



SMSF Strategy Series

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Episode 7 - Estate Planning

In this episode, Chris is joined by Business Concept Group's Sarah Power as they cover estate planning and loss of capacity planning. Very few people "plan" to die, but the events that would follow can definitely be planned.

A major reason for the growing popularity of self-managed Super funds (SMSF) is the level of control and this extends to estate planning flexibility and strategies.

As Superannuation does not automatically form part of your estate it is important to ensure that you have given consideration to what will happen to both your fund and your Superannuation when you die.

Planning now can reduce the possibility of issues arising later, including conflict amongst beneficiaries, poor tax outcomes and ultimately your wishes not being carried out.

The discussion will touch also on loss of capacity. Loss of capacity for a member of a Superannuation fund can occur for a variety of reasons, including illness, accident or aging.

SMSF members are reflective of the population in general and will suffer occurrences which cause them to lose capacity either in part or in full, and either temporarily or permanently.

Generally it is not possible to anticipate who will or will not suffer such loss of capacity, planning for that eventuality is an important exercise for all SMSF members. Individuals should consider who will act as trustee of the SMSF in their place, should they lose the capacity to act themselves, either for a short period of time or for a longer duration.

Also, ensuring that your trust deed is updated along with your enduring power is vital. An enduring Power of Attorney is a document providing power to a trusted relative, friend or adviser to act as their attorney and will assist in ensuring that the SMSF can continue to operate, regardless of the health of the member.

There is a large amount of wealth being built up within SMSF's and it is absolutely critical that all trustees of SMSF's have addressed estate planning and loss of capacity issues to ensure that the control of the fund falls into the correct hands, and that the right assets end up with the right people.