

Should I set up a Self-Managed Super Fund (SMSF)?



Managing your super yourself may seem like a good idea, but it's important to be aware of the many factors involved in managing an SMSF.

What is a Self-Managed Super Fund (SMSF)?

An SMSF is a private super fund you manage yourself, regulated by the Australian Taxation Office (ATO). SMSFs are different from mainstream funds regulated by the Australian Prudential Regulation Authority (APRA) which pool members' retirement savings and invest the money on their behalf.

SMSFs can have up to six members. All members must be Trustees (or Directors if there is a Corporate Trustee) and are responsible for decisions made about the fund. If you have an SMSF, you are responsible for managing it and complying with all relevant laws.

What are your obligations when running an SMSF?

If you set up an SMSF you must develop and maintain an investment strategy, and manage all contributions and withdrawals.

You must also comply with:

- superannuation and tax laws, including making sure the money is only used for retirement benefits;
- record keeping obligations, such as lodging annual statements;
- reporting obligations including reporting contributions; and
- audit requirements, including having the fund audited by an approved SMSF auditor each year.

Is there a cost involved?

There are significant costs in setting up and administering an SMSF. These include the cost of investing, accounting and auditing for your SMSF, which may be much higher than what you are currently paying. These costs will cut into your retirement savings.

Questions to ask yourself before you set up an SMSF

- Do I fully understand all the legal responsibilities I am taking on as Trustee?
- Do I have the time, expertise and motivation to actively manage my super?
- Am I confident I can do better than professional investment managers through my investment strategy?
- Do I have enough money to make it worthwhile, given fees and expenses such as accounting, legal, audit or tax advice?
- If something goes wrong, am I satisfied with the lower levels of protection that apply to SMSFs, compared to APRA-regulated super funds?

If you've answered 'no' to any of these questions, you may not be ready to set up an SMSF.

Before making any investment decisions, we recommend that you seek qualified financial advice.

Want to know more? We're here to help.

Please contact Member Services today.



1300 360 988



mail@firstsuper.com.au



firstsuper.com.au



If you would like to speak to a member of First Super's Financial Advice Team* to discuss this further call **1300 360 988**.

*First Super Financial Advisers are authorised representatives of Industry Fund Services Limited (ABN 54 007 016 195, AFSL 232514).

The material contained in this bulletin is accurate and reliable as at February 2025. This information is of a general nature only and does not take into account your personal circumstances or situation. We recommend that you seek qualified financial advice before making any investment decision. The bulletin is provided by First Super Pty Ltd ABN 42 053 498 472, AFSL No. 223988, as the Trustee of First Super ABN 56 286 625 181. If you intend to invest in or continue to hold this product you should obtain and consider a copy of the Product Disclosure Statement which is available at firstsuper.com.au/pds or by phoning **1300 360 988**. Target Market Determination available at firstsuper.com.au/tmd or by calling us.

First Super Pty Ltd | ABN 42 053 498 472 | AFS Licence No: 223988 | RSE Licence No: L0003049 | First Super Pty Ltd as Trustee of First Super ABN 56 286 625 181