Top 10 tips SMSF management

Once your SMSF is established the ongoing tasks will commence. The number of tasks required will depend on the circumstances of the fund; however there are certain administrative tasks that must be completed by every fund, every year.

The ongoing management of your SMSF may appear daunting due to the large number of responsibilities but be assured that your financial adviser will be able to manage these tasks on your behalf.

The following tips outline some of the key administration considerations and tasks involved in maintaining an SMSF. Please note this is not a comprehensive list – other investment and trustee related tasks need to be considered. Professional advice should be sought to cater for your personal situation.

1. Fund income and tax returns

All SMSFs must lodge a combined fund income tax and regulatory return called the Self-managed superannuation fund annual return (annual return) with the ATO each year.

2. Valuing fund assets

Valuations are required to complete the SMSF's financial statements and annual return, as well as for member benefits reporting purposes. Valuation should be effective at reporting date which, in most cases, is 30 June each year.

3. Engagement of an auditor

It is important that you obtain the services of an approved auditor. Approved auditors, through the annual audit of each SMSF, perform a critical role in maintaining the legal compliance of the SMSF.

4. Acceptance of contributions

Superannuation law contains standards that must be met in order for a super fund to accept a superannuation contribution. It is the trustee's responsibility to ensure the SMSF is able to accept any particular contribution.

5. Notification of change in fund details

SMSFs are required to notify the ATO of any change in fund details, such as contact details, name, address, membership and trustees, within 28 days of the change.

6. Record keeping

It is imperative that SMSF trustees keep proper and accurate tax and superannuation records in order to manage the fund effectively and efficiently.

7. Rollovers out of the fund

Sometimes an SMSF member may wish to transfer all or part of their benefits to another superannuation fund. When a rollover of benefits from an SMSF occurs, the trustee must complete a Rollover Benefits Statement, providing copies to the receiving fund (or funds) and the relevant member, and ensure that the rollover is to a complying superannuation fund.

8. Making benefit payments

The payment of superannuation benefits to members is an important trustee duty. In most circumstances benefits can be paid either as a lump sum or income stream.

9. Paying benefits 'in-specie'

Lump sum payments (including death benefits) can either be paid via cash or by in-specie transfer of an asset out of the fund to the member. The requirement here is that the asset be valued at market value at the time of the payment.

10. PAYG withholding

An SMSF trustee must withhold tax, known as Pay As You Go (PAYG) withholding, where a taxable benefit is paid to a member. The most common circumstances of PAYG withholding are where the member is under age 60 and either receives an income stream or lump sum member benefit.

More information

Our 'Self Managed Super Funds: from set up to wind up' booklet has further information on the above steps to help manage your SMSF. To view this booklet, go to: Macquarie.com.au

Please consult your financial adviser if you would like further support on the best approach for you.

FLY2692 11/12