

Establishing a Self Managed Superannuation Fund

A Self Managed Superannuation Fund must be set up correctly to make sure it is eligible for tax concessions, can accept your contributions, is able to accommodate a range of financial planning strategies and is easy to administer. Without these, the SMSF will not meet its primary goal of meeting your retirement needs.

Who is involved?

There are a number of SMSF professionals that are involved with setting up and maintaining the Fund. For example:

- Tax agents can help prepare your Fund's financial accounts, its annual statements, complete and lodge your self-managed super fund annual return, provide tax advice and represent you in your dealings with the ATO.
- Fund administrators can help you manage the day-to-day running of your Fund and meet your annual reporting and administrative obligations.
- Legal practitioners can create, review and update your Fund's Trust Deed.
- Financial advisers can help you prepare an investment strategy and assist with recommending and placing the investments in your Fund. They can also assist with financial planning strategies involving contributions, insurances, income streams contributions, insurances, income streams and estate planning.

As Trustee of the Fund, you are responsible for making sure the Fund is set up and run correctly, regardless of assistance you receive from any professional.

The following table provides you with the steps involved in setting up an SMSF:

Establishment steps		
Step	Details	Estimated time frame
Initial Advice An initial Statement of Advice (SOA) is provided	<ul style="list-style-type: none"> • Taking into account your goals and current situation we may make a recommendation to establish an SMSF. • Any recommendations will be made in a Financial Plan (SOA). It will explain our advice and how an SMSF will meet your goals, the cost of the advice and the next steps. • If we are recommending that you transfer your existing super funds, or redirect your personal superannuation contributions, these will be documented in this SOA. • This document also highlights your responsibilities as a Trustee. 	Day 1
Agree to implement the recommendation Sign the agreement to implement	<ul style="list-style-type: none"> • If you wish to go ahead with the recommendations in the SOA, you will be asked to sign the Agreement to Implement Advice. 	Day 1-7
SMSF established Preparation of the legal and taxation documents to establish the SMSF	<ul style="list-style-type: none"> • The next step is to have the legal and taxation documents required to establish the SMSF prepared. • A Trust Deed is a legal document that sets out the rules for operating your Fund. • As the Trust Deed is a legal document, it must be prepared by someone qualified to do so, such as your solicitor or legal service company. • We can help you find a suitable person to prepare this document if you require. 	Day 14

Establishment steps		
Step	Details	Estimated time frame
Trust Deeds completed Trust Deeds will be given to you, for your signing.	<ul style="list-style-type: none"> The Trust Deed will be returned for your review and approval (by signing). As this is a legal document you may need to obtain advice to ensure that all trustees understand and agree to the terms in the document. The Trust Deed must be signed and dated to ensure that it is legal according to state or territory laws. 	Day 21
Apply for the Fund's ABN and TFN The ATO will issue these numbers	<ul style="list-style-type: none"> The Trustees must elect for the fund to be regulated under the Superannuation Industry (Supervision) Act (SIS) in order for the fund to receive concessional tax treatment. As Trustees, you have 60 days to lodge your election with the ATO. You will be issued with a Tax File Number (TFN) and an Australian Business Number (ABN) within 30-60 days. 	Day 21
Bank account Set up a bank account in the name of the SMSF	<ul style="list-style-type: none"> You will need to open a bank account in the name of the Fund. This will assist the trustees to keep their personal and SMSF asset separate. 	Day 30
Investment Strategy for the Fund Your Fund must have a set of rules that detail how the money will be invested	<ul style="list-style-type: none"> This involves developing a strategy that takes into account risk, return, diversification, liquidity, cash flow, asset allocation and the ability to pay out existing and prospective liabilities. We can help steer you in the right direction. 	Day 30
SMSF Investments SOA Includes specific product recommendations	<ul style="list-style-type: none"> We will provide the Trustees of the SMSF with a Financial Plan (SOA) recommending investments to purchase. 	Day 45
Move funds to the SMSF Transfer existing super into the SMSF Make contributions to fund	<ul style="list-style-type: none"> Once you have the Fund's ABN and TFN we can start moving money into the Fund. These can take up to 60 days to be completed by external fund managers. Any contributions that may have been recommended can also be made at this time. 	Day 80
Make Investments Investments purchased	<ul style="list-style-type: none"> Once the transfer or contributions have cleared in the bank account we will invest the money as per the Investment strategy and SOA. 	Day 110
It's complete!	<ul style="list-style-type: none"> SMSF purchases finalised (depending on the type of assets purchased). 	Day 140 (approx 4-5 months from commencement)



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