

SELF-MANAGED SUPERANNUATION

Self-managed super can be an incredibly rewarding journey and can afford you the opportunity to take real control of your retirement savings.

However, it is also a complex and specialist area where seeking the right advice is crucial.

At PT Partners, we have the expertise and experience to properly guide you on all facets of self-managed super, including establishment, annual compliance obligations and retirement planning strategies.

What is Self-Managed Superannuation?

Self-managed super funds (SMSFs) provide a way of saving for your retirement. The difference between an SMSF and other types of funds (e.g. retail or industry funds) is that the members of an SMSF are usually also the trustees. This means the members of the SMSF run it for their own benefit and are responsible for complying with the super and tax laws.

SMSFs provide flexibility and the ability for trustees to take a leading hand in the management of their retirement savings.

However, SMSFs are also highly regulated, and carry with them significant responsibilities that should not be undertaken lightly. Trustees can be held personally liable for their actions.

Having the right professional advice is critical, both in terms of deciding whether self-managed super is right for you in the first place, and then in ensuring that your SMSF meets its compliance and regulatory obligations on an ongoing basis.

What is the cost of setting up an SMSF?

The cost of establishing an SMSF with individual trustees is \$1100 including GST. As part of this cost, we will also attend to the relevant registrations for Tax File Number, Australian Business Number, etc.

If you wish to have a corporate trustee rather than individual trustees, an additional cost of \$1,430 applies for the establishment of the corporate trustee.

What is a corporate trustee and what are the advantages over having individual trustees?

A corporate trustee is a private company which serves as trustee for the SMSF. The members of the SMSF would also typically be the directors and shareholders of the company.

There are a number of compelling advantages of corporate trustees:

- ◆ *Administrative efficiency.* Even if the individual members of the SMSF change over time, the corporate trustee can remain the same. This means legal ownership of the SMSF's assets (e.g. bank accounts, shares, property) does not need to change.
- ◆ *Control.* If you are the sole member of your SMSF, having a corporate trustee means you don't need to find another individual trustee.
- ◆ *Succession and estate planning.* In a "husband and wife SMSF", having a corporate trustee allows for continuity in the event of death.
- ◆ *Liability.* Corporate trustees have the benefit of limited liability, whereas individual trustees do not. Personal assets of individual trustees are potentially exposed as a result of their SMSF dealings.

What are the ongoing costs of an SMSF?

SMSFs are required to prepare a range of documents each financial year, including financial statements, members' accounts and a tax return. The cost of this compliance function will vary depending on the volume of transactions and the complexity of the SMSF, but a minimum cost of \$1,650 including GST should be anticipated.

In addition, SMSFs require an independent audit each year. PT Partners will co-ordinate the audit as part of the year-end compliance function. A minimum cost of \$770 including GST should be anticipated. If you have a corporate trustee, annual ASIC and registered office costs of about \$400 will also apply.

Next steps?

The best way to start the process is by meeting with Kellie Powell, director of PT Partners. Kellie holds an Australian Financial Services License (AFSL) authorising her to advise on SMSFs. She brings to the table vast experience in all facets of self-managed superannuation and will help you to better understand SMSFs and make the right decisions.

For further information, please contact Kellie Powell on (07) 3808 4499 or at kellie@ptpartners.net.au, or to make an appointment with Kellie, simply go to our [online booking facility](#).