



**Phillipsons**  
Accounting | Financial Planning

# Self Managed Superannuation Funds

Fact sheet Fact sheet Fact sheet Fact sheet

Phillipsons preferred superannuation investment vehicle is Self Managed Superannuation (SMS). Also known as DIY Super, SMS gives trustees complete control over their investments for the same low cost as the average industry super fund, which is why it is the fastest growing segment in the retirement savings sector.

## Self Managed Superannuation Funds (SMSFs)

SMSFs are superannuation funds with 1 to 4 members, where the members manage the fund and the fund is regulated under the Superannuation Industry (Supervision) Act. An SMSF is established once a Trust Deed is prepared and signed by the trustees. A Trust Deed sets out what the superannuation fund can and cannot do. An SMSF Trust Deed can be very flexible within applicable laws.

*Australian Prudential Regulation Authority statistics as at March 2009 show that Self Managed Superannuation Funds (SMSFs) account for \$327.8 billion in assets of a total \$1.03 trillion in assets held in superannuation. That is 32% of the market.*

SMSFs allow members to invest directly into shares, fixed interest, cash or property as well as managed funds, which means that investments can be picked to suit your own situation and timing. The benefits are held for retirement purposes or for the provision of death and/or disability benefits. They are able to provide either a lump sum or a pension upon retirement, accept superannuation contributions, accept rollovers from another superannuation fund and provide certain insurance benefits.

## Other advantages of SMSFs

- taxation planning
- insurance and estate planning
- access to wholesale managed funds
- benefits for small business owners

## Some considerations for establishing an SMSF

### Trustee structure and responsibilities, including:

- reporting requirements
- contribution standards
- benefit payment standards
- the Sole Purpose test
- investment guidelines.

### Cost considerations:

- trust deed preparation fees or fees for adjustment to the deed for legislation changes
- annual accounting and administration fees (if you outsource these functions).
- investment advice fees.

## Contact us

For further clarification on the above or for information on how we can help you, please contact us:

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