



## ***Watch out for illegal SMSF super schemers***

*The ATO has issued a warning about the early, and illegal, release of superannuation funds through setting up Self Managed Super Funds (SMSF) that do not comply with the relevant protocol, procedures and requirements of superannuation legislation.*

The ATO has reported that it has seen an increase in SMSF schemes that target Australians planning to retire. Illegally accessing your super fund early can result in severe penalties, fines and even jail time.

Illegal fake funds particularly target Australians in financial strife, retrenched workers and some ethnic communities. They claim they can withdraw your super and use a self-managed fund to 'help' you pay off debts, make a deposit on a home loan, or buy a car or holiday. In most cases, they ask for a large commission or steal the money outright, leaving outstanding tax to be paid, and exposing you to fines or possible jail time.

### Recognising a fake super scheme

- The funds seem artificial or contrived and have complex structures around an existing or newly created SMSF
- They involve unnecessary steps or transactions
- Fake funds offer 'too good to be true' results
- Legal super funds are designed to yield minimal or zero tax, or even provide a refund
- Legal super funds aim for a tax benefit

### **When can I access my super?**

The legal age for accessing your superannuation is 65, regardless if you have retired. When you reach your preservation age, you can access your super if you have permanently retired. If you haven't retired, you can access part of your super via a transition to retirement plan once you reach your preservation age.

### **What is the preservation age in Australia?**

Your preservation age, set by law, is the minimum age that you can access your super. It is currently between 55 and 60 depending on when you were born.

Date of Birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
From 1 July 1964	60

When you're legally able to access your super, you can choose to receive it as a lump sum; a retirement income stream (also known as an account-based pension) or a combination of a lump sum and income stream.

## ***Watch out for illegal SMSF super schemers***

If you choose to receive your money as a regular income stream, the bulk of your money will still work for you and will continue to earn an investment return.

You might be able to access your super under exceptional medical circumstances or severe financial hardship. Your tax agent can help you access your super under these circumstances.

### **How much super will I get?**

There is no set amount for the super you will receive, and it will depend on your employers contributions over your working life, any additional payments you've made, your investment returns and how much you've paid in taxes and fees.

You may be entitled to a full or part Age Pension from Centrelink so your super can be used to top up your Centrelink income and improve your standard of living.

*ITP The Income Tax Professionals can provide all the assistance you need to get your SMSF up and running with a minimum of fuss. With 50 years helping Australians with their financial affairs, a Professional can help you establish your own fund. Speak to a Professional today.*

*ITP The Income Tax Professionals are more than tax agents. They have been helping Australian individuals and businesses with their business accounting and advice for 50 years and offer a wealth of knowledge. Speak to a Professional today and see how your business can be more profitable.*



**THE INCOME TAX PROFESSIONALS**