds (15%)**
  - 6.1 Construct appropriate Asset Liability Management (ALM) strategies**
    - 6.1.1 Propose appropriate strategies to manage risks associated with asset liability mismatch
    - 6.1.2 Apply asset liability modelling and explain how it can be used to improve the understanding of investment risks and set investment strategies
    - 6.1.3 Explain the impact of risk correlation on investment portfolio outcomes
    - 6.1.4 Suggest ways that modelling results can be communicated to improve understanding of the underlying risks
  - 6.2 Assess unit pricing policies and processes**
    - 6.2.1 Describe the policy and process by which a fund determines unit prices, where benefits are calculated by reference to units
    - 6.2.2 Evaluate potential risks, weakness and/or errors in the unit pricing policy or process
    - 6.2.3 Explain the requirements for a unit pricing remediation project including equity considerations
  - 6.3 Explain member outcomes and design distribution obligations**
    - 6.3.1 Apply the prudential requirements and guidance in relation to member outcomes
    - 6.3.2 Apply the prudential requirements and guidance in relation to design distribution obligations



6.3.3 Discuss the interaction between member outcomes and design and distribution obligations

6.3.4 Explain the impact of member outcomes and design and distribution obligations on a fund's strategic and business planning and Business Performance Reviews

**7 Propose product designs and apply management tools for retirement income products (15%)**

7.1 **Evaluate the retirement income products currently available**

7.1.1 Determine the primary objectives of stakeholders specifically in respect of retirement income products

7.1.2 Identify the key features, risks and benefits of retirement income products currently on offer

7.1.3 Evaluate mechanisms to access the equity in the member's residence

7.1.4 Evaluate the impact of legislation, taxation and social security on retirement income products

7.2 **Evaluate current government policy on retirement incomes**

7.2.1 Describe the current government retirement income policy and its components

7.2.2 Evaluate policy options available to government

7.2.3 Describe the purpose and content of the retirement income covenant

7.2.4 Determine the steps required to give effect to a retirement income strategy

7.2.5 Explain the relevance of design and distribution obligations to retirement income products

7.2.6 Evaluate the pros and cons of offering default retirement income products

**8 Construct projection models to support consumer decisions (15%)**

8.1 **Consider the key issues, drivers and stakeholder concerns that a provider should consider when delivering projection tools**

8.1.1 Explain the context, purpose and key drivers for projection tools

8.1.2 Analyse the key objectives, issues and concerns of the stakeholders with respect to projection tools

8.1.3 Demonstrate awareness of content of professional guidance

8.1.4 Assess a range of technical issues and design decisions required when building projection tools

8.1.5 Prepare materials that effectively communicate the projection model results and limitations to the end user.



# Actuaries Institute.

## About the Actuaries Institute and Profession

As the peak professional body for actuaries in Australia, the Actuaries Institute represents the profession to government, business and the community. Our members work in a wide range of fields including insurance, superannuation and retirement incomes, enterprise risk management, data analytics and AI, climate change and sustainability, and government services.

Actuaries use data for good by harnessing the evidence to navigate into the future and make a positive impact. They think deeply about the issue at hand, whether it's advising on commercial strategy, influencing policy, or designing new products. Actuaries are adept at balancing interests of stakeholders, clients and communities. They're called upon to give insight on complex problems and they'll look at the full picture. Actuaries analyse the data and model scenarios to form robust and outcome-centred advice.

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