



# Grant Abbott's Top Five SMSF Strategies for 2021

**Commencing at 12:30pm AEDST – 10 November 2020**

Following the webinar, a short survey will be sent to confirm your CPD.

Please use the chat facility throughout the webinar or contact [support@ilovesmsf.com](mailto:support@ilovesmsf.com) for support.



**Covid19 was a huge shock to the global system with no country being spared. Australia, like New Zealand are protected by a wall of sea and ocean and have managed to escape the severe impacts. Even the property and equities markets have held up. But for how long and what will be the impact of NO international tourism, lower international students and bans by China on a range of our goods.**

**The one saving grace for Australia is our superannuation savings system, the strength of SMSFs and the high popularity of the Morrison government some 18 months from a general election – my hint – December 2021. So 2021 will be much different than 2020 where we were all in a state of fear and shock. Now is the time to march forward and gain ground.**

**Grant Abbott | CEO, I Love SMSF**



# Cbus Self Managed

Cbus Self Managed is an investment option that allows you greater choice and more control over how your savings are invested.

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- the largest 300 Australian shares on the ASX
- 21 exchange traded funds (ETFs) covering Australian and international equities, (markets, regions and sectors), bonds and commodities
- term deposits from NAB and ME
- exclusive managed investments including property and infrastructure.

Note: Cbus Self Managed is not available for income stream accounts if you have selected the Transition to Retirement option.

## Before anything a few SMSF Issues

- ASIC is sticking to its guns with a controversial research paper negating the benefits of SMSFs – but it is not LAW!
- The government has the 6 member SMSF due to come into force in April 2021
- The ATO is cracking down on SMSF trustees and auditors – a lot of pressure on for the upcoming 2021 audit season
- Ensure 2021 investment strategies are in the bag or being down and 2020 should have been signed a while ago – ensure you meet the ATO guidelines or expect an audit report

# Succession Planning – I Love SMSF Style

## Accumulation BDBN v SMSF Will

- Reversionary Pension
- Lump Sum
- Pay to SMSF Death Benefits Trust
- ***Pay to the Estate with conditions***

## Pension Documents

- Reversionary Pension
- Commutation
- Roll back to Accumulation
- Commute to SMSF Death Benefits Trust
- ***Pay to the Estate with conditions***

## Wills

- Specific Bequest
- Residual estate
- Pay to SMSF
- *Establish a Testamentary Trust*

**Family Provisions Challenge**

# SMSF Strategy Number One – Super Access

- Superannuation for under 55's
- Concessional cap catch ups – useful in the early stages of super but quit post \$500,000 super balance
- Non-concessional caps – if you don't use it you lose it
- A great strategy for this group:
  - Use a blend of NCC and also loans
  - Can be over property or shares/units
  - Related party borrowing with the Commissioner's guideline PCG 2016/5
  - Then have related party loan at call for family use

# SMSF Strategy Number Two – Tax Grouping

- The concessional caps are a joke BUT
- *Exceeding them is not*
- Smith Discretionary Trust with Leading Member and doctor Mathew Smith age 40 distributes to Dad – John aged 64 and Sally aged 59 – let's look at distributing \$75,000 each
- John and Sally have a SMSF with \$900,000 each and living on John's ABP income and lump sums from Sally
- John and Sally do not pay tax but Mathew's Trust distributes to a bucket company and also Beth
- Is there a better way?

# SMSF Strategy Number Three – Family Super

- The Six Member Rule is coming and you need a Leading Member SMSF and corporate trustee
- Create separate investment strategies for the *younger members* v *the older members* who are in pension phase so no TBA increase on any LRBA
- Lend from the bucket company to the SMSF to acquire medical rooms to lease back to Mathews business, build new rooms for doctors, flip houses or buy a farm
- **Pay a family allowance to Mathews family by John and Sally**



# SMSF Strategy Number Four – SISR 13.22C Trust or Company

- Simple JV vehicle between a SMSF and a related party such as a member, their parents, discretionary trust or bucket company
- Although related it is NOT and in-house asset so 100% can be held by the family group
- There can be no gearing and can not hold shares or units just property
- Importantly it is excluded from the related party transfer prohibitions under section 66 so contribute, sell or LRBA

# SMSF Strategy Number Five – Can your Strategy and Document Systems do this?

**The Moat - Comprehensive Estate Planning Package**

Interview Outline

- Document Set Up
- Common Party
- Documents
- Enduring Power of Attc
- Principal
- Attorney
- Replacement Attorney
- Power of Attorney
- Company
- General - SMSF details
- Trustee - SMSF
- Constitution Upgrade -
- Special Purpose Comp
- Meeting - Upgrade Cor
- Leading Member
- Upgrade of the SMSF T
- Deed Of Variation Deta
- SMSF Will - Binding De
- Member - Binding Dea
- Nomination and Direct
- Death Benefit Payment
- Succeeding Beneficiary
- Nominated Professiona
- Meeting - Binding Deat
- Last Will and Testamer
- General
- Testator
- Executor
- Successor Executor
- Second Successor Exe

Would you like to add The Protector?  
 Yes  No

**Enduring Power of Attorney**

Which state. **Please leave blank if not applicable**  
New South Wales

**MOAT Upgrade**

Select the MOAT upgrade documents (Select as many as applicable)

- Leading Member SMSF Special Purpose Corporate Trustee
- Leading Member SMSF Establishment – Corporate Trustee
- Leading Member SMSF Establishment – Individual Trustee

**SMSF**

Select the SMSF document (Select as many as applicable)

- Constitution Upgrade - SMSF Special Purpose Corporate Trustee of a SMSF (Standard)
- Upgrade of the SMSF Trust Deed (Standard)
- Constitution Upgrade - SMSF Special Purpose Corporate Trustee of a SMSF (Leading Member)
- Upgrade of the SMSF Trust Deed (Leading Member)
- SMSF Will - Binding Death Benefits Declaration and Nominations

**Last Will and Testament/Will and Testamentary Trust**

Which Will do you want to complete?

- Last Will and Testament
- Last Will and Testamentary Trust

# SMSF Testamentary Trust v Super Proceeds Trust

- Both enable child beneficiaries to be taxed as adults
- The SMSF TT is created by the Trustee of the SMSF while the Super Proceeds Trust is completed by the Executor
- The SMSF TT can only be for dependants for SIS purposes – child, spouse, financial dependants and interpersonal relationships while the Super Proceeds Trust is for non-dependants
- Available in the LightYear Docs SMSF Will
- Super Proceeds Trust subject to latest TT anti-avoidance rules but SMSF TT is not

# The Important Stuff

- The move to Succession, Asset Protection and Estate Planning advice is on and to outstrip SMSF advice 10 to 1
- Tune into our Thursday webinar 12 November where we release a data capture for Will, Testamentary Trusts, EPOAs and also SMSF Wills
- We have several bonuses around SAPEP, with a lean on SMSFs for you so watch out for my email or Travis from our office or LightYear Docs
- Next week we have Estate Planning 101 where Abbott & Mourly will take you through basic to advanced strategies and cover how an accountant or planner can provide SAPEP advice legally



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