

Setting up an SMSF, Trust Deed, Trustees & Members

Contents

- Introduction
- Setting up an SMSF
- Trust Deed
- Trustees
- Members
- Conclusion

Setting up an SMSF

- Consider appointing professionals to help you
- Choose individual trustees or a corporate trustee
- Appoint your trustees or directors
- Create the trust and trust deed
- Check your fund is an Australian super fund
- Register your fund and get an ABN
- Set up a bank account
- Get an electronic service address
- Prepare an exit strategy



Individual Trustee and Corporate Trustee

Individual Trustee

- There must be 2 trustees.
- One trustee must be a fund member.
- If the fund member is an employee of the other trustee, the fund member and the other trustee must be relatives.

Corporate Trustee

- The corporate trustee company can have one or 2 directors, but no more.
- The fund member must be the sole director or one of the 2 directors.
- If there are 2 directors and the fund member is an employee of the other director, the fund member and the other director must be relatives.



Create the trust and trust deed

- A trust is an arrangement where a person or company (the trustee) holds assets (trust property) in trust for the benefit of others (the beneficiaries).
- A super fund is a special type of trust, set up and maintained for the sole purpose of providing retirement benefits to its members (the beneficiaries).

Trust Deed

- prepared by someone competent to do so as it's a legal document
- signed and dated by all trustees
- properly executed according to state or territory laws
- regularly reviewed,and updated as necessary.



Check your fund is an Australian super fund

- The fund was established in Australia, or at least one of its assets is located in Australia.
- The central management and control of the fund is ordinarily in Australia. This means the SMSF's strategic decisions are regularly made, and high-level duties and activities are performed, in Australia. It includes
  - formulating the investment strategy of the fund
  - reviewing the performance of the fund's investments
  - formulating a strategy for the prudential management of any reserves, and
  - determining how assets are to be used for member benefits.
- The fund either has no active members or it has active members who are Australian residents and who hold at least 50% of either
  1. the total market value of the fund's assets attributable to super interests, or
  2. the sum of the amounts that would be payable to active members if they decided to leave the fund.

Get an electronic service address

If your self-managed super fund (SMSF) receives contributions from employers (other than related-party employers), it needs to be able to receive the contributions and associated SuperStream data electronically.

From 1 October 2021, your fund will need to use SuperStream to rollover any super to or from your SMSF.

SuperStream is a data and payment standard that applies to super transactions (including contributions made by employers and rollovers between funds) to any super fund, including SMSFs.

To receive SuperStream data, you need an electronic service address (ESA), (this is a special internet address, different to an email address).

Prepare an exit strategy

- Even when you're setting up your SMSF you need to consider what happens when your SMSF ends, or 'winds up'.
- Sometimes SMSFs become difficult to manage because of an unexpected event such as:
- a relationship breakdown between the trustees
- an illness or accident that leaves a trustee incapacitated (and unable to perform their role as a trustee)
- a trustee dies.

