

Media Release

19 September 2005

WEALTH, PROTECTION & TAXATION

“Billions Of SMSF Dollars At Risk”

Superannuation specialists have warned the Gold Coast could have billions of self managed super fund dollars at risk.

Chartered Accountants International Professional Services Pty Ltd (IPS), of Southport, believe thousands of self managed superannuation funds (SMSF) Trust Deeds may be seriously outdated, putting billions of dollars in super savings in jeopardy.

IPS Superannuation Specialist Consultant Mr Cameron Reed, questioned the effectiveness of superannuation fund Trust Deeds currently in widespread use on the Gold Coast.

Mr Reed said many trust deeds inaccurately related to an employer superannuation fund, rather than a self managed superannuation fund - which could be a recipe for disaster. There were many other pitfalls for the unwary.

He said Queensland currently had around 20% of the market when it came to SMSFs, translating to some 60,000 funds worth around \$36billion.

“The Gold Coast has around 8% of the market, with some 12,000 self managed super funds worth more than \$15billion.

IPS is holding a superannuation seminar, with guest speaker, superannuation industry expert and advisor to the government, Mr Grant Abbott, outlining the importance and value of compliant SMSFs and accurate trust deeds.

The super seminar will also show Gold Coasters how to use a SMSF to pay total tax of 10% legally. It will be held at the Marriott Surfers Paradise on Tuesday, 23 May, from 6.30 to 8.30pm, with bookings essential, through IPS.

“Seminar guests will have the opportunity to book a complimentary trust fund review to ensure their SMSF meets all the essential criteria.”

“The Superannuation Industry Supervisory Act (SIS Act) was introduced in 1993, but many of the trust deeds in widespread use, relate to the earlier Occupational Superannuation Standards Act (OSSA) laws, which require the deeds to have employer sponsors and members who are employed, and which include various other clauses that relate to an employer superannuation fund, rather than a self managed superannuation fund.”

Mr Reed said the problems had been recently highlighted during audits carried out by IPS Audit Pty Ltd, a member of the International Professional Services family of companies, where many deeds had been identified as seriously outdated.

"The superannuation legislation has changed each and every year since it was introduced, and most trust deeds greater than two years will most likely be outdated," he said.

"Anyone with a self managed super fund should be seriously concerned."

Mr Reed said IPS had designed a comprehensive SMSF trust deed that suited all needs and was easy to understand and administer.

"It comes with a full compliance kit, which means you will never have to draft a trustee minute again, and a DVD to further streamline the process. Importantly, it meets all SIS requirements.

"It has been designed to be flexible enough to stand the test of time and meet the barrage of changing legislation."

He said IPS had a professional team of 14 specialist superannuation advisors, including four IPS directors, who recently earned distinctions and high distinction after completing what is billed to be one of Australia's most complex and highly recognised SMSF training courses.

"SMSFs have grown at a rate of more than 20percent per annum since 1994 and have increased by \$50 billion in the last 12 months alone. It is imperative the trust deeds supporting these funds are relevant and comprehensive."

Seminar tickets are \$35 each or \$60 for a double, including light refreshments and a free DVD and free trust deed review. They are available through International Professional Services, telephone 5581 3200, or email: seminars@ips.com.au.

For further information contact:
Cameron Reed (SMSF Specialist Advisor)
Phone: 07 5581 3200
Email: cameronr@ips.com.au

