aspire
wealth strategies

# Self-Managed Superannuation

## What is a Self-Managed Super Fund?

Self-managed super funds (SMSF) are the largest and one of the fastest growing super segments in Australia.

An SMSF is one where you, as a trustee and member, have responsibility for the management, investment and administration of your super fund. SMSFs are quite different from other super funds because they're run by you, for you and any other members of your SMSF. SMSFs are established for the purpose of building retirement savings.

A super fund (except in the case of a single member fund) is an SMSF if all of the following apply:

- the fund has up to four members
- if the trustees of the fund are individuals, each individual trustee is a member
- if the trustee of the fund is a corporation, each director of the corporation is a member
- each member is a trustee of the fund or a director of the corporate trustee of the fund
- no member is an employee of another member unless they are related and
- no trustee of the fund (or director of a corporate trustee) is paid for services performed in relation to the fund, except in certain limited circumstances.

It is also possible for you to set up your fund with only one member.

SMSF structures can be quite simple or complex depending on your needs. There's a lot to consider, but you can outsource aspects, such as administration, to save you time and free you up to focus on what's important to you.

## What are the benefits of having an SMSF?

The benefits of SMSFs include:

- Greater control over your super, as you make the key decisions and you're in charge of where you invest your money.
- Flexibility and choice. You construct your fund's investment strategy and enjoy more investment choice. The choice of investments in SMSFs is far greater than what other super arrangements can offer. You can invest in property, direct shares, cash, term deposits and more.
- Costs. You are in control of what services you require and how much you pay for them.
- Tax advantages. There are potential tax savings in SMSFs depending on your personal circumstances and investment strategy.
- Pool your super with family or other members of the fund, for potential cost savings.
- The potential to borrow to buy a property within your super fund.
- Insurance can be included in your SMSF to protect your income and assets e.g. life insurance, total and permanent disability (TPD) and income protection.
- Planning for when you're not around, by specifying who you want to leave your money to.

## What will your SMSF cost?

The costs of setting up and running an SMSF vary depending on, among other things, your circumstances, super balance, investment strategy and how you choose to manage your fund. The more complex you make it, the more it is likely to cost.

# Self-Managed Superannuation

### What do you need to consider before starting?

There's a lot to consider before you decide to set up an SMSF. This includes, among other things, your super balance, the number of members joining the fund and their ages, how much time you have to spend on your SMSF, your retirement goals, investment preferences and your risk profile.

You generally need someone to help you set up your SMSF. Please contact us for assistance.

You generally need to have a reasonable amount of super, or be looking to build up your super quite quickly, to justify the costs of an SMSF. Everyone has a different view of 'how much' money is enough to start a SMSF, but as a guide, the ATO's suggests a minimum of $200,000 (that is if the total balance of all members in the fund equates to $200,000 or more).

As an SMSF trustee, it is important that you are aware of and understand the duties, responsibilities and obligations of being a trustee. You will need to ensure that your fund operates in accordance with all applicable laws. You will also need to be aware of and follow the rules set out in your fund's trust deed.

You need to be comfortable making investment decisions around when, where and how to invest or consider working with an adviser to help you. In particular, you should seek advice around borrowing if this is of interest to you. Depending on your circumstances, gearing in your super may not be appropriate.

### How do you set up an SMSF?

The general process of setting up a SMSF involves creating a trust deed, appointing trustees, completing ATO forms, setting up a bank account, rolling over your super, setting an investment strategy and so on. Please contact us before proceeding.

### What happens after you set up an SMSF?

This is when you begin to take control of your super by setting up and implementing your investment strategy.

However, on an ongoing basis, there's a lot that needs to be done to maintain your SMSF and keep on top of the administration and compliance. The laws governing SMSFs are complex and can change – you need to ensure you stay on top of regulation changes and compliance.

This is where a quality support network is really important. Our administration service can help you with your compliance responsibilities, as well as the day-to-day running of your fund, by keeping track of contributions, assets you purchase, income, expenses to be paid, taxation and other kinds of reporting requirements.

For more information about Self-Managed Super Funds SMSF phone Aspect Synergy Group on: 0425 450 731.

**If you'd like to know more, or you'd like to discuss your own situation and find out what options are available to you, please get in touch.**

aspire wealth strategies

**Allan Meincke**
**Phone: 0425 450 731**
P.O. Box 214, Nundah, Qld 4012
Email: allan@aspirewealthstrategies.com

Member afa Association of Financial Advisers

AUTHORISED REPRESENTATIVE OF Synchron
AFS LICENCE NO. 243313
LIFE INSURANCE BROKER