

6 Tips for SMSF Trustees to Prepare for 30 June

The end of the financial year is approaching fast and it's not too late for SMSF Trustees to run some quick checks to make sure their SMSF is in good shape before accounts are closed for 2018/19. So what do Trustees need to do? Follow these suggestions and you'll be well prepared for submitting your details to your accountant, auditor and the ATO.

1. Contributions

How much have you contributed for the year? Do you have any other funds (employer, salary sacrifice, spouse contributions) likely to come in that will keep you under your taxable threshold? Or are you likely to be over the concessional contribution cap? Make sure that you make the most of this allowance by getting any shortfalls into your account before 30 June so they are counted towards this financial year's limits.

Checklist:

- Check how much you've contributed this year to date
- Are any other funds likely to come in before 30 June?

2. Tax deductions

Are you planning on claiming a tax deduction on your contributions? If so, you need to lodge your intention with your SMSF trustee and receive confirmation from the trustee before doing your income tax return.

Checklist:

- Are you planning a tax deduction on contributions?
- If so, lodge your intention with SMSF trustee
- Make sure you receive confirmation back from the trustee that they received your request

3. Valuations

Any assets in your SMSF must be declared at market value each financial year and there needs to be supporting evidence for the valuations.

Checklist:

- What assets do you have in your fund?
- What assets will need to be valued?
- What supporting evidence do you have to support the valuations?

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4. Superannuation Co-contribution

The government will contribute 50 cents per \$1 of your non-concessional contribution to a maximum of \$1,000 if less than 10% of your income is derived from your business or employment, you're a permanent resident, under 71 years of age and earned less than \$34,488.

Checklist:

- What is your income likely to be this year?
- How much have you contributed to your SMSF?
- Do you meet the other criteria?

5. Minimum Pension Payment

In order to receive tax exemption for your pension, the minimum pension amount (which varies depending on the member's age) needs to be paid by your SMSF by the end of the financial year. The ATO is aggressively pursuing funds that fail to meet their minimum payments.

Checklist:

- What is the pension amount for each member's age?
- How much has been paid as a pension to date?
- If there is a shortfall then arrange to fix it before 30 June

6. Investment Strategy

Ensure that your investment strategy for your SMSF is up-to-date and continues to reflect the purpose and circumstances of your fund and its members. This review and any changes made should be documented. Your investment strategy should also cover whether to hold insurance, particularly life insurance for each member.

Checklist:

- Review your investment strategy
- Are any changes needed to reflect your fund?
- Have you covered insurance in the strategy?

How does your fund stack up against the areas covered above? If any of these areas need to be amended then the best time to make changes is before the financial year ends rather than after when your options are usually more time consuming and complicated.

If you require any resources, support or assistance, please phone our office on (07) 3368 2794 and speak to Craig. A 5 minute discussion now might save a lot of headaches in 9 months time!



SMSF Audits

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HOW CAN OUR TEAM AT SMSF AUDITS HELP YOU?

The SMSF Audits team's extensive experience means we can assist with advice regarding all SMSF issues. We have assisted a large number of SMSF Trustees deal with compliance issues and still retain their complying status.

We can provide technical information and articles for any of your technical events and seminars and newsletters or email alerts.

We have also assisted numerous Trustees in negotiating a compliance plan with the ATO and have successfully had penalties reduced and remitted.

Our website has a lot of useful information www.smsfaudits.net

We have a tax specialist on our staff who can prepare and lodge private ruling requests for you or your clients and who can assist with any ATO tax review or audit.

SMSF Audits is about more than just cost effective audits. We provide complying, timely audits and offer support to solve potential problems. Let us be your competitive advantage.

Want to find out more? Call us on (07) 3368 2794 or email craig.morrissey@smsfaudits.net

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