The Need

A 50th birthday can sneak up fast. For Jane, it feels like only yesterday that she was a young Mum dropping the kids off at school. At 50, she still feels 30 at times - but a profound reality has set in: 'It seems I blinked, and 20 years went by. Reality tells me that retirement isn't so far away.'

Around twenty years ago Jane and her husband Paul* saw a Financial Adviser who told them that if they didn't have a solid savings plan in place, they could find themselves without enough money to retire comfortably in the future. 'We were around 30 years old then,' says Jane. 'We decided that retirement seemed a long way off and we prioritized paying off our mortgage. That was hard enough!'

When Jane reached 50, she saw that retirement was on the horizon and planning for the future was more important now than ever. Jane and Paul committed to focusing on a retirement plan. With a renewed appreciation of 'how time flies', they both felt a meeting with a Financial Advisor was long overdue. Happily, they were referred by a friend to **Wilson Pateras.** (This firm is the Victorian SMSF Firm of the Year)

Like many people planning for retirement, they had questions they needed answers to in order to provide for their futures. These included:

- We enjoy our current lifestyle. Can we sustain this lifestyle in our retirement?
- Should we concentrate on clearing all our debts before thinking about anything else?
- Should we be paying more into our super now?
- Should we invest in another property or buy shares?
- Is 'SMSF' an option for us?
- Do we have enough money to set up a SMSF?
- What should we do?

The Approach

After an initial meeting with a Senior Financial Planner, Jane and Paul completed some paperwork which included a 'fact find' and client checklist. They then attended a second meeting and were presented with a Statement of Advice (SOA) which suggested they set up a Self-Managed Super Fund. The funds from both their industry superannuation balances were to be channeled into one SMSF fund with suggested investment options.

During this process, Jane and Paul learned much about retirement planning and the benefits of setting up a SMSF. In layman's terms, they've provided a few gems of knowledge about the process – presented below in dot form.

- Having a SMSF means that you get to choose where you invest your super money, rather than your industry super fund choosing where your super money is invested. Supported by expert advice from your Financial Advisor, you can elect to invest in Term Deposits, Australian and International Shares or Residential & Commercial Property. You benefit from direct control over your investment decisions!
- The complexities of a Self-Managed Super Fund (SMSF) can be managed by your Financial Team. Rest assured: you don't need to know exactly how to set everything up. You do need to understand the implications and costs of having a SMSF – and you also need to have a great working relationship with your Advisor. Not all Financial Advisors are alike!

> We feel in control of our financial destiny. It's satisfying!

- Should you engage a Financial Advisor and an Accountant to set up your SMSF, they will help you manage the investment. You don't truly have to 'self-manage' the asset independent of their assistance. A comprehensive financial team will have Administrators to help you manage the ATO reporting requirements, keeping you on the right side of rules and regulations. As owners (technically 'Trustees') of the fund, you always have the final say on your investments.

- The superannuation contributions of all members go directly into the one SMSF bank account which consolidates a total super balance.
- Did you know that 33,000 new SMSFs are set up every year in Australia? * That's a lot of people choosing to grow their wealth via SMSFs!
- SMSFs involve an initial set up fee. Most of your ongoing costs are covered by the fund.
- Topping up your superannuation is the most tax effective way of saving for your retirement.
- It is important to analyze your risk profile. As such, it's not advisable to go into a SMSF without professional advice.
- A complete and holistic review of your personal situation – considering your age, available life insurance and income protection - should be undertaken before establishing your SMSF. Estate planning also comes into play here.

> “ We've given ourselves the best gift – a brighter future!

The Outcome

'After having set up our SMSF, we feel in control of our financial destiny. It is satisfying to have all your ducks lined up for the future!'

'We feel a sense of relief that we now have a plan for the future - we have experts on board assisting us and we know what we have to do to retire well,' notes Paul.

Jane concurs, 'I'm happy to say that we now have our own SMSF fund, established to provide us with a solid financial platform in retirement according to our goals. We've also re-evaluated our life insurance and income protection insurance to ensure that our current lifestyle is protected. It's all about having a team of reliable experts holding your hand when it comes to retirement planning. We've given ourselves the best gift – a brighter future!'

WILSON PATERAS
ACCOUNTANTS & ADVISORS

The decision to set up a SMSF is one that requires careful consideration: as you make investment decisions for your fund, you are held responsible for complying with superannuation and taxation laws. **Wilson Pateras** can support you to ensure any SMSF investment decisions you make support your overall investment strategy whilst avoiding unnecessary risk. Our clients have the comfort of knowing that their fund is managed by industry experts whose full-time occupation is the professional management of SMSFs.

Book Your Complimentary Meeting with a Wilson Pateras Expert on 8419 9800

WINNER 2017
SMSFAdviser
SMSF AND ACCOUNTING AWARDS 2017
VIC
SMSF FIRM OF THE YEAR

*Source: The SMSF Statistical Report – June 2016 published by the ATO.