CAMDEN
Wealth Advisers

LET'S TALK ABOUT

SELF MANAGED SUPER FUNDS

WWW.CAMDENWEALTHADVISERS.COM.AU

WHAT IS AN SMSF?

A Self-Managed Super Fund (SMSF) is a private retirement fund where members are also the trustees. You control your investments and retirement savings - but with full responsibility to comply with super and tax laws.

IS AN SMSF RIGHT FOR YOU?

Consider an SMSF if:

- You're ready for hands-on control and management.
- You understand the legal, taxation, audit, and investment complexities.
- You can commit the time and money, and have or can obtain appropriate financial advice.

SHOULD YOU CONSIDER AN SMSF?

✅ ADVANTAGES:

- Full Control: You decide investment options and insurance.
- Flexibility: Broader range of assets than traditional super funds.

⚠️ RISKS & RESPONSIBILITIES:

- Legal Responsibility: Trustees are legally and financially liable for decisions and compliance.
- Regulatory Risk: No government compensation for theft, fraud, or mismanagement.
- Time & Cost: Running an SMSF requires ~100+ hours annually and professional fees for audit, accounting, advice, legal support and more.
- Compliance Penalties: Fines, disqualification or tax consequences if rules aren't followed.

KEY CONSIDERATIONS BEFORE STARTING

- Time & Skills: Must keep up with super, tax laws, investment strategy, records, audits, reporting.
- Costs: Upfront setup and ongoing costs (audit, accounting, legal, insurance) could outweigh benefits if fund size is low.
- Fund Size: No minimum, but cost-effectiveness increases with larger balances.
- Trustee Structure: Choose individual trustees or a corporate trustee – each has different legal and administrative implications.
- Avoid Scams: Be wary of schemes promising early access to super or high returns – they are illegal and can incur heavy penalties

ESTABLISHING AN SMSF: STEP-BY-STEP

- Seek professional advice - enlist a Financial Adviser, Accountant and possible Mortgage Broker
- Clarify retirement objectives and lifestyle targets.
- Choose a Trustee Setup: Opt for individual or corporate trustees according to your situation.
- Craft Investment Strategy: Ensure it aligns with risk tolerance, diversification needs, and legal limits.
- Consider Insurance: Evaluate coverage needs and policies for all members.
- Roll Over Contributions: Transfer existing super balances into your SMSF correctly.
- Set Up Administration: Implement record-keeping systems, hold trustee meetings, and track decisions.
- Annual Audit & Reporting: Appoint a registered SMSF auditor each year and lodge financial statements and tax returns.

SMSF ADVICE: FINANCIAL ADVISER PERSPECTIVE

When seeking advice from a licensed adviser, they :

- Follow legal standards under Corporations Act, SIS Act, and ASIC regulations.
- Assess SMSF suitability based on the client's goals, resources, skills, and willingness to manage a fund.
- Evaluate risks such as fraud, compliance, insurance loss, and the need for an exit plan.
- Provide full disclosure of setup costs, ongoing fees, structure options, investment plan, insurance and potential termination paths

CAMDEN
Wealth Advisers

An SMSF offers independence and a wider investment scope, but brings significant responsibilities. It’s best suited to those who seek control, have adequate financial knowledge, and can commit the necessary time and costs. If in doubt, engage a licensed SMSF adviser to guide you on structure, compliance, investments, insurance, and exit strategies

CAMDEN
Wealth Advisers