SMSF Tips prior to June 30

The end of the financial year is almost upon us and it's a timely manner to check on a few issues that may arise with your super fund.

Trust Deed

It's a good idea to check when your trust deed was last updated. With changes in legislation including income streams and account based pensions, your current trust deed may not allow for these changes.

Investment Strategy

Another important document that may be overlooked is your investment strategy. The investment strategy should be reviewed at least every year. Some issues that should be taken into consideration are insurance, liquidity, risk and return, asset allocation and meeting liabilities, just to name a few.

Binding death nominations

Binding death nominations should always be kept up to date. Binding nominations bind the trustees (executors) to pay out the SMSF trustee's funds to their nominated beneficiaries, ensuring their wishes are carried out as they intended. Legislation suggests the nominations are valid for three years.

Transition-to-retirement pensions

Unless you are able to maximise your concessional contributions ($30,000 or $35,000 a year depending on your age) and your non-concessional contributions ($180,000 a year or up to $540,000 over three years), then a transition to retirement income stream is probably the best option for SMSF trustees if you are still working and aged 55 to 64.

This can be discussed in further detail with our financial advisor Nick Athanasiadis.

Minimum pension

As 30 June is fast approaching you will need to act fast if you want your SMSF to be in pension mode so you can take advantage of not paying capital gains tax, no earnings tax and no income tax. You must be over 60 and must draw a pension before 30 June. Again this option can be discussed with our financial advisor Nick Athanasiadis.

Contributions not being optimised

Depending on your age and employment status (employed or self employed) you may be eligible to put lump sums into super and claim a tax deduction. In some cases, if this is an affordable option, it can reduce your taxable income whilst also boosting your superannuation.