

## **Thinking about having your own DIY superannuation fund?**

**If you are disenchanted with the investment returns that your public offer superannuation fund is providing you can consider setting up your own Do-It-Yourself superannuation fund.**

As there are set up and ongoing administration costs to be met a DIY fund is considered beneficial if you have, or in the short term will have, \$150,000 in funds.

You may wish to transfer monies from your existing Public Offer Superannuation Funds (POSF) into your own superannuation fund. Before doing so you should enquire with your POSF as to the balance of your account and whether the balance can be transferred. Some POSF's do not permit this and at present legislation does not enforce this option.

You should also check any insurance cover that you hold with that POSF and ensure that you can obtain similar insurance through your own Fund.

### **So what's involved?**

Firstly, you will need to complete an application form with your DKM accountant to ensure all the correct information is provided. The DKM office then sends this form to it's superannuation administration service division which will oversee the preparation of all the required documentation. You will also need a lawyer to draw up the trust deeds. Ensure the law firm is familiar with the superannuation regulations so they cover all the required inclusions and options available to date.

**You need to ensure that there are no more than four members in the Fund and you need to remember that all members will also be trustees of the Fund.**

Once the documentation has been prepared then it is necessary for all of the trustees to sign the papers.

**The superannuation Administrator will then see to all the lodgement and stamp duty requirements and return to you the final stamped trust deeds and details of the Fund's Tax File Number and Australian Business Number and Compliance Notice.**

With the help of your financial advisor or superannuation Administrator you need to formulate an investment strategy for the fund – as required by legislation.

### **Then you're ready to start...**

The trustees can then open a bank account in the name of your Superannuation Fund and commence operating the Fund.

If you are able to transfer the benefits from the previous POSF's then you are now in a position to provide all the necessary documents and tax details to effect the transfers.

You will receive cheques from these POSF's, which you bank to your Superannuation Fund bank account and then commence making your investments in accordance with your Fund's investment strategy. You can also commence placing new contributions to the Fund's bank account.

Your DKM accountant is able to advise you as to the age-based maximum deductible limits which may be contributed to your fund, as well as spouse and child contributions.

## **Cost Considerations**

The cost of maintaining a DIY superannuation fund should always be considered when making a decision to opt for this type of investment.

Costs that must be considered include:

- Establishment costs;
- Annual levy set by the Regulator (currently \$45);
- Preparation of annual accounts; and
- Audit of annual accounts.

For more information, contact your DKM Partner or Rosanne Cotter on 07 3236 4733 or [spa@br.dkm.net.au](mailto:spa@br.dkm.net.au)

### **You can also visit**

Tax Office - [www.ato.gov.au](http://www.ato.gov.au)

Financial Planning Association - [www.fpa.asn.au](http://www.fpa.asn.au)

Australian Prudential Regulation Authority - [www.apra.gov.au](http://www.apra.gov.au)