

The Seven Essential SMSF Planning Tips for 30 June.

Problem 1: Not paying minimum, or exceeding maximum, pension payment.

Action

- Ensure each SMSF paying an ABP / TTRP makes a minimum payment and in the case of a TTRP does not exceed 10%.
- Review planning opportunities to convert existing accumulation balances to ABP/TTRP.
- Ensure you have a copy of the commencement minutes on file.

Problem 2: Exceeding contribution limits

Action

- Review whether members over 65 meet the work test requirement before they make contributions.
- Advise members of their CC and NCC contribution cap limits leading up to 30 June.
- Check if any contributions can be classified as exempt, ie CGT retirement exemption.
- If contribution limits have been exceeded, review whether any ability for the SMSF to refund the contribution, and/or review options available to deal with ATO excess tax determinations.

Problem 3: Lack of complying Investment Strategy

Action

- Review each SMSF's investment strategy for compliance with Regulation 4.09.
- In particular address the need for the Trustees to consider insurance for its members. I believe that it is not enough for the strategy to make a generic statement regarding insurance. The Trustees should consider each member individually and document the decision as to why or why not insurance was taken out.

Problem 4: Valuation of Assets

Action

- Review ATO guidelines on market value.
- Advise SMSF clients where you feel a valuation needs to be obtained on a particular asset.
- Obtain representation from Trustees as to their opinion on current valuation.

Problem 5: LRBAs where the lender is a related party

Action

- Are loan interest and payment terms in line with normal commercial terms?
- Is the mortgage registered?
- Has the agreement been adhered to?
- Read more on recent ATO rulings.
- Consider amending loan terms.
- Refer to [ATO Safe Harbour Guidelines](#).

Problem 6: Non-Arm's Length Dealings

Action

- Are all dealings with related parties conducted on arm's length basis?
- Are dealings inside related trusts conducted at arm's length?
- Is a commercial lease in place for properties leases to related parties?
- Is there third party evidence to support market value of dealings?

Problem 7: Assets held in incorrect name

Action

- Review and ask Trustees to rectify ownership documents to reflect correct Trustee name/s.
- In the case of difficulties, consider entering into a declaration of trust over the asset.
- NSW land titles has more information on registering a declaration of trust over NSW land.

If you would like help with any of these issues, please contact Joel Curry directly and he is happy to answer any of your questions.

We also offer a complimentary review of any complex SMSFs you might have.

Contact Joel on

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