

WHY REGISTER YOUR SMSF FOR GST?

Like individuals, Self-Managed Superannuation Funds (SMSFs) pay GST on goods and services they acquire. The difference however, arises when an SMSF registers for GST with the ATO.

The vast majority of Funds are not required to register for GST, and most do not due to the additional expense and the annual or quarterly reporting requirements. However, **a Fund that does voluntarily register can claim back up to 75% or even 100% of any GST included on selected expenses.**

These expenses include investment management fees, commercial property expenses, brokerage fees, actuary fees and administration fees (such as Bell Potter administration services). GST on accounting or audit fees cannot be claimed.

When would an SMSF need to register?

For the majority of SMSF's that generate income from "input-taxed sales" such as dividends, interest, trust distributions and residential rent there is no requirement to register for GST. A Fund is required to register for GST if its annual turnover exceeds \$75,000. Generally, this applies to Funds that own property used for commercial purposes, as the rental income derived is treated as turnover.

An example of a possible GST refund

Assume a Fund has the following annual expenses (GST inclusive):

Portfolio administration fees	\$7,500
Actuary Certificate fees	\$255
Adviser service fee	\$3,000
	\$10,755 inc GST

Total GST Paid = \$978

Total GST Refund = \$978 x 75% = \$733

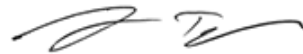
The Fund, regardless of whether it is in accumulation or pension phase would receive a GST rebate of \$733.

Is your Fund registered?

All SMSF trustees should check their GST registration status (by searching the Fund's ABN at abr.business.gov.au) and if the Fund is not registered, they should speak to their accountant. Claiming GST is just one of the many benefits of running an SMSF and should be taken advantage of.

SMSFs utilising Bell Potter's Personal Superannuation Solutions for their administration, accounting and compliance can be registered for GST upon establishment or takeover at no extra charge.

We recommend you contact your adviser to discuss further.



Jeremy Tyzack

Head of Technical Financial Advice
Bell Potter Securities

Bell Potter's technical financial advice team can put together a strategy designed to help you achieve your retirement objectives.

Working with you and your Bell Potter Adviser, we can help with most financial aspects of retirement, including:

- Identifying your financial goals
- Structuring your existing assets appropriately
- Identifying your approach to investment and your appetite for risk, and
- Reviewing your current superannuation arrangements.

To create a tailored investment plan based on your needs and objectives call your adviser or 1300 0 BELLS (1300 0 23357).

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