

It is vitally important to maintain compliance with the Superannuation Industry Supervision Act 1993 and Regulations. The enormity of the recent Simplified Super reforms means that all SMSF trustees need to seriously consider upgrading their deeds. The recent rule changes have affected taxation planning, income stream strategies and even estate planning issues. The rules of your SMSF are contained within the trust deed and it must adequately reflect the new laws and also allow the most current strategies available to its members. As a Trustee of the Fund you are responsible for making sure that the Deed is up to date.

The May 2006 budget changes include:

- Significant changes to the amounts of both deductible and undeducted contributions. Some changes apply in the May 2006 to June 2007 period, some from 1 July 2007 and there are transitional rules. Even the names have changed to concessional and non-concessional contributions;
- Changes to the compulsory withdrawal requirements (from May 2006). Your current deed may still require benefits to be taken at age 65;
- Abolition of Reasonable Benefit Limits (RBLs);
- Taxation changes to lump sums and pension payments after age 60;
- Changes to the calculation of the post 1983 tax-free threshold;
- Changes to the status of pre 1983 amounts;
- New minimum payment standards for pensions including changes to pension types, and eligible pension reversionary beneficiaries;
- Changes to benefit drawdown components;
- Changes to death benefit tax treatment if paid to non-dependants;
- Changes to treatment of transfers from Overseas superannuation funds;
- Changes to the taxation of employer ETPs.

Prior to the May Budget there have been other significant Legislative Changes as follows:

- Contributions splitting legislation;
- Choice of fund legislation;
- Transition to retirement legislation – introduction of Transition to Retirement Pensions;
- Interdependent relationships for beneficiaries;
- Market Linked Pension introduction;
- Divorce and super splitting;
- Changes to gainful employment rules;
- Defined Benefit Pension restrictions;
- PDS requirements;
- Government co-contributions;
- Internal roll-overs of super pensions treated as ETPs and taken into account for RBL purposes;
- Binding Death Benefit Nominations;
- Expanding the in-house asset rules to related parties;
- In house-issues relating to employer sponsored funds.

We want to ensure that your deed is compliant with all of these events, especially the new *Simpler Super* initiatives which will largely be available to you from 1 July 2007, and we also want to ensure that you can access all superannuation strategies available to you.

Trust deed management is a highly specialised skill and on your behalf, we have endeavoured to find the Trust Deed that best satisfies all of these new requirements. The Justsuper SMSF Deed provides for all of the above requirements including the newly announced pensions. Your Updated Deed will also include a Product Disclosure Statement (PDS) containing a summary of the most important features of your SMSF.

The PDS allows the trustees and members to understand their obligations and rights, and ensures the trustees comply with the obligation (under the Corporations Act 2001) to provide a PDS to members when they join an SMSF.