

# SMSF



**A practical  
guide on Self  
Managed  
Super Funds  
and are they  
right for  
you?**



# WHAT IS A SELF-MANAGED SUPER FUND?



## CHOICE

A Self Managed Super Fund gives you a choice on where your money is invested for retirement.



## CONTROL

You are a Trustee of the fund and therefore have greater control of your retirement balance.



## COMPLIANCE

As the Trustee you are responsible for complying with the various super and tax laws.

## WHY CHOOSE AN SMSF?

- You can invest in property with your super funds
- There are greater tax concessions
- Greater flexibility over the assets you invest your super into
- Estate planning benefits

## IS AN SMSF RIGHT FOR ME?

To help determine if an SMSF is a right decision for you, you will need to have:

- Time to continually manage the fund
- Knowledge of regulatory responsibilities
- A superfund balance of \$250,000 or more to make the fund cost-effective



# It Takes Time

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According to research by the Australian Securities and Investments Commission (ASIC) you will need an average of one hundred hours per year to run an SMSF.

Unlike traditional super funds that are managed for you, when you choose an SMSF you are responsible for the management of the fund.

## **Setting up an SMSF**

- Draw up a trust deed with your solicitor
- Appoint trustees and sign a Trustee Declaration (you can have between 1 to 6 trustees)
- Register your SMSF with the ATO
- Open a bank account in the name of your fund to accept cash contributions
- Prepare an investment strategy in the best interests of the fund members

## **Managing an SMSF**

- Appoint an approved auditor to audit the SMSF
- Lodge an annual SMSF Tax return
- Keep records of Trustee declarations, annual operating statements and annual SMSF financial position, income tax and deductions documentation, minutes of investment decisions, transactions and notifications of any changes such as a change in trustee.





# Ethics [

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As a Trustee (or Director of a Corporate Trustee) of the SMSF, you are responsible for the management of the fund for the benefit of you AND your member's retirement fund. This includes how much, when and where to invest.

In addition, you will have to ensure fund assets are held in trust and make important decisions on who will manage the day-to-day running of the fund and undertake regulatory tasks and responsibilities.

This is easy enough if you are the sole trustee of the fund but can become quite difficult to manage if there are 6 trustees, each with their own ideas on how the fund should be run and managed.

According to the Australian Tax Office, you are required to:

***"put your obligations and responsibilities as a trustee of the fund before your wishes as a member."***

This means that regardless of any arisen conflicts or relationship issues, you must continue to act in the trustee's best interests and in accordance with the super laws.

# Knowledge Is Power



Knowledge is power. To ensure the successful running of your SMSF you need to have a comprehensive understanding of the regulations and laws surrounding the set-up and management of the SMSF. It is also important to have sound knowledge of the financial principles of investing and the ability to analyse the performance of your fund.

In addition, you must ensure you separate the assets of your SMSF from all personal and business assets. All assets from the SMSF must be used solely for fund purposes.

Another important and often neglected consideration when deciding to run your own SMSF is your obligations and duties in winding down the SMSF.

Members may choose to wind down the super fund for many reasons including:

- Unable or unwilling to continue with the administrative and legal responsibilities of running the fund
- Depreciated assets which make the fund no longer viable
- If you are relocating overseas or have become a non-resident for Australian tax reasons



As you can see, there many benefits of managing a super fund, however, it is a complex area that requires expert knowledge and a full understanding of the legalities.

It is important to have conversations about your responsibilities as a trustee and ensure you're willing and able to put in the work.

If you'd like an SMSF but do not think you could manage it on your own, then we can help.

Our accredited SMSF specialist will help set up and maintain your SMSF and adhere to all legal, regulatory and taxation duties.

**Call 08 9445 2955 and ask to speak to Craig today**

*HERE'S  
HOW  
WE  
CAN  
HELP*



**WE CAN HELP DETERMINE YOUR READINESS FOR AN SMSF AND  
HELP SET UP AND SUCCESSFULLY MANAGE YOUR FUND**

*To speak with Craig Todd please contact us*



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