



## AN INTRODUCTION TO YOUR SELF-MANAGED SUPER

### IS A SELF-MANAGED SUPERANNUATION FUND THE RIGHT INVESTMENT OPTION FOR YOU?

Self-managed superannuation funds (SMSF) are one of the fastest growing options for long-term wealth creation. However, establishing and operating a SMSF is not appropriate for everyone. This Fact Sheet outlines some guidelines to help you determine if a SMSF is a suitable superannuation option for you.

#### ABOUT SELF-MANAGED SUPERANNUATION FUNDS

A SMSF is a trust structure with an unlimited lifespan. It must have less than five members - each individual member is required to be a trustee of the fund. No member of the fund can be an employee of another member of the fund, unless those members are related. The requirement that all members are trustees ensures that all parties are fully involved in the decision making process.

#### ESTABLISHING A SMSF

The Australian Taxation Office advocates a minimum value of assets of \$200,000 to start a SMSF. This minimum is a guide to the cost-effectiveness of the ongoing compliance costs compared to the costs of industry and retail superannuation funds.

The base costs to establish a SMSF usually range from \$990 for individual trustees to \$1,485 for a corporate trust structure. Establishing a SMSF involves:

- execution of a Trust Deed.
- appointment of trustees.
- election to become a regulated fund.
- registering for a Tax File Number (TFN).
- registering for an Australian Business Number (ABN).
- registering for Goods and Services Tax (GST), if applicable.

#### ADVANTAGES OF A SMSF

- All assets are protected from creditors in a SMSF.
- Lower tax rate of 15% applies to SMSF income and contributions.
- Retirement planning, including payment of pensions.
- Capital Gains Tax (CGT) discount of 33%.
- Imputation credits offset each member's tax liability.
- Greater control over investments.
- A better vehicle than the traditional Testamentary Trust in relation to deceased estates.
- A SMSF can purchase business real estate property as an investment asset (conditions apply).
- A SMSF can purchase residential real estate property as an investment or as tenants in common/join tenancy (conditions apply).
- At retirement, the income earned by the fund is tax-free when paying pensions. Pensions paid by the fund are taxed concessionaly for recipients under 60 years of age and tax-free for those over 60 years.

*...continued over*

2017/07

07 **3360 9888**

17 Mt Gravatt-Capalaba Road, Upper Mt Gravatt Qld 4122

Learn more at [www.peakpartnership.com.au](http://www.peakpartnership.com.au)



**The Peak Partnership**  
CHARTERED ACCOUNTANTS

## AN INTRODUCTION TO YOUR SELF-MANAGED SUPERANNUATION

### OTHER CONSIDERATIONS

- Fund establishment and compliance costs are generally higher than that of a retail or industry superannuation fund, particularly if member balances are below \$200,000.
- Trustee responsibilities and duties are more complex.
- Trustees need discipline to operate the fund and keep assets separate at all times, ensuring monies are not accessed before retirement.
- Government legislation may change in the future.
- There are restrictions on type of investments a SMSF can hold.

### COMPLIANCE REQUIREMENTS

In addition to ABN, TFN and GST registration at establishment, there are a number of ongoing compliance requirements for a SMSF.

- Lodgement of monthly or quarterly Activity Statements (if applicable).
- Lodgement of annual Tax Returns.
- Annual preparation of financial statements – Balance Sheet, Investment Strategy, Profit and Loss Statement, and Members' Investment Accounts.
- Annual audit by an approved auditor.

### FIND OUT MORE

If you'd like to find out more about the benefits and your obligations as an owner of a self-managed superannuation fund, please feel free to contact one of our qualified advisors at The Peak Partnership on 07 3360 9888. We can help with every step of the SMSF process, from initial investment strategy and planning through to Fund establishment, ongoing administration and compliance, as well as pension allocation and fund closure.

We also have a range of Fact Sheets that explain the various aspects of SMSF structures and administration - remember we're here to help you make the right decisions about your financial future.

07 **3360 9888**

17 Mt Gravatt-Capalaba Road, Upper Mt Gravatt Qld 4122

Learn more at [www.peakpartnership.com.au](http://www.peakpartnership.com.au)



**The Peak Partnership**  
CHARTERED ACCOUNTANTS