

Super Strategies



Strategy 1 *Creating more cost efficiencies within your SMSF*

You can often maximise the cost effectiveness of your SMSF by adding new members. This often overlooked way of reducing costs involves increasing the total assets of the fund by adding new members, such as relatives or others with whom you have a close personal relationship.

“You can have four members in a SMSF....and you’re crazy if you don’t”
- Australian Financial Review

Strategy 2 *Taking out insurance without hurting the hip pocket*

At the very least, people need to cover their debts and insure their income should the worst happen, but the reality is most Australians are significantly under-insured. Holding insurance inside super can provide greater coverage because the premiums may not hurt the hip pocket. This is because the premiums can be paid out of Superannuation Guarantee contributions, pre-tax contributions or the account balance.

Strategy 3 *Make your SMSF a ‘Tax Free Haven’ for future generations*

There are a number of strategies which can eliminate tax on super earnings and contributions for the next generation in the event of death or disability. What better way to depart than leave your loved ones a legacy whilst also bequeathing a protected and tax free environment.

Strategy 4 *Bypass death taxes and protect your super for chosen beneficiaries*

For many Australians, superannuation is the most significant financial asset they have so it is very important in today’s society, where litigation is rampant, to ensure that your super can be preserved and protected for your chosen beneficiaries, without paying unnecessary taxes on death. In many cases, CGT, stamp duty and the “standard” 16.5% tax for nondependent beneficiaries can be mitigated with a bit of careful planning.

Strategy 5 *Maximise your tax deductible contributions while you can*

Currently, the concessional contributions cap is \$25,000 for individuals under age 50 and is \$50,000 for those qualifying persons aged 50 or more but only up to 30 June 2012. Eligible persons should consider maximising their concessional contributions over the next two tax years before the cap is lowered to \$25,000 (indexed).

Strategy 6 *Capitalise on your commercial properties*

The statistics show that commercial properties within a SMSF is a common form of investment. SMSF trustees can now acquire commercial properties using strategies such as instalment warrants, deferred purchase or other in-specie transfer methods if the properties currently sit outside super. Conversely, if the asset is already held inside super and is leased to a related business, ensure the leasing arrangements are maintained on a commercial basis.

If you would like any more information about Super Strategies please contact a Financial Planner at our office on 4632 1966.



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