

Five things to consider before setting up an SMSF

How important is it for you to be able to?	Important	Neutral	Not important
1. Have more control over your retirement investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Have more flexibility in how you invest your retirement savings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Invest in a property in your superannuation fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Combine your and your spouse's superannuation and invest the funds together	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Own a business property in your superannuation fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Unless you've answered 'important' to some of the above questions, an SMSF may not be appropriate for you.

If you HAVE answered important, there's a few more items to consider.

Do you understand the following?	Yes	No
1. What it means to set up and run a SMSF including the costs and time required.	<input type="checkbox"/>	<input type="checkbox"/>
2. The role and responsibilities associated with being a trustee of a SMSF.	<input type="checkbox"/>	<input type="checkbox"/>
3. A trustee cannot be a disqualified person. A person is disqualified if they: <ul style="list-style-type: none"> • have ever been convicted of an offence involving dishonest conduct • have been subject to a civil penalty order • are insolvent under administration (i.e. an undischarged bankrupt), or • have been disqualified from acting as a trustee of a superannuation fund by the regulator. A company cannot be a trustee if: <ul style="list-style-type: none"> • a responsible officer of the company is a disqualified person • a receiver, administrator or provisional liquidator has been appointed, or • the company is being wound up. A responsible officer is a director, secretary or executive officer of the company. In addition, a disqualified person cannot appoint another person with an enduring power of attorney to act as trustee on their behalf.	<input type="checkbox"/>	<input type="checkbox"/>
4. The financial literacy skills required to run, or be involved in running, an SMSF.	<input type="checkbox"/>	<input type="checkbox"/>

Do you understand the following?		Yes	No
5.	Succession planning issues for the SMSF.	<input type="checkbox"/>	<input type="checkbox"/>
6.	The basic risks associated with having an SMSF including: <ul style="list-style-type: none"> • your inability to access a Government compensation scheme • your reduced access to dispute resolution bodies • the risk of not having insurance, or having inadequate insurance and the consequences of getting it wrong • the risk of some SMSF membership structures. 	<input type="checkbox"/>	<input type="checkbox"/>
7.	The advantages and disadvantages of moving from an APRAregulated fund to an SMSF.	<input type="checkbox"/>	<input type="checkbox"/>
8.	The restrictions on underlying assets of the fund including the sole purpose test	<input type="checkbox"/>	<input type="checkbox"/>
9.	The benefits of investment diversification and the risks associated with investing all your superannuation in a single asset class (e.g. real property).	<input type="checkbox"/>	<input type="checkbox"/>
10.	The alternatives available to a SMSF structure that could meet your needs.	<input type="checkbox"/>	<input type="checkbox"/>

It's important you understand the above ten items before establishing your SMSF, or alternatively, seek professional advice.