Advance Business Centres

Accountants and Planners
Level 1, 50–58 Moorabool Street,
Geelong, Victoria 3220
Tel: (03) 5229 1991
Fax: (03) 5221 2362
Mobile: 0419 583 386
E-mail: paulm@abcaccountants.com.au
www.abcaccountants.com.au
ABN: 80 193 191 475

Common Issues & Answers

SELF-MANAGED SUPERANNUATION

As a flexible investment mechanism with advantageous taxation concessions, self-managed superannuation funds are popular for persons wishing to control the allocation and manner of investments for their use in retirement planning. Income and capital gains of a complying superannuation fund under the Australian Taxation Office (ATO) guidelines are generally taxed at no more than 15%. Contributions to the Superannuation Fund are tax deductible up to age based limits (see below).An active role over the management of the assets is required to obtain the best returns possible.

Structure

1. Trustees (Generally the fund members) operate and have responsibility to the Superannuation Fund members and also the ATO.
2. Trustees determine the allocation of investments to meet the potential needs of the superannuation fund members.
3. A company can be a trustee or individual(s) can be trustees.

Operations

4. The investment selection can be in land, property, shares, collectables or loans. Detailed records must be maintained.
5. Financial accounts must be prepared and audited annually at a cost of approximately $1,800.
6. An annual Superannuation Levy payable to the Australian Taxation Office is $150.

Benefits

7. Upon reaching retirement age of 60 years, the trustee commences pension payments for a fund member. Your super income from a taxed source will be tax-free.
8. Taxation paid on investment earnings can be reduced from 15% if franked dividends are received from Australian share investments.
9. Cost efficient treatment of insurance policies in the form of tax deductible pensions.
10. Protection of family assets in the event of bankruptcy.
11. No up front commissions on direct investments.

Employer Contributions

Current deductible amounts based upon employee’s age are:

Under 50	$25000
50 and over	$50000