

Self Managed Super Funds

What are Self Managed Super Funds?

Self Managed Super Funds (SMSFs) are private superannuation funds that allow trustees to manage their own retirement savings. SMSFs can have up to 4 members and are regulated by the Australian Taxation Office (ATO). All members of the SMSF are required to be listed as trustees of the fund and are ultimately responsible for fund decisions and compliance.

Advantages of SMSFs:

- Maximum control over your own investments, including unlisted investments
- Allows investment in direct property
- Maximum control over your tax position, especially Capital Gains timing. This is highly effective for assets that aren't sold until you're in pension phase
- Various advantages for business owners. E.g. to purchase business real property
- Members can borrow to invest in some circumstances
- Cheap running costs for funds with larger balances
- Allows members to consolidate their super monies
- Greater control over how death benefits are distributed

Disadvantages of SMSFs:

- The time, effort and responsibility it takes to be a trustee
- Can be costly for funds with smaller balances
- No access to the Superannuation Complaints Tribunal
- No access to the Superannuation Compensation Scheme
- Borrowing within super may have a higher interest rate and lower loan to value ratio

Considerations when deciding

Running an SMSF can offer some significant benefits but requires effort and carries significant responsibility. It's important to be clear on what your objectives are and why these need an SMSF. For smaller balances, the fixed costs of an SMSF may outweigh the benefits and it's important to note that some professionally managed super funds offer DIY investment options including shares, exchange traded funds and term deposits.

Note: You should never roll out of an existing super fund without looking into whether you'll lose valued benefits such as insurance that may be difficult or expensive to replace.

Digital Advice and SMSFs

Digital or Robo-Advice is financial advice that is delivered by an adviser online, instead of the usual face-to-face method. Digital advice is usually scaled to one specific area of a client's advice needs. ASIC's Moneysmart website has a section about [Digital-Advice for Self-Managed super funds](#). Digital advice "can offer convenient, low-cost financial advice" to those suited to this style of advice.

Starting an SMSF?

A.S.A.P. offer a digital advice service for SMSF establishments starting at just \$250 ^{+GST}