

When it comes to establishing a Self Managed Superannuation Fund, here are some of the more common questions.

WHEN CAN I ACCESS MY FUNDS?



The most common conditions of release for paying benefits are when a member:

- has reached their preservation age and retires.
- has reached their preservation age and begins a transition-to-retirement income stream.
- is 65 years of age (even if they haven't retired).
- passes away.

WHAT IS THE PROCESS FOR MAKING AN INVESTMENT IN MY SMSF?



The following 5 steps should be carefully reviewed and followed when making an investment to ensure that your SMSF complies with all Super Laws:

- Step 1: Review if the investment is allowed
- Step 2: Confirm the investment adheres to the fund's investment strategy
- Step 3: Place the investments from the transaction bank account
- Step 4: Document the investments
- Step 5: Document the annual investment review

WHAT IS AN INVESTMENT STRATEGY AND DO I NEED ONE?



Yes, an SMSF is required under Super Laws to have an investment strategy.

An Investment Strategy sets out how you plan to achieve the funds objectives (increase the members retirement benefits) and to guide your investment decisions around making, holding and realising the funds assets. It must reflect the circumstances and needs of the members and be reviewed on a regular basis. You are also required to consider whether to hold insurance cover for one or more members of your SMSF.

WHAT ARE THE ANNUAL COMPLIANCE REQUIREMENTS?



It is a compliance requirement that the following documents are prepared and lodged by an SMSF on an annual basis. They include:

- Balance Sheet
- Profit & Loss Statement
- Member Statements
- Trustee Resolutions & Minutes
- Income Tax Return
- Audit Lodgement of the annual Income Tax Return.

We can liaise with your preferred accountant to facilitate the preparation of these documents on behalf of your SMSF.



WHAT ARE MY OPTIONS FOR APPOINTING TRUSTEES OF MY SMSF?



When you set up your SMSF, you need to decide whether your fund has individual trustees; or a company, as the sole trustee.

The trustees of an SMSF control the fund and all the assets are recorded in all trustees names. Therefore you need to fully understand the structure that is most appropriate and caters for your needs, now and in the future.

An individual trustee

With individual trustees, all members of the fund must be trustees and anyone over 18 can be a trustee. There needs to be at least two individual trustees (if you are the only member of the fund, you will need someone else who is willing to be a trustee and not a member) and a maximum of four.

A corporate trustee

This is where a company acts as the trustee, in which case all members must be directors of the company. If you have a corporate trustee, you can be a single member of the fund and the sole director of the company. If you do not already have a company, you will need to have one set up which costs under \$500 as a once off set up fee with an annual ASIC fee of approximately \$45.

WHAT ARE THE BENEFITS OF USING A COMPANY AS A TRUSTEE?



We recommend you appoint a Company as a trustee rather than individuals for the following reasons:

Protect your personal assets

As companies are subject to limited liability, a corporate trustee will provide greater protection where a party sues the trustee for damages as it reduces the risk of personal assets becoming intermingled with fund assets.

A one member fund

If you want to be the only member of your SMSF, the only way you can do this is to have a Company as the trustee. You can be the sole director and shareholder of the company, which therefore gives you complete control of the fund.

More future certainty

With a corporate trustee, ongoing control of the SMSF and its assets is more certain as a company can continue to be the trustee even in the event of a members leaving, incapacity or passing. If individual trustees are in control, the fund cannot operate if there is only one trustee left.