



IS AN SMSF RIGHT FOR YOU?

Self-managed superannuation funds (or SMSFs) are a way of saving for your retirement.

The difference between an SMSF and other types of superannuation funds is that the members of an SMSF are usually the trustees. This means that the members of the SMSF run it for their own benefit and are responsible for complying with Australian superannuation and taxation laws.

SMSFs are widely recognised as offering greater control and flexibility over investment choice. Although traditional industry and retail funds offer a wide range of investment options, the ability to invest in direct property (residential and commercial) as well as collectibles, such as; antiques, artwork and jewellery, are features unique to SMSFs. For small business owners, the ability to purchase a commercial property through an SMSF can be particularly appealing.

While these benefits appeal to many people saving for retirement, there are a number of issues and risks associated with SMSFs that you need to consider before deciding whether an SMSF is right for you.

Benefits of an SMSF

SMSFs offer a number of advantages over traditional retail or industry super funds. These include:

- Greater control over how your money is invested.
- Greater flexibility in relation to transferring assets, as well as the timing of decisions that may have a bearing on taxation.
- Potential cost savings (fees).

SMSF prerequisites

If you're thinking about setting up and running an SMSF you typically need:

- A large amount of money in the fund to make the initial set up and annual running costs worthwhile.
- To budget for ongoing expenses such as professional accounting, tax, audit, legal and financial advice.
- The time and aptitude to research investments and manage the fund.
- The financial experience and skills to make sound investment decisions.
- To understand your role and responsibilities as the Trustee of the fund.

To discuss whether an SMSF may be the right option for you, please contact us.



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