

SELF MANAGED SUPERANNUATION FUND- SHOULD I SET ONE UP!



Prepared by Geoff Gartly,
Chartered Accountant of *Gartly Advisory Pty Ltd*



Superannuation is your investment for your retirement and if you are thinking of switching to a **Self Managed Superannuation Fund (SMSF)**, here are some critical questions

- Do you have sufficient funds to make it work?
- Can you commit to making sure your Fund investments are working for you?
- Can you act in your capacity as a Trustee?
- Do you understand the purpose and general rules of an SMSF!

When deciding to contribute to a complying fund, you have two choices

- Managed – by an institution
- or
- Self Managed in which you are the Trustee

SMSF's are great for some people, but they don't suit everyone!

ADVANTAGES

- Increased flexibility in investment choices and asset selection;
- Control over your total investment portfolio, with the ability to take account of the risk profile of all your assets, including those held outside Superannuation;
- The ability to have between 1- 6 members in the Fund to allow the pooling of resources of others with similar financial objectives (for example, a family unit);
- The maximum flexibility about the usage of pension streams;

IS SELF MANAGED SUPERANNUATION RIGHT FOR YOU?

- Increased flexibility to use the advantages Superannuation offers for those people trying to access Centrelink benefits such as the age pension;
- The ability to transfer personally owned shares and other listed securities directly into Superannuation(subject to CGT); and
- The ability to own your business' real property (but not operating assets) in the Superannuation fund, assisting funding and cash flow problems for many businesses

DISADVANTAGES

- While **Self Managed Superannuation Funds** offer many advantages over your typical Superannuation Fund, the onerous duties that must be performed as trustee are often considered to be a disincentive.
- As Trustee of the Fund, you are ultimately responsible for ensuring the Fund is adequately invested and administered in accordance with the relevant Superannuation law and that a breach of Superannuation law can result in the Fund being penalised with a harsh tax of up to 47% of the Fund Assets.

While the role of Trustee may sound both demanding and time-consuming, it need not be, as long as you follow the rules and seek professional advice before carrying out any actions you are not sure about.

Additionally, a trustee cannot be remunerated for providing his or her services as a Trustee. These funds come under the supervision of the Australian Taxation Office for regulation and review

With your own **Self Managed Superannuation Fund** – you're in control.

Please note the advice we provide you is of a general nature, and we suggest you seek professional help concerning your specific financial affairs

Geoff Can be contacted on 9597 9966 to arrange a confidential meeting about your affairs.

Geoff Gartly is an SMSF specialist with Chartered Accountants Australia New Zealand.

Last update March 2022