



HOODSWEENEY

SELF-MANAGED SUPER FUND



join the journey

LIFE IS A JOURNEY WITH A THOUSAND CROSSROADS AND NO MAP.

You weren't born with an instruction manual.

Yet, every crucial decision you take along this roller coaster ride has the power to change the course of your life.

It's not just the major path you choose in your profession, principles, passions and pastimes.

It's people, too.

Fortunately, with the right relationships, you don't have to walk that journey alone. Nor make your most courageous decisions without the strength, foresight and knowledge of a trusted adviser beside you.



join the journey

HOODSWEENEY

Join the journey with Hood Sweeney.

Since 1976, Hood Sweeney has shared life's journey with every one of our clients.

By getting to know them as people, we understand their needs, their hopes, their fears and their dreams.

And with each year that passes, we find new ways to make those dreams a reality by adding new resources, intelligence and staying on the crest of our industry's innovation.

That's why, today, we have over 100 staff in three offices serving over 3,000 clients throughout South Australia, including small-to medium-sized private businesses, agribusiness enterprises, health providers, not-for-profits and individuals, with services that encompass:

- Accounting & Business Advisory⁺
- Consulting and Performance Coaching
- Financial Planning^{*}
- Technology Services
- Finance[#]

Our success, however, is merely a reflection of what we've helped our clients build for themselves.

So: no matter where you join us on your journey, it's the first step towards peace of mind and prosperity.

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A self-managed super fund for your journey.

Drive your own destiny by taking control of one of your largest financial assets.

For most of us, apart from our ability to earn money, superannuation represents our largest financial asset and the key to how comfortable our retirement will be.

It also happens to be one of the most tax-effective and flexible retirement investment vehicles.

So, it certainly pays to know where your super is headed. Yet how many of us actually do?

Undoubtedly, the best way is to take control of it yourself with a self-managed superannuation fund (SMSF). As its name implies, it's owned and operated by you.

So, instead of simply paying into a large retail or industry super fund, you become the trustee of your own fund and make all its investment decisions.

It's not that uncommon, either.

In fact, SMSFs now account for over 30% of all super assets in Australia.

Five good reasons why you'd want a self-managed super fund.

1. To take advantage of tax benefits
2. Invest in assets that suit your goals and objectives
3. Purchase life insurance through the fund
4. Facilitate the transfer of your wealth
5. Be the trustee and decision maker.

WHETHER TO SET UP AN SMSF OR NOT SHOULD BE CONSIDERED VERY CAREFULLY.

But: is a self-managed super fund right for you?

As you'll see below, there are both advantages and disadvantages to running your own SMSF.

Advantages.

Control

- Determine the investment strategy that meets your personal financial goals
- Decide how you wish member benefits and member death benefits are to be paid

Flexibility

- Choose your own investments (property, direct shares, managed funds)
- Access a range of insurance policies and insurance providers
- Transfer assets into the fund, if you wish

Tax benefits

- Benefit from imputation credits and franked dividends
- Gain valuable tax concessions, pre-and post-retirement
- Respond promptly to legislative changes
- Your contributions may be taxed at concessional rates
- 0% income and capital gains tax for pension funds

Cost

- Fixed costs don't increase as your fund grows
- Manage your fees by careful management of investments

Disadvantages.

Responsibilities

- Operating rules and regulations need to be understood
- Legislative changes require constant attention
- You must ensure the fund remains compliant to avoid penalties

Administration

- Records must be kept scrupulously
- Reporting has set requirements
- You must understand your tax lodgment obligations

Suitability

- Are you prepared to be 'hands-on'?
- Do you have time to devote to your fund?
- Do you have the professional skills and technical knowledge to manage the fund?

Cost

- The fund needs a sufficient balance to be cost-effective (generally over \$300,000)
- Insurance premiums can be higher than 'large fund' policies

If you're not sure where that leaves you, let's sit down and discuss the pros and cons as they apply to your journey.



So: what does it mean to have your own SMSF?

Superannuation is full of rules and regulations, and SMSFs have a solid legal framework that tells you what you can and can't do:

- An SMSF must have less than five members; each is generally a trustee of the fund.
- An SMSF must operate for the sole purpose of providing benefits to its members upon their retirement.
- Trustees do not receive any remuneration for their services.
- Trustees are required to prepare and implement an investment strategy for their fund, providing a framework and direction for the investment of their super's assets.
- Trustees have wide flexibility in their choice of investment, including either directly into property and shares, or indirectly via a managed investment.
- Trustees are responsible for ensuring the fund remains compliant with superannuation laws and regulations.

The decision to set up an SMSF should be considered very carefully.

Before you take the plunge, you seriously need to consult with a qualified Financial Planner or SMSF specialist Accountant. Like, for example, Hood Sweeney.

How Hood Sweeney can make you master of your own destiny.

Hood Sweeney is your one-stop self-managed super shop with integrated SMSF services. Hood Sweeney Accounting & Business Advisory (Australian Financial Services Licence 485569) handles the establishment, taxation and compliance, while strategic financial advice is delivered by our Financial Planners through Hood Sweeney Securities (Australian Financial Services Licence 220897).

With Hood Sweeney, the first thing to know is that 'self-managed' doesn't mean you have to run it all by yourself. Our dedicated SMSF team will be beside you every step of the journey.

For instance, we regularly review the regulators and we'll swiftly alert you of any rule changes, so you can respond accordingly and, where possible, benefit as soon as possible.

For your absolute peace of mind, we also insist that your SMSF is independently audited, ensuring that your fund is always compliant with the relevant laws and regulations.

And all along the way, we'll deliver quality advice to make sure your SMSF provides a flexible and tax-efficient retirement and estate-planning structure, suited to your specific requirements and personal financial goals.

six steps away



Your trusty trustee checklist.

As the trustee of a self-managed super fund, there are many reporting, administrative and compliance rules you need to follow to meet your obligations.

Here, then, is the list Hood Sweeney follows, for you to check and make sure your fund stays on top of the legalities.

Reporting.

To ensure your SMSF complies with the Australian Taxation Office (ATO) reporting regulations, you need to:

- Appoint an approved auditor for your fund.
- Lodge a tax return for the fund each year by the due date, providing all the information required and paying the supervisory levy.
- Contact the ATO as soon as possible to seek an extension of time, if you are unable to lodge your return by the due date and any changes of details for the fund.
- Lodge accurate rollover benefit statements when transferring into other funds.
- Keep minutes outlining investment decisions and how they are made.
- Keep records to explain the fund's transactions.
- Keep annual operating statements and annual statements of the fund's financial position.
- Keep records to identify the trustees of the fund and their consent to act as trustees, together with the signed 'trustee declaration'.

Investments.

There are many rules and regulations specifically regarding the choice and management of your SMSF's investments. Any breach may incur significant penalties.

So, please be mindful of the following rules relating to the Superannuation Industry (Supervision) Act 1993:

- Trustees must document and implement an investment strategy and all investments made must be consistent with this strategy.
- All assets need to be held primarily to provide the fund members with benefits either at retirement, or upon death or permanent incapacity.

- All transactions need to be conducted on commercial terms.
- An SMSF cannot buy assets owned by a member or related party unless it is business property, units in a managed fund or listed shares.
- An SMSF generally cannot borrow (however, there are certain exceptions and we can advise where appropriate).
- Investments in loans to (or assets leased to) a related party must be limited to 5% of the total assets of the fund.

On top of that, you need to create and maintain the following:

- Trust Deed.
- Member goals and risk profile.
- Investment timeframe.
- Fund liquidity requirements.
- Consistency between the selected investments and the trust deed and the investment strategy.

The bottom line.

From all of this, it would be easy to think that an SMSF is just too hard.

And it could be, if you take the 'self-managed' part of the name totally to heart.

But with the help of our dedicated SMSF team at Hood Sweeney, you'll have the best of both worlds: you'll retain total control over your financial destiny without becoming a slave to running it.

Join the journey with our specialist team.

Whilst the people at Hood Sweeney are all highly qualified and fully experienced professionals, each is a fellow traveller on their own journey through life, like you.

So, depending on their skills, knowledge and experience, they'll understand the journey you're on.

And, depending on their role, they'll each make their own contribution to your destiny through our 'client first' approach.

A REAL LIFE JOURNEY:

How Hood Sweeney has helped Tony Aldridge on his road to success.

Tony Aldridge is a successful executive in the rail transport industry.

In his late fifties and approaching retirement, he started to worry how his portfolio was tracking.

Even though Tony had been a satisfied long-term taxation client with Hood Sweeney, he was initially reluctant to place all his financial affairs with the same firm.

However, after enduring some inconsistent investment performance, he decided to consult with us to develop a comprehensive financial plan and realign his super for a more structured and conservative approach.

"My accounting work had always been done very professionally by Hood Sweeney, so it seemed logical to talk to them about my financial planning", Tony said.

"My wife and I explained the future lifestyle that we wanted; we are only in our late fifties and see ourselves as having a long-term future", he added. "Our Financial Planner took the time to listen and focus on what we wanted to achieve. He developed easy-to-understand financial models that showed how we could achieve our goals. Even with the economies going all over the place these days, we now feel comfortable and relaxed that we have the right plan in place."

Proudly, Tony has since become a strong advocate for Hood Sweeney and the approach we take with our clients.

"The team at Hood Sweeney is very accessible and we have regular conversations. Our Financial Planner alerts us to investment opportunities consistent with our goals and risk tolerance. The regular reviews and personal knowledge of our affairs provides us with the solid support we are looking for."

"Hood Sweeney is really focused on what we want to do, providing us with comfort, security and sound advice. I can't recommend them highly enough."

“

We were approaching retirement and wanted a long-term plan for the future.

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join the journey



HOODSWEENEY

Now, this is where your journey starts.

To join the journey with Hood Sweeney, or to find out more about what we can do for you, please contact us.

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