

# Things may not be rosy for self-managed super

YOU would have a very specific, some would say obsessive, interest in the world of marathon running for the name of Rosie Ruiz to mean anything to you.

Back in the heady days of 1980, Rosie cut a short, sharp blazing trail on the marathon circuit, culminating in a victory in the Boston Marathon.

But cynical followers of her career had doubts.

None more than the lady who shared a ride on a commuter train with Rosie on the day of the marathon.

Nothing wrong with that, you may say; everyone has to get to the track somehow.

Unfortunately, the train ride occurred during the race, and before the week was out Rosie was stripped of her title.

That is, of course, the danger in not having your story straight.

According to one group of Gold Coast-based superannuation specialists, local workers could have billions of self-managed super fund dollars at risk.

Chartered Accountants International Professional Services, of Southport, believe thousands of self-managed superannuation funds' trust deeds may be seriously outdated, putting billions of dollars in super savings in jeopardy.

IPS superannuation specialist

consultant Cameron Reed questioned the relevance 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 had around 20 per cent of the market when it came to SMSFs, translating to some 60,000 funds worth around \$36 billion.

"The Gold Coast has around 8 per cent of the market, with some 12,000 self-managed super funds worth more than \$15 billion," said Mr Reed.

"The Superannuation Industry Supervisory Act was introduced in 1993, but many of the trust deeds in widespread use relate to the earlier Occupational Superannuation Standards Act laws."

He said these laws required the deeds to have employer sponsors and members who were 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 highlighted recently during audits carried out by IPS Audit, a member of the IPS 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identified as seriously outdated.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," he said.

"It has been designed to be flexible enough to stand the test of time and meet the barrage of changing legislation. SMSFs have grown at a rate of more than 20 per cent 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."

