Is Self-Managed Super Right For You?

This is, and has been, by far the fastest growing area of the Australian Superannuation market over recent years. Many people talk about it. Some have it. Others are setting it up. Others wish they knew if they should or shouldn't have it.

Let's start with the question: **What is a Self-Managed Superannuation Fund?** Simply put, it's a super fund run by and through a trust where the owners/members have the choice to be either individual trustees or set up a company as a trustee and be directors of that company.

So why do many Australians desire a Self-Managed Superannuation Fund? It usually all starts with the great Australian dream … to own their own home and build a property portfolio. So the main reason many Australians turn to Self-Managed Super is **"Flexibility and Control"**. Self-Managed Super provides the flexibility to purchase direct property through the fund and enables the members/directors to have a level of control over their superannuation assets.

What's involved in setting up a Self-Managed Super Fund? In the first instance, do you have enough assets, time and skills to run your own super fund? Operation of a SMSF means you are in control of the fund however, there are stringent legal rules to follow and your Financial Adviser can inform you of these.

It is important to consider whether you have enough super savings to make setting up a SMSF viable. These costs will vary significantly depending on how and who sets up the fund. As a general rule of thumb, it is recommended that you have in excess of $200,000. Personally I like to err on the side of caution and encourage clients to aim for $250,000 as the starting benchmark.

Something else to consider is keeping up to date with the tax laws and understanding the risks. It is recommended to balance the level of risk against the anticipated and actual financial return. In addition to this, you must ensure your super investments are legal.

In order to manage the associated investment risk effectively, it is recommended that you consider three items:
1) Your intended retirement age and date;
2) The level of risk with which you are comfortable; and
3) The objectives or goals for your fund.

So, if you're still reading and the idea of Self-Managed Super appeals to you but you don't have the time or the knowledge and skills required to ensure the fund is maintained in a legal and compliant manner, there is still a way forward … for you to proceed and access the benefits of "Flexibility and Control" by investing your super funds in direct property.

You can achieve this with the help of your Financial Adviser in conjunction with a Specialist Accountant. How does this work?

Find out today … Call us on (07) 3162 9344 or email us at admin.iwp@hillross.com.au to find more about how you can work with a qualified Financial Adviser and specialist Accountant to setup and maintain a SMSF.