

## IS A SMSF RIGHT FOR YOU?

Over the last 12 months there has been a substantial increase in the number of SMSF's established. Why?

Lets look at some of the advantages of a SMSF

- 1 **Control** – The fund assets are controlled by a personal Trustee ("you"), or a corporate Trustee who is controlled by the members ("you"). Either way you retain 100% control of the assets of the fund and future investment decisions.
- 2 **Investment Choice** – The Trustee has absolute discretion with respect to Where the members funds are to be invested.
- 3 **Flexibility** – Investment decisions can be adjusted, controlled and implemented promptly in response to market changes.
- 4 **Taxation** – A SMSF enjoys the lowest rate of tax of any entity structure in Australia. With a base rate of just 15% it can become an attractive tax planning option.
- 5 **Family Fund** – SMSF can have up to 4 family members in the one fund.
- 6 **Secure Income in Retirement** – A SMSF offers the most flexible option for taking your benefits in retirement, whether taken as a lump sum or as a pension.
- 7 **Fees** – The fee structure of a SMSF can sometimes offer substantial savings compared to retail super funds.
- 8 **Creditor Protection** – A member's fund assets are normally protected from creditors in the event of bankruptcy.
- 9 **Insurance** – A SMSF can claim a tax deduction for total and permanent disablement cover for its members.

Now, while SMSF have some great advantages – they are not for everyone. Its important that you also consider the following possible disadvantages

- 1 **Time Burden** – Depending on the complexity of your investment the trustee may need to devote considerable time in managing the funds assets.
- 2 **Costs** – For some members with small balances, the costs of maintaining the fund may be more than they would be in a retail fund.
- 3 **Risk of Non-Compliance** – Failure by a fund to comply with the relevant legislation can be excessive.

Interested in Finding Out More? Give us a call, it may be the best financial decision you ever made.

*If you would like to discuss any of the above contents, or would like to see how we could be of further benefit to your business, then please do not hesitate to contact our office.*

## DIARY DATES DECEMBER 2011

### Thursday 1

- Income tax payment due date for companies and superannuation funds that were taxable large/medium business clients in the immediate prior year.
- Income tax payment due date for companies and superannuation funds that were required to lodge by 31 October 2011.
- Payment of income tax for superannuation funds where one or more prior-year income tax returns are outstanding as at 30 June 2011.

### Wednesday 21

- November 2011 monthly activity statements: final due date for lodgment and payment.

### Office Closure

Please note that we will be taking a short break over Christmas and will be closing our office from midday on Thursday 22 December 2011 and will reopen again on Monday 9 January 2012.

Please Note: Many of the comments in this publication are general in nature and anyone intending to apply the information to practical circumstances should contact our office to seek professional advice to independently verify their interpretation and the information's applicability to their particular circumstances