

Financial Capability Unit Standards August 2016

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Unit ID	Title	Level	Credit	OC ID	Outcome	ER Id	Evidence Requirement	
24697 (v3)	Perform income-related calculations for personal financial capability	1	2	1	Calculate gross income for personal financial management.	1.1	Conversion methods used to calculate income are explained.	
					Range from annual income to each of – monthly, fortnightly, weekly, hourly rate; from hourly rate to each of – annual, monthly, fortnightly, weekly income.	1.2	Gross income is calculated accurately using conversion	
					2	Describe factors that affect net pay.	2.1	Factors that affect net pay are described in terms of impact(s) on net pay
						Range factors include but are not limited to – income tax rates, KiwiSaver deductions, student loan repayments, union or association fees, allowances, overtime, statutory allowances, attachment orders.		
					3	Determine accuracy of net pay given relevant information for personal financial capability.	3.1	Appropriate tax deductions are identified from tax tables
						Range accuracy of net pay figures is determined for two given scenarios – one correct, one incorrect	3.2	The correct net pay is calculated for the scenarios containing the incorrect net pay figure.
A								
24705 (v3)	Interpret and confirm accuracy of financial documents for personal financial capability	1	2	1	Interpret financial documents for management of personal finances	1.1	Information on financial documents is interpreted to identify purpose, sender/originator, contact details, and other relevant information	
					Range two financial documents may include – cash register receipt, EFTPOS vouchers, payslip, statement of account other relevant information includes two of – due date, opening and closing balances, date or date range, transactions, amount payable, payment method, gross and net pay, interest rate, fees, penalties, accessing support, queries			
					2	Confirm accuracy of financial documents, and describe actions required to correct financial inaccuracies	2.1	Key information on financial documents is checked to confirm accuracy and identify financial inaccuracies.
						Range financial documents include: cash register receipt/EFTPOS voucher; payslip; statement of account; identification of two financial inaccuracies		
A					2.2	Actions required to correct inaccuracies are described.		
24709 (v4)	Produce a balanced budget to manage personal finances	1	3	1	Demonstrate knowledge of budgeting terms and services to manage personal finances	1.1	Terms are explained in relation to their relevance to personal budgeting.	
					Range income and payments: fixed or regular, variable or irregular; needs, wants, disposable income, surplus, deficit			
A						1.2	Two services available to help people balance personal budgets are identified	

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24709 (v4) cont'd		1	3	2	Produce a balanced budget to manage personal finances.	2.1	The budget is consistent with the individual's financial circumstances. Range goals and priorities, choice of timeframe.
						2.2	Provision is made in the budget for all income and payments. Range income may include – wages, salary, government benefits, other income; payments may include – spending, saving
						2.3	Income and payments are balanced in the budget and a surplus/deficit identified
						2.4	Two methods for monitoring the budget are identified
28087 (v3)	Demonstrate understanding of the effect of life stages on personal income	1	3	1	Demonstrate understanding of the effect of life stages on personal income. Range three life stages include – education/industry training/early employment, mid-career, and retirement.	1.1	Possible income sources at different life stages are identified in terms of contribution to personal income. Range earned income, unearned income
AME						1.2	Other factors that apply at the three life stages are described in terms of their effect on personal income. Range factors may include – age, relationship status, household size, employment situation, access to government support entitlements, tax implications; evidence of three factors for each life stage
28088 (v2)	Demonstrate understanding of credit and debt on personal finances	1	3	1	Demonstrate understanding of credit and debt on personal finances	1.1	Credit is described in relation to personal finances. Range use, types of, provider types, cost.
AME						1.2	Debt is described in relation to personal finances. Range manageable, unmanageable
						1.3	Factors affecting credit or debt are described in terms of impacts on personal finances. Range factors may include – changes in circumstances, taxes, interest rates, penalties, credit rating. evidence of four is required

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28089 (v3) AME	Demonstrate understanding of personal financial goal setting	1	3	1	Demonstrate understanding of personal financial goal setting.	1.1	A personal financial goal is described in terms of it being specific, measurable, achievable, realistic and time bound, and may include a budget.
						1.2	Three impacts of the financial goal on spending behaviour are identified across the life span of the goal. Range may include lifestyle choices.
						1.3	A plan for monitoring and maintaining progress is described in terms of achieving the personal financial goal. Range includes two strategies for maintaining progress.
28090 (v3) AME	Demonstrate knowledge of personal financial saving and investment options for given scenario(s)	1	4	1	Demonstrate knowledge of personal financial saving and investment options for given scenario(s).	1.1	Saving and investment options are described in terms of risk, reward and length of time Range saving and investment options includes – KiwiSaver or managed funds, term deposits, property, shares, business ownership, bank account.
						1.2	Saving and/or investment options that will improve future financial outcomes for given scenario(s) are chosen and explained. Range four different options including KiwiSaver
28091 (v3) AME	Explain risks and risk management strategies for personal finances	1	3	1	Explain risks and risk management strategies for personal finances.	1.1	Risks to personal assets are identified and explained in relation to impact on personal finances. Range one personal asset from each of the following five groups – motor/house/house contents; bank accounts/investments; identity/ access to personal information; self - health and wellbeing/hauora; future income
						1.2	Risk management strategies to minimise risks to personal finances are explained in relation to the personal assets. Range four different risk management strategies
29558 (v1) A	Demonstrate understanding of personal credit history	1	2	1	Demonstrate understanding of personal credit history	1.1	Credit history is described in relation to its potential effect on future personal financial choices. Range credit record, insolvency, defaults, credit score, credit reporting companies, identity theft.
						1.2	Sources of information regarding credit history management are identified.
						1.3	Strategies to protect and optimise credit history are identified

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24695 (v3) A	Explain taxation and other deductions relating to personal income	2	2	1	Explain taxation and other deductions relating to personal income Range	1.1	Taxation is explained in terms of links with different sources of personal income. sources of personal income include – salary/wages; and two of: interest, government superannuation, government benefit, commission, royalties, dividends, fees/payment for a contract, rent, board, private superannuation, ACC; Taxation includes two of: Pay As You Earn (PAYE), Resident Withholding Tax (RWT), Provisional Tax, Terminal Tax
						1.2	Tax codes are identified in terms of the sources of personal income. Range M and two other tax codes.
						1.3	Other deductions are explained in relation to personal income. Range other deductions include three of – KiwiSaver or another superannuation scheme, student loan repayments, union fees, voluntary donations, enforced deductions.
24699 (v3) A	Make an informed decision relating to personal income and explain its consequences	2	2	1	Make an informed decision relating to personal income and explain its impacts Range decision will be in the context of a life stage and may be consequent on and/or affect a significant life event; a significant life event may include – travel, employment interruption or change, relationship change, having a child, changing roles within the family, serious accident, serious illness, financial windfall	1.1	A relevant personal goal is identified. Range goal may be financial, social, lifestyle, career; goal must be specific, measurable, achievable, realistic, time bound.
						1.2	Financial information relevant to the identified personal goal is gathered to inform decision making.
						1.3	Income-related options are identified that may contribute to the achievement of the goal. Range options may include – further education, change of job or career, change of personal habits, changes to consumption priorities, saving over spending; evidence of two required.
						1.4	The option with the most potential to achieve and/or contribute to the goals is identified and at least two reasons for selecting that option are explained
						1.5	Two positive and two negative impacts of the decision are explained. Range may include impacts on individual, others, present, future, financial, non-financial.
28092 (v3) AME	Analyse the effect of significant life events at different life stages on personal financial income	2	3	1	Analyse the effect of significant life events at different life stages on personal financial income. Range three life stages include – education/industry training/early employment, mid-career, and retirement.	1.1	Income source(s) for each of the life stages are identified, the reasons source(s) of income change, and consequences of the change are explained in terms of each life stage

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						1.2	For each life stage one significant life event is analysed in terms of its effect on income source(s) and potential solutions to minimise/maximise the effect on personal financial income are explained
28093 (v3)	Describe the financial responsibilities and consequences of tertiary study funding options	2	3	1	Describe the financial responsibilities and consequences of tertiary study funding options. Range tertiary study funding options include – student loan, one other funding option	1.1	Funding options for tertiary study are described and compared in terms of their key factors. Range key factors include – criteria for eligibility, components of tertiary study costs, advantages, disadvantages.
AME						1.2	Potential consequences of the funding options are described and compared in terms of an individual's financial responsibilities and choices. Range includes one short and one long term consequence for two responsibilities and two choices.
28094 (v3)	Produce a balanced budget and adjust the budget to reflect changing financial circumstances	2	3	1	Produce a balanced household budget and adjust the budget to reflect changing financial circumstances.	1.1	A balanced household budget is produced to show current financial circumstances
AME						1.2	Household budget is reviewed and adjusted to reflect changing financial circumstances. Range review includes – comparing budget with actual income and expenditure, inclusion of an emergency fund for unexpected expenses; evidence of two changes to financial circumstances is required.
						1.3	The frequency of review and adjustments to the budget are explained in terms of how they meet the needs of the household's changing financial circumstances.
28095 (v3)	Analyse personal financial investment options	2	3	1	Analyse personal financial investment options. Range two investment options which include KiwiSaver and one other. The other may include managed funds, term deposits, property, shares, business ownership, bonds.	1.1	Investment options relevant to an individual investor profile are analysed in terms of their features. Range features include – cost(s), length of time, deposit and/or contribution options, risk(s), reward(s).
AME							
28096 (v3)	Demonstrate understanding of insurance products for personal financial capability	2	3	1	Demonstrate understanding of insurance products for personal financial capability.	1.1	Insurance product types are described in terms of their purpose, features and suitability to personal circumstances. Range insurance product types include - income protection, travel, house, motor, contents, health, life.
AME							

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Unit ID	Title	Level	Credit	OC ID	Outcome	ER Id	Evidence Requirement
						1.2	Components of insurance policies are described in terms of their impact on personal finances. Range includes replacement versus indemnity, excess, premium, claims process, risks covered, exclusions.
						1.3	The requirement for full disclosure and the consequences of non-disclosure are described in terms of impact on policy coverage and claims
28097 (v2)	Analyse and select banking products and services in relation to personal finances	2	3	1	Analyse and select banking products and services in relation to personal finances.	1.1	Types of banking products and/or services are described in relation to costs and benefits, fees and charges, access mechanisms and security. Range six banking products and/or services.
AME						1.2	Types of banking products and/or services that are fit for purpose for a personal financial situation are selected.
28098 (v3)	Evaluate options to increase personal income	3	3	1	Evaluate options to increase personal income	1.1	Options to increase personal income are evaluated in terms of their positive and negative impacts on personal income. Range options include – promotion, secondary income, pay increase, increased working hours, contract work, boarders, unearned income; impacts may include – lifestyle, taxes, income tax rates for individuals, government entitlements, childcare costs, child support; evidence of one positive and one negative impact for each option.
AME						1.2	A comparison of two options is made and the most financially beneficial option recommended for a personal financial situation
28099 (v2)	Analyse credit options and select strategies to manage personal finances	3	3	1	Analyse credit options and select strategies to manage personal finances	1.1	Features of two credit options are analysed and compared in terms of advantages and disadvantages, in relation to personal finances. Range Two credit options include credit card, and one of: personal loan, hire purchase, credit contract, mortgage; features include – total cost of credit versus cash price; provider of credit; length of time; credit contract requirements; potential consequences of using credit; consequences for a guarantor.
AME							

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Unit ID	Title	Level	Credit	OC ID	Outcome	ER Id	Evidence Requirement
						1.2	Debt management strategies are described in relation to personal finances and strategies selected for given situations to minimise debt. Range debt management strategies may include – accessing advice and assistance, communication with creditors, interest rate considerations, debt consolidation, adjustments to lifestyle, use of hardship provisions, sale of non-essential items; evidence relating to three different strategies is required.
28100 (v3)	Develop a plan to achieve a long-term personal financial goal(s)	3	4	1	Develop a plan to achieve a long-term personal financial goal(s).	1.1	Elements to achieve identified long-term personal financial goal(s) are described to show how they contribute to meeting the long-term personal financial goal(s). Range elements include – goal definition and setting, information gathering, actions to achieve, process to monitor and review, financial tools, asset protection, balanced budget, budgeting and/or investment advice
AME						1.2	Factors that may affect the achievement of identified long-term personal financial goal(s) are identified in terms of the individual and their lifestyle
						1.3	Strategies to manage the impact of factors identified in 1.2 are described to show how they contribute to meeting the long term personal financial goal(s).
28101 (v3)	Create a long-term personal financial investment portfolio	3	4	1	Create a long-term personal financial investment portfolio.	1.1	Long-term personal financial investment portfolio is created in relation to an investor profile and according to a planning process. Range planning process includes - initial personal financial assessment, setting investment goals, risk profiling, diversification, asset protection planning, projections of future return, sources of advice.
A							
28102 (v3)	Demonstrate understanding of risk and return on investment for a personal financial investment portfolio	3	4	1	Demonstrate understanding of risk and return on investment for a personal financial investment portfolio	1.1	Investment options for the personal financial investment portfolio are discussed and compared in relation to risk, return on investment and volatility. Range investment options for a personal financial investment portfolio may include – term deposits, debentures, collectibles, futures, options, property, shares, business ownership, managed funds, bonds, KiwiSaver; evidence relating to three is required.
AME						1.2	Risk management strategies are identified and explained in relation to the investor profile and personal financial investment portfolio

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Unit ID	Title	Level	Credit	OC ID	Outcome	ER Id	Evidence Requirement
28103 (v2) AME	Analyse and select personal financing options for purchasing a property	3	4	1	Analyse and select personal financing options for purchasing a property.	1.1	Factors that influence purchasing a property are described and explained in terms of advantages and disadvantages. Range factors include – two mortgage types, deposit, interest rates, Land Information Memorandum (LIM) report, builder’s report, insurance.
						1.2	Other considerations for purchasing a property are described in terms of their influence on the purchasing decision. Range mortgage provider fees and incentives, lawyer fees, ability to service loan, repairs and maintenance, property management fees, body corporate fees.
						1.3	Options for financing and purchasing a property, in relation to a purchase, are analysed and selected according to their suitability for personal financial circumstances. Range different mortgage type(s), term(s), repayment amount(s) and frequency(ies), costs; different deposit amount(s) and source(s); other purchase costs.
28104 (v2) AME	Analyse the impact(s) of external factors on personal finances	3	3	1	Analyse the impact(s) of external factors on personal finances	1.1	External factors are analysed in terms of their impact(s) on personal finances and financial decision making. Range three different external factors: one global, one national and one local factor.