

SMSF Set Up A-Z Frequently Asked Questions (2023-24)

We aim to answer most, if not all frequently asked questions here and in our videos. Please read the relevant section, search for key words in the text below, or watch our videos, available here <https://www.youtube.com/@FreedomFinancialSolutionsFFS/playlists>. If you still have questions, we can help and offer a variety of options (scroll to the end).

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1. Getting Started – Before You Put Your Order Form In

Watch Cass' introductory videos here: <https://www.youtube.com/@FreedomFinancialSolutionsFFS/playlists>.

Q – What is superannuation?

Superannuation, or 'super', is money put aside by you and your employer over your working life for you to live on when you retire from work. You can only withdraw your super money in certain circumstances – for example, when you retire or turn 65 years old. [Read more at the ATO here https://www.ato.gov.au/other-languages/information-in-other-languages/super/your-superannuation-basics](https://www.ato.gov.au/other-languages/information-in-other-languages/super/your-superannuation-basics)

Q – What is a Self Managed Super Fund (SMSF)?

A Self-Managed Super Fund (SMSF) is simply a type of superannuation that you get to manage yourself. We set up the legal structure and bank account for you, then we transfer – 'rollover' – your money from your outgoing super fund, into your SMSF bank account. The super funds in your SMSF bank account are directly CONTROLLED BY YOU; you choose when and how to invest it.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – Do I have to deal with the Australian Tax Office (ATO)?

Yes. SMSFs are legal entities, approved and regulated by the ATO. After we set up your SMSF, we can help you understand how to be compliant with ATO rules and regulations and prepare your annual tax returns.

Q – How safe is an SMSF in comparison to retail/industry funds on the market (REST, Host, AMP etc)

Your SMSF is directly controlled by you. So, it's safe as long as you choose safe investments. Retail funds usually offer a narrow list of investment options, for example shares portfolios or cash, and offer you limited, arm's length control over your investments. Both SMSFs and retail funds are strictly regulated by the ATO.

Q – What are the advantages of an SMSF?

- CONTROL – you control it, and you decide where to invest.
- FLEXIBILITY – you manage it directly, so you can take action with it quickly, as needed, without having to wait on hold for hours to speak to an external provider or fill in copious complex forms for everything.
- SAFETY – you can choose a greater range of investments if you prefer low risk.
- TAXATION – only 15% tax on income and can be TAX FREE after age 60.
- FAMILY WEALTH – the whole family can join the SMSF (up to max 6).
- FEES – once your balance is greater than \$200,000 your fees may become more cost effective.
- LEVERAGE – you can borrow to buy property.

Q – What can an SMSF invest in? See under the 'Investments' section below for more detailed information.

- Cash
- Property
- Gold/silver
- Shares
- Bonds
- Crypto
- Any asset that is a viable investment asset for your retirement

Q – How long does it take to set up an SMSF?

The fastest we have set it up so far, from order form to money in the bank, is three weeks. Typically, it takes between 4-6+ weeks depending on whether the ATO marks your application for review, how quickly the bank processes your application, and how cooperative your outgoing super fund is in actioning your rollover request.

Everyone in our team works hard to set up your SMSF as quickly as possible, while ensuring we do it correctly. We know you're keen and ask simply that you be patient. We will email you regular updates at every step so you know where you're up to in the process and timeline available on our website here

<https://freedomffs.com.au/smsf-setup/> .

Q – How much does it cost?

- \$2500+gst to set up (with two rollovers)
- Approx. \$2500-\$5000 pa depending on the value of your SMSF. See full breakdown of the on our website here <https://freedomffs.com.au/smsf-setup/>
- In many cases an SMSF can be cheaper than your current superannuation fund.
- There are no hidden fees, no hidden investment ratios, no catches.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – My accountant said it costs a lot to manage each year. What are the ongoing fees?

If you have \$200,000+ total value in your SMSF then it can be more cost effective to run than an industry fund. Annually it costs approximately \$2800-\$5600 to administer your SMSF and prepare the tax return lodgement, depending on the value of your SMSF. See full breakdown of the fees set out on our website here <https://freedomffs.com.au/smsf-setup/>.

Q – How long has your company been setting up and managing SMSFs?

Catherine Smith, our CEO has been accounting for SMSFs for over 20 years. Catherine has a master's degree in taxation, as well as other degrees and diplomas, worked for the ATO at a senior level for 11 years and is the founder of Wholistic Financial Solutions, Australia's most award-winning accounting and financial services company.

Q – Why use your company instead of a cheaper online provider?

Setting up the legal structure of the SMSF, dealing with the ATO, opening an SMSF bank account, requesting the rollover and then chasing your outgoing superfund to complete your rollover, is an extremely complex and time-consuming process, and is overwhelming for most people.

Many online providers are often less expensive because they only do part of the job. For example, they only create some of the legal paperwork, such as the Trust Deed, leaving you to do everything else. Our company does it ALL for you, from beginning to end – see a summary of the full process here (scroll down) <https://freedomffs.com.au/smsf-setup/> – and our Australia-based team can answer your questions as needed.

Furthermore, we have information videos to help you at every stage here <https://www.youtube.com/@FreedomFinancialSolutionsFFS/playlists> and hold daily free Q&A sessions to help build your knowledge and confidence about managing your SMSF, book here <https://outlook.office365.com/book/FreedomFinancialSolutions@wholisticfinancialsolutions.com.au/>

Finally, the ATO keeps a close eye on SMSF establishments. Our team is highly experienced and can help.

Q – Who pays the SMSF set up fee?

Your SMSF set up fee is \$2500+gst, which can be paid from your SMSF. We ask for a \$660 deposit when you send us your order to cover our out-of-pocket expenses and to demonstrate your commitment to setting it up. We will send you the final set up invoice when we request your rollover, and once your super money rolls into your SMSF, you can pay the remainder of this invoice from the SMSF bank account using online banking. You can also reimburse yourself for the \$660 deposit from your SMSF bank account (use the reference "SMSF set up deposit reimbursement"). Half the setup fee is tax deductible for the SMSF.

Q – Is there a minimum balance for a SMSF?

No. We ask you to consider two things. First, the ATO will likely take a long, hard look at any application with a very low balance and may even try and stop it. Second, it becomes more cost effective to run an SMSF when you have a balance of \$200,000 or more. So, we suggest it is best to have around \$200,000 worth of super. Some people set up SMSFs with less, to protect their assets. If you have less than \$100,000, talk to like-minded family and friends to try and find others to join with to bring the total above \$150,000.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – How many members can a SMSF have?

- Minimum of 1 for a company trustee (we recommend this as more cost effective and flexible)
- Minimum of 2 at all times for a personal trustee
- Maximum of 6

Q – How exactly does this work if three members have put in different amounts to the SMSF?

Our BGLSF360 superstream accounting software keeps track in real time of how the SMSF funds are apportioned. It works like this:

Person A has \$90 K. = 42%

Person B has \$70 K. = 32%

Person C has \$55 K. = 26%

SMSF Total is \$215k

The SMSF buys 3 farm shares \$150k and \$45k in heavy metals and 20k is left in the bank, so:

Person A has 42% of the farm shares and heavy metals and cash at bank

Person B has 32% of the farm shares and heavy metals and cash at bank

Person C has 26% of the farm shares and heavy metals and cash at bank

You cannot have separate investments. The investments all belong to the SMSF as a whole and the members are apportioned appropriately. However, things like insurance premiums and contributions are allocated to the correct member's account. In other words, members are not receiving or paying for other members contributions or insurance.

Q – What do I have to think about if I go in with other people?

An SMSF can have up to six members. While most SMSFs are spouses/partners, or couples with their adult children, we also have SMSFs of siblings and groups of like-minded friends. We find it's best not to have too many members; two to three people works well. This is because you all need to agree on the 'Investment Strategy,' so you need to be likeminded and agree on what you want to invest in.

Even though you are joining together, your SMSF Member balance is accounted for separately in our BGLSF360 superstream accounting system, so you always know how much super is 'yours'. You can also roll your balance out again at a later stage.

Q – Three of us are planning on setting up an SMSF. Do we each get a separate bank account?

No. The SMSF is a single entity and as such has ONE bank account. This means that all members get to see everything in the bank: what goes in and what comes out.

Q – If I go in with others, am I risking anything?

Not as long as you ensure your investments are made and managed in agreement with the other members. If your SMSF invests in bullion, for example, a management strategy you could consider is to hold the bullion in a vault that can only be opened when all members are present.

Your SMSF member account balance is tracked separately from the other members in our BGLSF360 superstream system. And you can always move back out of the SMSF at a later stage if you choose.

Q – Can my children be part of my SMSF?

Yes. Under 18s need a tax file number and will be members of the SMSF only (not trustees). Once they turn 18, they will then need a Director's ID number and become a director of the company trustee.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – What about insurance in my current super fund?

You can choose to keep your existing fund open with a minimal balance to retain your insurance. Then, once your SMSF is up and running, you can speak to our financial planner regarding insurance options, with a view to moving your insurance to your SMSF and closing your outgoing fund completely if you prefer.

Q – Can any super fund be rolled over into an SMSF?

No. Some funds have certain conditions that need to be met, and your funds need to be in an ‘accumulation’ account for us to roll them into your SMSF.

So, before you send us your order form, call your outgoing super fund to ask them if you have a fund with

- a defined benefit fund,
- an untaxed element,
- a compulsory preservation age limit fund, or
- other conditions that limit or prevent you rolling your super into an SMSF,

If everything is clear and there is nothing preventing you from rolling over into an SMSF, ask

- if your super is currently in an ‘accumulation’ account, and
- if not, make the necessary changes to move your super into your accumulation account.

Q – I intend to claim a tax deduction for my super contributions. What do I do?

If you intend to claim a tax deduction for super contributions you have made, **BEFORE** rolling your funds into your SMSF, you will need to lodge a valid ‘notice of intent to claim’ form and return to your current/outgoing super fund with the amounts, and leave enough super in that fund to pay the tax payable.

If you are unsure please contact your super fund. <https://www.ato.gov.au/forms/notice-of-intent-to-claim-or-vary-a-deduction-for-personal-super-contributions/>

Q – My outgoing fund said something about having to pay 15% tax on the transfer, as they don’t pay the tax until I’m eligible to receive the payout. That seems a lot!

This is known as an ‘untaxed element.’ Most of the time, you will pay 15% tax when the money goes INTO the fund, and no tax will be payable when it is paid out or rolled over. However, some funds hold off paying the tax until the end, ie when they pay it out, or in this case roll it over. So, if you have ‘untaxed element’ you will have to pay the 15% at rollover. Not ideal, we know, but it’s just a timing difference. If you leave your super where it is, you will eventually pay the 15% whenever you are eligible to withdraw it at retirement. Many of our clients are choosing to take the tax hit now to get it transferred into their SMSFs.

Q – What happens if we leave Australia?

If you are planning to leave Australia for an extended period, then contact us to check that setting up an SMSF is worthwhile or possible. There are serious implications for an SMSF if you are not resident in Australia, and regulations change constantly so we cannot definitively answer that question here.

Q – What happens if my circumstances change?

You can wind up and/or leave the SMSF at any time. There is no minimum time specified to operate an SMSF and if you want to wind it up/leave, we can roll all the funds over into another super fund if your circumstances change. Refer to our schedule of fees here for more details <https://freedomffs.com.au/smsf-setup/>

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – Does the ATO audit everyone?

No. The ATO can may review or audit your SMSF application at any time. The ATO is seeking to confirm:

- You know what you're doing,
- You know why you're doing it, and
- You're not being coerced.

You will likely be reviewed (a telephone call), or audited (a paperwork submission) if you have

- a low balance,
- withdrawn money early owing to hardship, or
- a history of not being up-to-date with your tax returns.

In our experience, your SMSF will NOT be marked 'complying' (ie approved) if you

- Are not up-to-date with previous years' tax returns and/or,
- Have an unpaid tax debt.

So it is best to deal with any outstanding ATO debts and/or tax returns before sending us your order form. We are in regular contact with the ATO and can help you as required if they contact you for a review/audit.

2. Filling Out the Order Form

Please watch this video here [SMSF Set Up How to Complete the Order Form with Mary-Jane](https://www.youtube.com/playlist?list=PLLlfJr2IOkym3zfmOumYxkYyLGZm4ydY9)
<https://www.youtube.com/playlist?list=PLLlfJr2IOkym3zfmOumYxkYyLGZm4ydY9>

Q – Do I need to fill out everything on the form?

Yes. The ATO, Macquarie Bank and your outgoing super fund need this information, so we ask for it in advance. If we don't have this information, or the information is wrong, the process will likely be delayed.

Q – Why do you recommend calling the ATO before putting in the order form?

The ATO has ultimate say as to whether you can set up an SMSF or not, and how quickly the process will run. So before you put in your order form, call the ATO and ask *"in the context of joining an SMSF, is there anything in the ATO systems I need to change/fix/know about?"* Specifically check:

- your name is correct in the ATO and ABR and matches your primary ID (see more below)
- your tax returns are up-to-date
- any tax debts are paid, or you have a payment plan for debts agreed with the ATO which will not prevent you from setting up an SMSF
- whether there are no 'security alerts' placed on your ID (you won't know about these until you ask, and this will require special handling at the rollover stage)
- whether there is anything else (ie you don't know what you don't know).

Q – My tax return is overdue. Can I still put my order form in?

Yes, but your SMSF application will likely not be approved by the ATO. In our experience, your SMSF will NOT be marked 'complying' (ie approved) if you are not up-to-date with previous years' tax returns and/or, have an unpaid tax debt.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – Why do you ask about my name with the ATO?

The ATO will not allow you to transfer your super funds into your SMSF if they cannot verify your name. This means the name you put on our order form must *exactly match* the name registered with the ATO. Ideally all these names should match exactly, including your middle name(s)

- Our SMSF order form
- ATO
- Primary ID (driver's license, passport)
- Your outgoing super fund account

If they don't then we can start the SMSF setup process as long as the name you give us matches the ATO record. Then you can update your ID and/or outgoing superfund names. If the ATO has the incorrect name, then you'll need to correct that before you apply for your Director's Identification Number (DIN).

Q – What can I name my SMSF?

You can name your fund pretty much anything. The most common name is *Initial Last Name Super Fund* or *Initial Last Name SMSF*. But you are more than welcome to call it something else. If we think the name is not suitable, or available, or is likely to slow down the process, we will reach out and let you know. Search here and see if your preferred fund name has already been taken. <https://superfundlookup.gov.au> If so, think of a variation or completely different name. Heads up: common names, including for example "Michael" have delayed the ATO ABN application process.

Q – Should I choose company trustee or personal trustee?

Almost all our clients choose a company trustee structure because it is more flexible and cost effective over time. The drawbacks of a personal trustee structure are that you must have always at least two personal trustees (Members), otherwise it is non-compliant and if/when you want to change one of the personal trustees, you must update every related document, including investment receipts for every investment, and this can cost \$5-6000.

Company trustee structures can have a sole (1) Member and add/remove Members cost effectively through the ASIC portal. Every member over 18yo of an SMSF with a company trustee structure must have a Director's Identification Number (DIN).

Q – What's a Director's ID number?

A Director's Identification Number (DIN) is a unique number that identifies directors of companies, with the aim of stopping false or fraudulent activities. It has been mistakenly called 'the digital ID.' A DIN is like any other government issued number – TFN, Medicare, ABN and so on – and so, while it may be one piece in the 1000-piece digital ID jigsaw puzzle, in and of itself the DIN is not 'the digital ID'.

You can apply for it by mail or over the phone, without needing to sign up for the myGov app, full details on the order form here <https://freedomffs.com.au/smsf-setup/> Also watch Catherine's video on this topic [Some common sense information about the 'DIRECTORS' Identification .](https://www.youtube.com/watch?v=VxeuEjck4c8&list=PLLIJr2I0kynX3l--tQxeW_-BysQsvHt1&index=3&t=4s)
https://www.youtube.com/watch?v=VxeuEjck4c8&list=PLLIJr2I0kynX3l--tQxeW_-BysQsvHt1&index=3&t=4s

Q – I have a DIN for my company. Do I need another one?

No. You only need one DIN for all the companies you are a director of.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

3. Primary Identification Documents and Certification

Invalid or incorrectly certified identification documents will significantly delay your SMSF setup process. When you are preparing your SMSF order form, first, check your ID complies with the following:

- If you are living in Australia, you MUST have at least one of the following current, valid Australian Government-issued PHOTO ID documents:
 - Passport
 - Driver's Licence
 - Proof of Age card
- The name of your primary ID must match exactly the name registered with the ATO, your current/outgoing super funds and the name you write on our order form
- The address must be correct and current (if not, update it)
- The ID must have sufficient validity (and if not, renew it)
 - Driver's Licences have at least three (3) months left before expiry
 - Passports are accepted up to two (2) years past expiry date

Then, once you have checked your ID is correct on all the above points, you will need to take a copy (front *and* back if it is a driver's license), and get it certified *exactly* as below.

These are the Macquarie Bank certification requirements and any identification without these exact requirements will not be accepted. Please take this information with you when you have your documents certified.

The certifier must do ALL of the following:

- write or stamp a 'certification statement' to the effect *"I certify this to be a true copy of the original document, which I have sighted"* (hand-written or stamp)
- write or stamp their name IN FULL – this is very important – if the name on the stamp is not the FULL name, it will not be accepted. In this case, the certifier must write their name again IN FULL
- write or stamp their position or qualification, and if applicable,
 - postal managers must write the number of years in that position (minimum 2 years)
 - police officers must write their rank
- write or stamp the date of certification
- sign in "wet ink" – IMPORTANT – digital signatures are not accepted, and
- (if possible) stamp an official stamp.

IMPORTANT: If any one of the above required items is missing, the certification will not be accepted.

Authorised certifiers may include Justice of the Peace, postal manager, police officer, pharmacist, notary public, legal practitioner, medical practitioner, chartered accountant, judge, magistrate and other persons prescribed under the *Statutory Declarations Regulations 1993*.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

4. Rollover Instructions

Please watch this video on Rollover Instructions here [SMSF Set-Up Process Videos with Mary-Jane](https://www.youtube.com/playlist?list=PLLifJr2I0kym3zfmOumYxkYyLGZm4ydY9)
<https://www.youtube.com/playlist?list=PLLifJr2I0kym3zfmOumYxkYyLGZm4ydY9>

Q – What are ‘rollover instructions’?

After we have checked your order form, we will ask for your rollover instructions. This is simply whether you want to transfer – ‘rollover’ – 100% of your current/outgoing super funds into your new SMSF, or whether you want to keep a specific amount in your outgoing fund.

Q – Why would people keep some money in their current/outgoing fund?

Most people have some form of insurance as part of their outgoing fund. Each fund will have its own rules relating to how much you must keep, and whether you need to keep making contributions to that fund, to keep the insurance active. That is why some people keep money in their current/outgoing fund.

If you want to keep insurances or any other items active, contact your outgoing superfund(s) and ask them the minimum you need to keep in your account. Then deduct this amount, or more, from your current total and fill the exact rollover amount in the field(s) on the order form.

You can change your rollover instructions, or the amount you wish to rollover on our order form, up until you return your signed Establishment Documents. Please email your account manager about this if you want to make any changes from your order form.

Q – I haven't decided yet exactly what proportion I will keep in my current fund and what I will rollover. When is the deadline for making that decision?

Whenever suits you. When your bank account opens, we will ask you to confirm your instructions. We can't roll your current/outgoing super fund over without them.

Q – Do I have to provide you with my current/outgoing Member Benefit Statement? This is private confidential and contains sensitive information.

As long as you provide us clear rollover instructions and make sure all your details in your current/outgoing fund are correct, we don't need your statement. We only ask for your statement to double check and see if there are any issues to be aware of before rolling over such as insurance, taxable components, defined benefit components.

Q – And once I make a decision and want to roll out more later, will I be charged extra?

That depends on your situation.

- If you have engaged us as your ongoing SMSF accountants, and your outgoing industry/retail fund member number has NOT changed, then we are happy to request another rollover for you at no charge.
- If your member number HAS changed, or you are not yet in our system, and you want roll over 100% and close that fund, then you can make the request yourself via your ATO personal portal. Click on the Super menu > click TRANSFER FROM fund name TRANSFER TO SMSF name > click.
- If your member number HAS changed, or your are not yet in our system, and you want to roll over a PARTIAL amount and keep that fund open, then we will need to get you to sign a form and send your fund additional paperwork, for which we will charge \$200+gst per rollover, or
- you can do it yourself directly with your outgoing super fund.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – Does our insurance from our current/outgoing fund also cover the SMSF?

No. You will either need to keep \$6500-\$10,000+ in your current/outgoing super fund to keep your insurance active if that is what you want to do. You will need to check with your fund to see if they have any other requirements, for example making regular ongoing contributions.

Q – How long does this minimum balance of \$6500-\$10,000 last to continue existing insurance?

This varies from fund to fund but usually two years. You will need to keep an eye on your current/outgoing fund to ensure you meet their minimum requirements.

Q – What insurance is available after the SMSF has been setup?

Once your SMSF is set up, we can refer you to one of our partners to discuss your insurances.

Q – Can I keep enough in my current/outgoing fund to keep my insurance active and then if/when I find alternative insurance, can I rollover the remaining amount into my SMSF?

Yes.

Q – Do we need insurance?

No. That is up to you. Once your SMSF is step up, you can speak to our partners to discuss insurance options.

Q – Should I move my current super fund into all cash now, before it's rolled over?

From a process point of view, moving your current/outgoing superfund to a 'cash investment strategy' can help makes the rollover faster, as your outgoing fund does not need to sell any shares. Furthermore, and this is not financial advice, rather simply pointing out that you need to be aware that when you move your super into a cash investment strategy you may miss any upswings, and/or avoid any downswings in the market. If you do, make sure your super is still held in your accumulation account.

Q – My financial planner says I will lose out if I transfer to a cash investment strategy.

Financial planners' remuneration is usually based on keeping you in the share market. If you move to a cash strategy, they lose their commissions. Keep that in mind. And refer to the answer above.

5. Establishment Documents – Legal Documents for Your SMSF Set Up

Please watch this video here [SMSF Establishment Documents with Mary-Jane](https://www.youtube.com/playlist?list=PLLIJr2I0kym3zfmOumYxkYyLGZm4ydY9)
<https://www.youtube.com/playlist?list=PLLIJr2I0kym3zfmOumYxkYyLGZm4ydY9>

Q – What does 'establishment documents' mean?

The SMSF establishment documents are:

- Trust Deed
- Trustee Declaration
- Constitution (if you have a company trustee), and
- Application for Membership for each member

Other paperwork we send you to sign, if applicable, includes:

- ASIC agent appointment form 362
- Third Party authority form for your current/outgoing super fund

Q – Do all members need to sign?

Yes.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – How do I get these documents?

To speed up the process, we will **email** you PDF copies of all the documents you need to sign. We will also **mail** you a folder a complete printout of the Trust Deed, Trustee Declaration, and (if applicable) Constitution. It is very important that you keep all your original signed documents securely stored in this folder.

Q – You emailed me lots of PDFs! Do I need to print them all out?

No. Just open each file and scan through the document until you find where you must sign and just print out those pages. Then, sign all those pages in **‘wet ink’ using a real pen**. We cannot accept electronic signatures. Finally, scan all the signed pages into a PDF file and email them back to us.

Q – You mailed me paper copies of the Constitution and the Trust Deed. What do I do?

In the physical folder we mail you, we will tag where you need to replace the blank pages with your original ‘wet ink’ signed pages. Make sure you also store your original signed Application for Membership form in this folder. It is important that you keep all your original signed documents securely stored in this folder.

Q – There is a mistake in the documents. What do I do?

If you find a mistake, the quickest and easiest thing to do is to correct it by hand and initial the corrections.

Q – Do the Establishment Documents tell us the Dos and Don’ts of running a SMSF?

No, not really. The Establishment Documents are the legal framework for your SMSF, on which you sign your agreement. Among these documents, the most important to read in full is the **Trustee Declaration**. This is a good guide to your role and responsibilities. **The ATO will be most interested to know that you have read and understood the Trustee Declaration**. There are also courses you can do if you really want to understand how to run a SMSF. <https://education.springfg.com.au/>

Q – What are all the roles in the Establishment Documents?

Key roles are

- **Trust** – comprises the trustee (company or personal), the SMSF, and the individual members
- **Trustee** – is either the company, or the man or woman acting as a personal trustee
- **Director** – all members must be a director of the company, unless they are under 18
- **Secretary** – is an old-fashioned position that is mostly nominal; we just need to pick one of you, usually Member 1, and we do all the work required
- **Member** – is a Member of the SMSF Fund
- **Beneficiary** – is who you choose to leave your SMSF investments to when you die

Q – How many witnesses do I need?

You need two people to witness your signature on some of the paperwork. They do not need to be a Justice of Peace, or have any specific qualification, but they must NOT be beneficiaries (see below).

Q – What does ‘disinterested witness’ mean?

A disinterested witness is someone who does not have a conflict of interest, ie who won’t benefit from your SMSF. In other words, they must not be a beneficiary of your SMSF or will.

Q – Can a Justice of Peace be a witness?

Yes, but it is not required.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – What is the Application for Membership

This the form sets out clearly that you are applying to become a Member of the SMSF, that you have been advised about your roles and responsibilities, to which you agree. It also specifies who you nominate as your beneficiaries (see below).

Q – Do we tick binding or non-binding? Lapsing or non-lapsing?

While this is not legal advice, most of our clients choose ‘Binding’ and ‘Non-lapsing.’

- ‘Non-binding’ means that other members can come in and make changes. ‘Binding’ means it can NOT be changed.
- ‘Lapsing’ means that every three years you will have to update your documents. ‘Non-lapsing’ means that you will **NOT** have to update your documents unless your circumstances change such as death of partner, divorce, new child. (Although we recommend good practice is to check every three years to make sure your Beneficiaries are still current.)

Q – What Nomination of Beneficiaries mean?

The beneficiaries are the people who will ‘benefit’ from, ie receive the investments held by your SMSF in the event that you die. **You can only nominate your spouse/partner or dependent children.** For example, if you want to leave your SMSF to your spouse first, followed by your children (if your spouse also dies), then put your spouse in table one, followed by your dependent children in table two. This document can be re-done at any time if your circumstances change.

Q – I have three children. Can I leave them 33.3% each?

No. The total must add up to 100% so you must decide how to do that, for example 33.33% and 33.33% and 33.34% or some other combination.

Q – I don’t have a spouse or dependent children and want to leave my SMSF to someone else.

In this case, write ‘Legal Personal Representative for My Deceased Estate’ 100% in table one and your SMSF will be delegated according to your Will.

Q – Is it possible to state 'refer to current Will' as our Will details how our total Estate should be split should we both die at the same time?

To ensure that in the event of you both passing at the same time, your SMSF will be delegated as per your Will, write ‘Legal Personal Representative for My Deceased Estate’.

Q – Can I nominate my Estate rather than individuals?

Yes. Nominating your Estate will transfer your SMSF holdings through your Will. To ensure this happens, write ‘Legal Personal Representative for My Deceased Estate.’ This will prevent the nomination becoming void.

Q – Is this a Will?

No. This document only directs your wishes regarding the investments held by your SMSF, but not any of your other assets.

Q – Do you have to set up Will and Power of Attorney before setting up the SMSF?

No, this is not a legal requirement, but it is good practice to have these powers sorted sooner rather than later and our team can help with this.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – Can I just leave this nomination blank or fill it in later?

Yes.

Q – What is the Authority to Access Information / Third Party Authority (TPA) form?

This enables us to talk to your outgoing super fund on your behalf. We often need to talk to them before we request the rollover, and then afterwards to follow up and iron out any problems.

Q – What does the TPA form allow you to do?

We only have inquiry authority only, which means we can only ask for information. We are not able to make any transactions.

Q – Why are there so many names from your firm on the TPA form?

In case one of our staff is away from the office, another member of our team can act on your behalf. This helps avoid delays.

Q – After I sign the Establishment Documents, do I need to return them to you?

Yes. We ask that you scan them into a PDF file and return them by email. You can also mail us your signed originals and we will scan them for you, and then mail the originals back to you for safekeeping.

Q – We do not have access to a scanner. Can we take photos of each individual signed page and send these through to you instead?

If at all possible, please try to scan your files into a PDF. Office Works or other similar businesses offer this service at a very reasonable price. It will make the process much faster and avoid potential problems later in the process.

If you absolutely cannot, then we ask you send through clear, high-resolution photos that are **square to the borders of your pages**. If the images are blurry, hard to read or not clear in any way, the bank may not accept them and we will not be able to open your SMSF bank account.

Q – Can we return the documents by mail?

Yes. Make sure you send by **registered, or express post with a tracking number**. Please address to:

Attention: [name of your account manager]

Freedom Financial Solutions FFS Pty Ltd

PO BOX 192, DICKSON, ACT 2602

6. Names and Numbers...Help! It's So Confusing...

Q – Why are there so many different names?

We agree, it can be confusing...here we go...

- The Trust Deed (ie the **SMSF name**) is **ABC SMSF** (it's written on the Trust Deed that you have and we also give the bank when we open your bank account).
- The Trustee (when it's a **company trustee**) is **ABC SMSF Pty Ltd** (it's on the ASIC registration).
- The bank account is called **ABC SMSF PTY LTD ATF ABC SMSF** (**ATF=as the trustee for**)

So the name you should use for your investment receipts would be the same as the bank account name:

ABC SMSF PTY LTD ATF ABC SMSF

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – When I check my SMSF in Superfund Lookup, I see the words ‘The Trustee For’ in front of my SMSF name. I didn’t call my SMSF that. What happened?

The ABR default adds the words 'The Trustee for...' when we enter the SMSF name to generate an ABN, so when you look up your fund using the ABR websites, like <https://superfundlookup.gov.au/> you will see 'The Trustee for ABC SMSF.'

Q – There are so many numbers. How they all fit together?

This summary may help you understand the SMSF structure and basic relations between the entities. Each SMSF comprises:

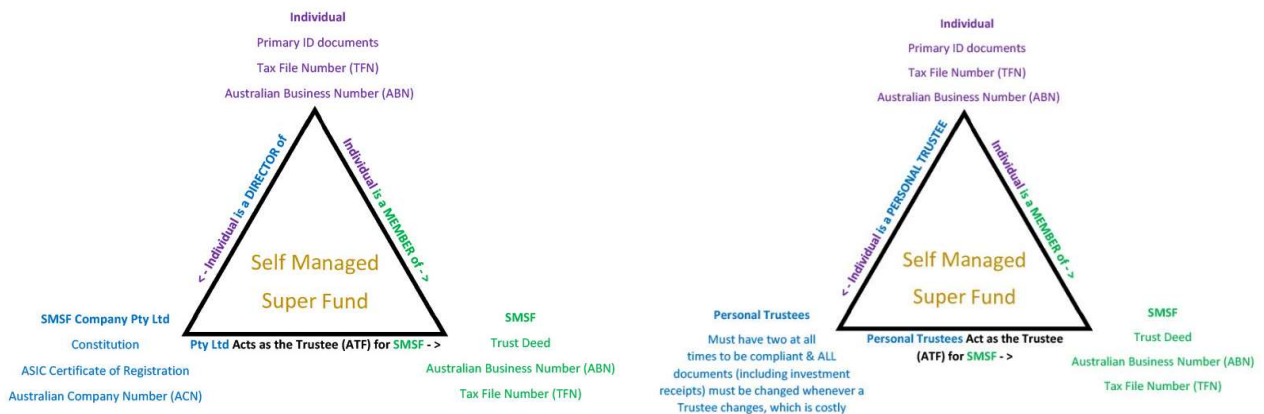
- Men and women, or INDIVIDUALS
- an SMSF (eg ABC SMSF), and
- an SMSF TRUSTEE (either ABC SMSF COMPANY PTY LTD trustee, or two PERSONAL trustees)

The relationships between them are:

- INDIVIDUALS are MEMBERS of the SMSF
- INDIVIDUALS are DIRECTORS of the ABC SMSF COMPANY PTY LTD trustee, if applicable
- The ABC SMSF COMPANY PTY LTD Acts as the TRUSTEE for the SMSF, OR minimum two INDIVIDUALS are the PERSONAL TRUSTEES

The ATO numbers associated with each is:

- INDIVIDUALS have Tax File and Director Identification numbers (and in some cases they may also have their own ABN for business activities)
- The SMSF has its own ABN and TFN
- The SMSF COMPANY PTY LTD has its own ACN



SMSF Set Up A-Z Frequently Asked Questions (March 2024)

7. ABN and the ATO

Please watch the videos on the ABN and the ATO here [SMSF Set-Up Process Videos with Mary-Jane](https://www.youtube.com/playlist?list=PLLIJr2I0kym3zfmOumYxkYyLGZm4ydY9)
<https://www.youtube.com/playlist?list=PLLIJr2I0kym3zfmOumYxkYyLGZm4ydY9>

Q – I have my own ABN. Can I use that?

No. The ABN and TFN must be applied for and used solely by the SMSF. Please do not change the ABN & TFN we enter in the bank application we send you to approve. (We will send a detailed email with instructions at that stage.)

Q – Do I need the ABN number to open the bank account, or is the ACN number enough?

We need all three numbers: the ACN (for the trustee company), and the ABN and TFN of SMSF (for which the Pty Ltd is the Trustee).

Q – Can the bank account be opened while the ABN application is pending with the ATO?

No (see above).

Q – Can the bank account be opened if the ATO has marked it ‘election to be regulated’?

No. The status in superfundlookup.gov.au must be ‘complying’ before Macquarie will approve the bank application.

Q – It’s been 28 days since the ABR/ATO has marked my ABN to be reviewed/SMSF Election to Be Regulated. What can I do?

After 28 days we will call the ABR/ATO to follow up and we will let you know what we find out. You are welcome to contact the ATO to chase them up yourself.

Q – What do I do if the ATO tries to contact me?

When we apply for your SMSF’s ABN, we will email you detailed information in case the ATO contacts you. If you have not received this email, and the ATO contacts you, let us know and we will send you this information. It is important you reply to the ATO if it asks you for information. Not providing the ATO with information they ask for may delay your SMSF set up.

8. Setting up the SMSF Bank Account

Please watch the videos on the banking here [SMSF Set-Up Process Videos with Mary-Jane](https://www.youtube.com/playlist?list=PLLIJr2I0kym3zfmOumYxkYyLGZm4ydY9)
<https://www.youtube.com/playlist?list=PLLIJr2I0kym3zfmOumYxkYyLGZm4ydY9>

Q – Why do you recommend Macquarie Bank?

Macquarie Bank has a system that enables us to do 95% of the application for you. We can also see into your account to check your rollover has been processed correctly, print statements to send to your current/outgoing superfund, and use the statements to prepare your tax return.

Q – Can we choose to set up a bank account with another bank?

Yes of course, please let us know if you want to use your own bank and we will send you the Trust Deed and other documents you will need to arrange your own account.

Note, that in this case, you will need to do 100% of the bank application yourself. We will also not be able to check to see if your funds have arrived after rollover, and you will also need to provide us with bank statements at tax time.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – Can you spend my money?

No. We can ‘see’ your account and use the information as needed (see above). We can also initiate payments, but YOU will have to approve the payment for the money to leave your account.

Q – You asked if I want a ‘cash management account’ and an ‘accelerator’ account. What does that mean?

All your SMSF investment and other payments out or contributions in, must go in and out of the SMSF ‘cash management account.’ As at March 2024, the Macquarie interest rate on the CMA was 3%.

Clients who intend to keep a significant amount of their super in cash can ask us to open an ‘accelerator account,’ which is a high interest savings deposit account linked to the SMSF CMA. It costs nothing extra, has no fees, minimum balance or locked in term deposit requirements. As at March 2024, the Macquarie interest rate on the CMA was 4.65%.

Q – I got an email from FFS that Macquarie would send me an email to approve the account, but I can’t find the email from Macquarie.

Check your spam folders OR if you are the second/third/fourth listed member, you will not receive the invitation until the PRIMARY applicant has approved it.

Q – When will I know my bank account is open?

You will receive a welcome email from Macquarie, and we will let you know also. If you don’t receive Macquarie’s email, check your junk mail.

Q – How do I pay for investments for my SMSF? Do I get cash out, or use a card?

You must buy all your investments via online banking from your SMSF cash management account. Make sure you set up online banking as soon as your account is opened. Macquarie will send you an email explaining how to do that.

You cannot have a card with an SMSF bank account, or pay in cash. This set up is designed to ensure that you keep your SMSF expenditure clearly separate from your personal expenditure, as required for compliance.

Q – I am having trouble accessing my Macquarie account. Can you help?

You will need to call Macquarie directly on 133 174 Mon-Fri 8am-7pm (Sydney time) or check online here <https://www.macquarie.com.au/help/personal.html>

Q – Do I need to keep the bank account open?

Yes. You must keep ONE SMSF bank account open at all times, because you MUST pay annual SMSF fees from the SMSF bank account. You don’t have to use Macquarie. If you find after set up that you want to use a different bank, then you can arrange that, bearing in mind we won’t be able to access the information at tax time, and it may end up being more work for you.

Q – There are three of us in the SMSF. Do we each get a separate bank account?

No. The SMSF is a single entity and as such has ONE bank account. This means that all members get to see everything in the bank: what goes in and what comes out (see section 1 for more detail of keeping track of each Member’s contributions)

Q – How much money do I need to keep in the account?

As much, or as little as you like. We recommend keeping at least \$3-5,000 in it to cover the annual fees. The exact amount you pay annually depends on the total value of your SMSF.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – How quickly do I need to make investments?

As quickly or as slowly as you like. Keeping 'cash' in the Macquarie bank account is considered a legitimate investment so you can keep it ALL in their until you want to invest in other things. If you do, you could consider opening an 'Accelerator Account' attached to your SMSF Cash Management Account (CMA). We can help arrange that.

Q – We have tried to pay an invoice, but the payment doesn't go through.

Be aware that if you have more than one signatory on your Macquarie Bank account, as a precaution **the payment default we set up is 'all to sign.'**

This means that when you make a purchase, the primary account holder will initiate the payment, and the secondary account holder will have to authorise it. If not, the payment will be cancelled. If you prefer to have 'any to sign' as your payment setting, please contact Macquarie Bank and request the change.

9. Notifying your Employer and Making Contributions

Q – How do I get my employer to make contribution payments into my new SMSF?

Tell your employer you have changed super funds and ask them what information they need. Each employer has a different process and payment cycle (eg fortnightly, quarterly etc) and paperwork and your employer / HR department will be able to assist. Typically, your employer will need:

- your super fund name (it's on the Trust Deed),
- your super fund bank account (your SMSF Macquarie Bank account),
- your super fund ABN (you can look it up here <https://superfundlookup.gov.au/>)
- your **Electronic Service Address (ESA) – BGLSF360 superstream system.**
- Recipient Contact Name – Catherine Smith, or the name of your superfund
- Address – 5/44 Hoskins St, Mitchell, ACT, 2911
- Telephone number – yours or ours 1300 333 121, whichever suits you.
- Email address – yours or ours accountants@freedomffs.com.au, whichever suits you.
- your Member Number – we will email you this number when your bank account is opened, but it doesn't actually matter with SMSFs and you can just pick a number 1, or 2 etc.

Q – Macquarie Bank has told me to use their ESA.

Macquarie Bank is wrong. We have asked them not to give our clients incorrect information, but sometimes they do by mistake. **We use the Electronic Service Address (ESA) BGLSF360 superstream system.**

Q – What is my SMSF's USI?

SMSFs do not have a USI. This is a number only APRA funds have.

Q - I run a small business. How do I make payments into our SMSF?

You will need to use a 'clearing house' to meet the ATO superstream requirements. If you don't already have a clearing house, you can use the ATO free Small Business Superannuation Clearing House here <https://www.ato.gov.au/business/super-for-employers/paying-super-contributions/how-to-pay-super/small-business-superannuation-clearing-house/>

Q – What are the contribution limits?

You can see them here <https://www.ato.gov.au/Super/Self-managed-super-funds/Contributions-and-rollovers/Contributions-you-can-accept/>

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – What are the contribution caps?

You can see them here <https://www.ato.gov.au/super/self-managed-super-funds/contributions-and-rollovers/contribution-caps>

Q – How do I know what my caps are?

Log onto your personal ATO portal and under the Super menu you will be able to find your contribution caps.

Q – I heard that if you are under a certain income threshold, and make a personal contribution of up to \$1000, the government will contribution 50% of that contribution? How does that work exactly, for example with my kids? Is there an age limit?

Yes. Low income earners can take advantage of government contributions, but there are strict conditions that must be met, including you:

- must be under 71 years of age, and while there is no lower age limit you
- must lodge a tax return and make a personal super contribution in the financial year for the ATO to determine if you are eligible
- you must be working, even part-time or casually, and have at least 10 per cent of your assessable income (including reportable employer super contributions and reportable fringe benefits) from employment or running a business, or a combination of both.
- must also be an employee for Super Guarantee (SG) purposes.
- must make the contribution yourself, ie having a parent gift money into a child's super account doesn't qualify the child for the co-contribution, as the contribution is classed as a third-party contribution and not a personal super contribution.
- may be impacted by various laws that differ in each State and Territory regarding the employment of children, including for example, if an individual runs a business (via a trust, company, partnership or sole proprietorship) employees of the business may include the individual's spouse or children.
- Income must be under the income threshold which is \$58,445 for the 2023 – 2024 financial year.

The advantage of an SMSF is that YOU decide whether your children are members or not. With normal industry/retail funds, while there is no lower age limit for an individual to qualify for the co-contribution, non-SMSF super funds may place restrictions on the age at which children can become members.

Q – What other things do I need to know about making contributions?

There are many things you can know. Start here by watching this video. Then if you need individual advice on your personal tax situation, book in a one-on-one session with our SMSF expert.

[Free SMSF Contributions – The Technical Details](#)

https://www.youtube.com/playlist?list=PLLlFjr2I0kykC5Ej4Cvft75dg_Z_hWoKH

10. Waiting for your funds to rollover

Q – What do I do when you request the rollover?

When we request your rollover, we will send you a very detailed 'wrap up' email about what happens next, with all your important documents attached. **Please read that email and save the attached documents.**

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – Why is it taking so long for my money to appear in my SMSF bank account?

Good question. This is one of the reasons. <https://www.smsfadvisor.com/news/21734-extra-id-checks-expected-to-delay-smsf-rollovers>

According to legislation, your outgoing super fund should take only 3-5 days to transfer your funds you're your SMSF when requested. In practice, this almost never happens. Here is a summary of what we do:

- Enter all your SMSF details in our superstream accounting software BGSLF360
- Enter all your SMSF details in our ATO portal
- Request the rollover in BGSLF360
- Send all the required paperwork to your outgoing superfund including certified ID, certified SMSF bank statement and Third Party Authority form
- Wait 5 business days for your current/outgoing superfund to receive our request and paperwork and process it
- If your outgoing superfund does not process our request by then, we phone them to work out what the problem might be, and to hurry them up.
- These calls typically take 15-90 minutes each, which is why we are often unable to pick up the phone during business hours to answer your questions; please send us an email if you need to contact us urgently
- Then we usually have to wait a few days to see if your funds are rolled over, and if not, we call them again. Sometimes we have to also call the ATO to sleuth out any problems and sometimes we may ask YOU to call your fund/ATO to fix information that doesn't match.

We know you want your super funds quickly, and our team does everything it can to make that happen and we thank you for your patience, understanding and courtesy.

Q – Can I help speed up the rollover by contacting my current/outgoing fund?

We don't normally recommend this as this can often confuse and delay the process. Please allow us 7 working days to run our normal processes. If we need your help we will reach out.

Q – My outgoing fund told me they can't roll my funds over because the ATO can't verify my SMSF. What's that about?

In October 2022, the ATO introduced a new 'verification' system that your outgoing super fund needs to check before they will rollover your funds into your SMSF bank account. Sometimes if the data doesn't match exactly the verification fails, but your outgoing funds won't know what the exact problem is. In this case, we first check all your information is correct at our end, and then we will call the ATO to ask what the problem is. There are a few common issues:

- your SMSF bank account name doesn't match because the ATO field is too short to fit the whole name in, and cuts it off in strange places > we can usually fix this
- your name doesn't match exactly > we will let you know and you'll have to call the ATO to fix it in the ATO and ABR. We can only fix this for you if we are your *personal* accountant ie, not just your SMSF accountant.
- the ATO places a 'block' on individuals if it thinks their identity has been compromised, eg owing to a data breach. > we will let you know and you'll have to call the ATO and request this block be temporarily lifted. We can only fix this for you if we are your *personal* accountant ie, not just your SMSF accountant.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

11. Making Investments

Q – What can an SMSF invest in?

- Property
- Gold/Silver
- Cash *in the bank* (note, you cannot keep cash in your safe, or anywhere else)
- Crypto
- Shares
- Bonds
- Any asset that is a viable investment asset for your retirement

Q – Can you help me decide what to invest in?

No. We can only help you navigate the *process* of investing (ie SMSF paperwork) and help you clarify whether it is ATO compliant or not. We cannot suggest or tell you what to invest in.

Q – I want to make an investment. What do I need to know?

The key thing to remember is that your investments need to be bought in the name of your SMSF. So for example, even if you already have an account with a bullion merchant, you will need to set up a new account in the name of your SMSF. Then you will need to pay for the investment out of your SMSF bank account, and receive a receipt in the name of your SMSF.

Q – How do I pay for my investments?

Have you ever done online banking? It's as easy as that. You work out what investment you'd like to buy. Talk to the seller, telling them you want to buy for your SMSF and that you need a receipt in the name of the SMSF. Usually, they will set up a new SMSF account for you and may ask you for your SMSF paperwork (which we will have sent you on rollover). Then when you've finalised the price, you pay them using online banking from your Macquarie SMSF Bank account. Easy peasy.

TOP TIP: attach the payment invoice/receipt to the online payment, which you can do using the Macquarie Bank app.

Q – What name do I put on the invoice/receipt for my investments?

All invoices must be in your SMSF name, which is the name of your bank account. See above for more information about the naming conventions.

Q – I'm looking at purchasing \$80k or \$90K on gold and silver (70/30%). Can you suggest a few possible ways to buy? For example, do I get several 1kg gold bars and some 1oz bars and the same with silver?

There is no real 'rule' or 'guidance' on this, but many people prefer a mix of gold and silver, for example 70% gold and 30% silver. But you can also go 50-50% or whatever portion you choose. Many people also hold a mix of larger bars to hold value for the long-term, and smaller tradable items to use as needed.

Q – Where can I buy gold and silver?

There are many places. We work closely with Ainslie Bullion which has offices in Melbourne and Brisbane and delivers Australia-wide.

Q – You talked about personally going to pick up the bullion. I thought having it delivered would be safer.

This is purely a cost decision. You may find the cost of delivery is worth a day trip to your local city. But if you can't, or don't want to physically pick up your bullion, then yes postage is safe, and it is insured.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – What is the risk of the Government seizing all our gold?

We can't say there is NO risk at all. But Catherine does say that in her opinion it is low. If the world comes to that stage, we will likely be in Mad Max territory. In which case it could be the lowest risk of all. Lower than leaving it in the share market, cash in bank or property. Of course, in the financial world, there is always some risk. Experts also comment that Australia has many large gold mines, which would be much easier for the government to extract gold by the tonne using a bulldozer, rather than going door to door asking for your ounces.

Q – Does the Auditor come and inspect my gold every year?

No. The Auditor will ask to see a photo against a dated item, such as a newspaper or magazine, to prove you still have it.

Q – When and how do I take a photo of my bullion?

We recommend taking a photo on 30 June each year. Buy a newspaper or magazine with the news and date showing clearly. Lay out all your bullion on top of it (do not obscure the date) and take the photo. You will need to unpack each item from any packaging to show each individual item clearly. You will then have the photo ready for when the SMSF accountant asks for it.

Q – Can I store my precious metals at home?

Yes. The prudential rules require you to secure SMSF assets and store them in a secure location. Some accountants/financial advisers/bullion merchants may tell you that you cannot and may refer you to an ATO clause about "collectibles." Bullion, gold or silver in bulk, is not a collectible (see more below). If they insist you cannot, simply ask them to show you the legislation.

Q – Are gold/silver coins "collectibles"?

The ATO defines a coin collectible if "the value exceeds their face value and they are traded at a price above the spot price of their metal content" read more about collectibles here <https://www.ato.gov.au/super/self-managed-super-funds/investing/restrictions-on-investments/collectables-and-personal-use-assets/#Definitionofcollectablesandpersonaluseas> To avoid any potential problems, we suggest not buying coins.

Q – Can I buy a safe out of my SMSF to store my SMSF investments?

Yes, but you must only use the safe for SMSF investments and nothing else.

Q – What safe do I have to buy?

You just need to ensure it is stored in a high quality safe. Catherine personally likes Guardall safes <https://www.guardall.com.au/> but even Bunnings has some good quality safes these days. In terms of securing the safe, searching online will provide you a wide range of options including bolting it to a floor/wall. It really depends on your house and what is available.

A security system or at least some cameras installed in a location near the safe is also a good idea, but you cannot pay for a security system out of the SMSF as it does not meet the 'sole purpose' test, in other words a security system covers more than just the SMSF investments. <https://www.ato.gov.au/Super/Self-managed-super-funds/Investing/Sole-purpose-test/>

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – Do I need to buy insurance for my bullion?

No, but you can. Most people simply don't insure because of the cost. If you decide to insure it will either need to be a separate policy altogether so the SMSF can pay it, or if you add it to your home contents then the SMSF must NOT pay for the insurance.

Q – Can I buy a cryptocurrency hardware wallet, for example Nano S, using SMSF funds from SMSF account?

To observe the 'separation of assets' requirement in section 4.09a of the super laws, SMSFs must purchase a cold wallet using funds from the SMSF cash account and ensure that the cold wallet only holds the funds SMSF crypto assets on behalf of the SMSF Members.

Q – Can I pay off my mortgage with my SMSF funds? Can I pay off my brother/sister/children's mortgage?

No, not unless you are over 60 years of age and have met a conditional release. No one associated with your fund should get a present-day benefit from your SMSF's investments. <https://www.ato.gov.au/super/self-managed-super-funds/investing/restrictions-on-investments/related-parties-and-relatives/>

Q – Can I move into an investment property my SMSF has bought after I retire?

No.

Q – Can my family use my SMSF investment property?

No. <https://www.ato.gov.au/super/self-managed-super-funds/investing/restrictions-on-investments/related-parties-and-relatives/>

Q – Can I transfer investments I bought in my name into my SMSF?

No.

Q – Can I borrow to buy a property in my SMSF?

Yes and we can help with finding you a SMSF loan. Contact Jessica at jessica@wpsqld.com.au or book in a time to chat with her here (choose 'SMSF Lending & Mortgage Broking')

<https://outlook.office365.com/book/FreedomFinancialSolutions@wholisticfinancialsolutions.com.au>

Q – Does the property have to be rented? Can it be vacant land.

It does not have to be rented. It can be vacant land.

Q – Can I use my SMSF to build a house on the land?

Tricky question. Yes, you can if you have bought it outright. No, you can't if you have borrowed to buy it. If you're not sure, best to email enquiries@freedomffs.com.au to check.

Q – Can I buy a farm?

Yes, but it must operate as an operating farm business, not a hobby farm, on land over a certain size among other conditions. If you are considering this, then before you make any offer or purchase, email accountants@freedomffs.com.au for more information about the requirements.

Q – Can I buy mowing equipment for my SMSF rural investment property?

No.

Q – I have shares outside of my super fund. Can I transfer them to my SMSF without having to sell them?

Yes, you can do this by contacting a stock broker or your share registry and asking for a 'off-market' transfer. Be aware of the contribution's limits. <https://www.ato.gov.au/Super/Self-managed-super-funds/Contributions-and-rollovers/Contributions-you-can-accept/>

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – Can you help me set up a Macquarie investment/share trading account?

We can help you set up the cash management and associated accelerator account (see above), but we must not involve ourselves in your investments, including setting up your share management account. The simple solution is to contact Macquarie and talk to them about setting it up.

12. Withdrawals and Pensions – The Technical Detail

There are many things to consider, most of which depend on your personal situation. Start here by watching this video. [SMSF Withdrawals and Pensions – The Technical Detail](#). Then if you need individual advice on your personal tax situation, book in a one-on-one session with our SMSF expert <https://outlook.office365.com/owa/calendar/FreedomFinancialSolutions@wholisticfinancialsolutions.com.au/bookings/>

Q – Can you help me understand preservation age benefits?

Everyone has a 'preservation age;' for people born after 1 July 1964 the 'preservation age' is 60. Once you've reached your preservation age, and you're permanently retired, you will be able to access your superannuation without restrictions. You'll likely have to make a declaration to your super fund that you don't have any plans to work (for an income) again.

If you are NOT retired, then annually you can only take out 'transition to retirement income stream' (TRIS) which is a minimum of 4% of the fund and a max of 10% of the fund as an income stream. You cannot take a lump sum out.

Once you hit 65 there are NO restrictions. You can work. You can take out a lump sum. And the 'TRIS' converts to a normal pension.

Our accountants will be able to help you set that up when you are ready. There is some helpful info here <https://www.ato.gov.au/super/self-managed-super-funds/paying-benefits/preservation-of-super/>

Q – Why would I keep money in my SMSF after I retire?

There are many reasons, one to consider is that capital gains made by investments in an SMSF are tax free over 60.

Q – Can I access my SMSF for medical reasons or hardship?

Yes. Just like your current/outgoing super fund, there are conditions by which you can access your super for medical and other reasons. The provisions, which are very detailed and complex, are set out here <https://www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/early-access-to-your-super/>

Catherine covers some of this in her video here [SMSF Withdrawals and Pensions – The Technical Detail](#) https://www.youtube.com/playlist?list=PLLIfJr2I0kykC5Ej4Cvft75dg_Z_hWoKH

13. Fees – Set up and Ongoing

Q – What are the fees?

The fees are set out in detail here <https://freedomffs.com.au/smsf-setup/> in the document 'SMSF Schedule of Fees,' and a summary below and also on the order form.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – Who pays the SMSF set up fee?

Your SMSF set up fee is \$2500+gst, which can be paid from your SMSF. We ask for a \$660 deposit when you send us your order to cover our out-of-pocket expenses. We will send you the final set up invoice when we request your rollover, and once your super money rolls into your SMSF, you can pay the remainder of this invoice from the SMSF bank account using online banking. You can also reimburse yourself for the \$660 deposit from your SMSF bank account (use the reference “SMSF set up deposit reimbursement”). Half the setup fee is tax deductible for the SMSF.

Q – Do you charge more for additional rollovers if I have multiple accounts?

Yes. Our setup fee allows for two rollovers. If there you have additional rollovers, you can either do them yourself, either before or after the SMSF setup, or we will do them and charge \$200+gst per extra rollover.

Q – We have two members in our fund. Do we pay two sets of fees, or share the one fee?

All members share the one fee.

Q – Can we add an additional member after the SMSF has been set up?

Yes. We charge \$600+gst for each additional member added after set up. It is much more cost effective for you to set it up with ALL your members at the beginning, or at least before your Establishment Documents are prepared.

Q – If I don't pay \$300+gst for you to be my ASIC Registered Agent, what do I have to do?

If you don't hire us to be your registered ASIC agent, then every year you will need client to pay for and extract your SMSF annual SMSF company trustee (special purpose company) statement from ASIC each year to show the company directors. You will also need to send us copies of the ASIC fee invoices that you have paid from the fund during that financial year.

In addition, if you make ANY changes to your SMSF, such as move address, change name, change structure of your SMSF by adding/removing members, you must let ASIC know immediately to avoid being fined. Finally, often you will be asked to provide an ASIC company statement showing the company directors when you make SMSF investments, and so you will need to pay ASIC and download that information yourself.

Q – My personal accountant is my ASIC agent. Can I ask you to be my SMSF ASIC agent? Or can I only have one ASIC agent?

You can have multiple ASIC agents appointed. It's not uncommon to have an ASIC agent appointed for your SMSF and then another appointed for your other companies.

Q – My personal accountant is my ASIC agent. How much information about my SMSF will they be able to see? I don't really want them to see much about my SMSF.

As your registered ASIC agent your accountant can see your annual SMSF company statement which includes details of the company's address, directors, and shareholders. Don't forget that you can claim some SMSF contributions and payments in your personal tax, so it could be worth them looking at your full SMSF tax return to help you claim what you can. The SMSF and personal tax lodgement processes and deadlines are completely different, so there is no problem having different accountants looking after each of them. Just make sure if you want to make claims, they have the paperwork they need.

Q – Can we pay for these fees out of our SMSF fund.

Yes. We require a \$660 deposit for a new set up, and the full amount for any changes such as adding or removing a member before we start work on your order.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – I only have \$5000 in my bank account. Does that mean I pay the minimum annual fees?

No. The value of the SMSF is not the amount of cash you have in the bank. It is the total value of all the investments held in the name of your SMSF.

Q – You say some contributions and/or payments are 'tax deductible.' What does that mean, and how does that work in practice. Is this a deduction for ME or the SMSF, and what paperwork do I need to provide to whom?

The deduction for some SMSF expenses, including 50% of your setup costs, are deductions for your SMSF. Some contributions you make to your SMSF can be claimed as a personal tax deduction, these are personal concessional contributions. You will need to provide paperwork to your personal tax accountant from the SMSF confirming you have made this contribution to be able to claim them, we can help you with these forms.

Q – When do I have to pay the annual fees?

When your SMSF set up is completed, we hand you over to our SMSF accounting team to designate an accountant manager and to calculate your annual fee. They will then send you an 'engagement proposal' setting out all the details. Make sure you read and accept this proposal promptly to ensure your ongoing administration is being looked after.

Your annual fee will be divided by 12 and be charged it monthly, for example, if your annual fee is \$1620+gst and you will pay \$135+gst every month for 12 months.

14. Ongoing Management and Annual Tax Returns

Q – What happens after it's set up and operating? What do I need to do?

Once your SMSF is set up and operating, you just need to

- Review and accept our 'engagement proposal' for ongoing SMSF administration
- Make ATO-compliant investments (see above)
- Keep receipts for those investments (top tip – attached them to the respective entries in your Macquarie Bank account!)
- Wait for one of your one of our SMSF accounting team members to contact you, which will be well in advance of your annual audit/tax return deadline and follow their instructions.

Q – Why do so many different people contact me? I thought I had one account manager.

We are a specialist SMSF accounting firm and have designed our SMSF set up and administration system to be as efficient and effective as possible, and to make sure the deadlines are met. SMSF administration is highly complex, requiring extensive knowledge and skill, in an ever-changing environment where the ATO makes constant changes to its rules and regulations, and the banks and outgoing superfunds make their own ad hoc changes also.

Having an experienced, expert accountants follow up on certain administrative tasks is simply not a wise use of resources and is not in the overall interests of our clients, so we have support staff to ensure that time and expertise is used where it is most needed.

This means you will likely interact with various members of our team, as they support your designated account manager, all of which is overseen by the team director, either Mary-Jane or Peta.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – What is my annual tax return deadline?

That depends when your SMSF was set up, and what the ATO decides. For example

- You set up before 30 June 2024 and you prepare your own return > deadline is 31 October 2024
- You set up before 30 June 2024 and we prepare your return > deadline is 28 February 2025
- You set up after 30 June 2024 and you prepare your own return > deadline is 31 Oct 2025
- You set up after 30 June 2024 and we prepare your return > deadline is 28 February 2026
- You set up before/after 30 June 2024 and the ATO has requests an early deadline > deadline is whatever the ATO specifies.

Q – No one from FFSS has contacted me yet. What do I do?

Nothing. If no one has contacted you, that means you don't need to do anything just yet. If you would like to start getting your paperwork together in anticipation of your accountant contacting you, send the following to accountants@freedomffs.com.au and we will forward them to your accountant for follow up. Below is a list only of common investments and paperwork, but there may be additional depending on your SMSF:

Gold/Silver

- Photo of the assets held at 30/06 on a newspaper or magazine clearing showing the date of the publication
- Invoices/receipts for buy and sells
- Safe purchase invoice if applicable

Property

- Settlement statement, contract, insurance policy, rates notice, water notice, rental statement, signed loan agreement
- Property valuation @ 30/06

Cryptocurrency

- Portfolio valuation
- Transactions history statement for the period of the 01/07/2022 to the 30/06

Shares/Managed fund

- Buy/sell contract
- Tax statement @ 30/06
- Distribution/dividend statements

Q – We've moved, what do we need to do?

If you make ANY changes to your SMSF, move address, change name, change structure of your SMSF by adding/removing members, you must let us know immediately so we can help you make all the necessary changes with the ATO, ASIC and the bank as required by law.

There are legal timeframe requirements so please let us know as soon as you make ANY change. We will do these for you if you have hired us to be your ASIC registered agent; if not, you will have to do that yourself.

15. Adding or removing a member and other changes

Q – I have moved/changed my address. What do I do?

It is important that you let us know of ANY changes you make as soon as you make them so that we help update ASIC, ATO, ABR, and bank and other as needed.

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – I would like to add someone to my SMSF. What do I do?

To have someone join your SMSF get them to complete and return the order form

<https://freedomffs.com.au/smsf-sign-up/> including the name of the fund they want to join (first field).

The process and time taken is 90% the same as to set it up, including signing legal paperwork, updating ASIC, the ATO and the bank and then requesting the rollover.

We also recommend the new member calls the ATO and asks "in the context of joining an SMSF, is there anything in the ATO systems I need to change/fix/know about?" Specifically check

- name is correct and matches primary ID
- tax returns up to date
- any tax debts paid, or a payment plan for debts is in place and ATO agrees this will not prevent you from joining the SMSF
- any 'security alerts' placed on your ID (you won't know about these until you ask, and this will delay your rollover)
- anything else (ie you don't know what you don't know).

Be aware that adding a member can sometimes cause the ATO to place your SMSF as 'election to be regulated' status here <https://superfundlookup.gov.au/>, which means it is no longer 'complying,' while it reviews the new member).

To make sure this doesn't inconvenience you we recommend completing any rollovers or other activities for which you require a 'complying' status before adding the new member.

Q – My children are members of our family SMSF and they've just turned 18. What do I do?

Minor children must be upgraded to Trustees/Directors of the Trustee Company when they turn 18. Email us and we'll step you through the process.

Q – I would like to leave the SMSF. What do I do?

Email us and we'll step you through the process.

Q – I want to wind up my SMSF. What do I do?

Email us accountants@freedomffs.com.au and we'll step you through the process.

16. Even More Questions

Q – I feel overwhelmed with all this information. What should I do?

Breathe. Then ask yourself two simple questions:

- Do you want more direct control over your own money?
- Are you willing to learn something new?

If the answer to those two questions is YES, then take the first step and book into a Free Introduction Session here <https://outlook.office365.com/book/FreedomFinancialSolutions@wholisticfinancialsolutions.com.au/>

SMSF Set Up A-Z Frequently Asked Questions (March 2024)

Q – I'm having trouble filling out the Order Form/signing the legal paperwork/opening the bank account. HELP!

If you have trouble with any of these process questions, watch the process videos here [SMSF Set-Up Process Videos with Mary-Jane](https://www.youtube.com/playlist?list=PLLlfjr2I0kym3zfmOumYxkYyLGZm4ydY9) <https://www.youtube.com/playlist?list=PLLlfjr2I0kym3zfmOumYxkYyLGZm4ydY9>

Then if you still have more questions, book into Mary-Jane's free group Q&A sessions <https://outlook.office365.com/book/FreedomFinancialSolutions@wholisticfinancialsolutions.com.au/>

Q – I have lots more questions. What should I do?

Book into ALL the Free session – Introduction, Paperwork & Management, & open Q&A sessions with Catherine here.

<https://outlook.office365.com/book/FreedomFinancialSolutions@wholisticfinancialsolutions.com.au/>

Q – I have questions about my own situation and would like your opinion in private.

If you have personal and/or specialist tax, investment, or other questions, you'd be best to book a private session with Catherine and/or our other specialists here.

<https://outlook.office365.com/book/FreedomFinancialSolutions@wholisticfinancialsolutions.com.au/>

To get the most out of your session, when you book, give us a summary of your situation, and what you'd like to achieve, in the note sections when you make the booking.



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