

take interest in your super



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Superannuation is one of those topics that often invokes a long, drawn out yawwwn. With over \$1 trillion dollars of assets invested in the superannuation system in Australia, it surprises me that it is of so little interest to so many.

There are, however, 795,000 "Super Smart Australians" who do take a very active interest in their super funds - they are Self Managed Super Fund Trustees.

Self Managed Super Funds (SMSFs), also referred to as DIY Super Funds or Family Super Funds, are growing at an unbelievable rate! Even in the last three years, the number of SMSFs has almost tripled, bringing the total number of funds to 417,426! With \$332.3 billion dollars in assets (\$332,300,000,000 - I find it quite staggering to see it actually written out!), SMSFs now account for over 30 percent of all assets in the superannuation environment in Australia - more than any other type of super fund.

SMSFs popularity usually gain momentum in times of economic turmoil, and the last three years it seems has been no different. It is at these times, when balances are

falling, that many Australian's take a greater interest in their super fund and the fees they are paying. Many decide "I can do it better myself" and hence approach their financial planner or accountant to set one up.

As well as wanting to take the reigns over how superannuation monies are invested, there are many other reasons for having a SMSF. Flexibility with different strategies, taxation benefits and flat dollar fee structures often factor into the decision-making process. Those Super Smart Australians who understand the opportunities that are presented to them and who make the most of their super fund will have a better chance to have a great retirement fund in which they can rely upon.

Some of the most powerful strategies that are being used for SMSFs at the moment include:

- insurance strategies to make sure families, particularly young families, can be looked after financially.
- borrowing to invest, particularly among savvy small business owners who want to own the premises their business operates out of, as well as the many Australians who have a love affair with property;
- secure estate planning methods. These are proving very popular for blended families or in families where a beneficiary should not receive a large lump sum inheritance; and

As you would expect, with so many benefits comes a large amount of responsibility too. While the responsibility for the fund will always remain with the trustee, you can outsource the day-to-day running of the fund and of course, you can bring in specialist advisers to assist you. Many SMSFs have a financial planner, accountant or administrator assist with the day-to-day operations of the fund. By investing in a specialist adviser and learning how to maximise the benefits within your fund, you may have invested in the greatest asset your fund ever holds.

In the future editions of BM, supermatters will explore some of the most effective strategies that can be used for SMSFs in depth. If you are unsure whether you are maximising the benefits within your fund, then reading about some of these strategies is a great place to start. **B**

How SUPER is your Self Managed Super Fund?



Make the most out of your SMSF, talk to
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