

5 THINGS THAT CAN GO WRONG WITH ROLLOVERS TO AN SMSF



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INTRODUCTION

When you establish a Self Managed Superannuation Fund (SMSF), you may already have superannuation monies held in another superannuation fund or many superannuation funds.

If you've made the decision to consolidate your superannuation monies into your SMSF, it pays to know what hurdles you might encounter in the process.

Here are 5 things we've seen go wrong with the SMSF Rollover process and tips to help you avoid them:

YOUR PERSONAL DETAILS RECORDED WITH THE SMSF ARE NOT THE SAME AS THOSE RECORDED WITH THE ATO



It is a mandatory requirement that a superannuation fund utilises the SMSF Member Tick Service when they are completing a rollover. If your data does not verify against details held by the ATO the rollover cannot be processed. You will then need to determine what details do not match up and work through the process of updating those details either with your SMSF or the ATO.



Make sure the details recorded when you set up your SMSF are identical to those held by all government departments.

YOU DO NOT CHECK WHAT REQUIREMENTS YOUR EXISTING FUND HAS TO ROLLOVER YOUR BENEFITS TO YOUR SMSF



As well as complying with mandatory checking requirements, a superannuation fund rolling money to an SMSF also has prudential obligations. The Australian Prudential Regulation Authority (APRA) requires superannuation funds to have in place a risk management framework that identifies and mitigates risks associated with identify fraud. So each superannuation fund will have their own set of requirements applying to members rolling out of their superannuation fund.



**QUICK
TIPS**

Check with your existing superannuation fund what their rollover requirements are. Initiating rollovers from your SMSF via SuperStream to speed up the process may not succeed if you haven't already met the requirements of your existing superannuation fund.

YOU DO NOT CHECK THE INSURANCE YOU CURRENTLY HOLD WITH YOUR EXISTING SUPERANNUATION FUND



Insurance can be a vital component of your overall financial security. Insurance will cease in your existing superannuation fund if the entirety of the balance you hold with them is rolled over. The ability to access insurance can change based on insurance policy eligibility criteria and your health so it may not be possible to simply re-instate insurance that is lost. It also may not be possible or financially practicable to set up an insurance policy in your SMSF so you may find yourself uninsured.



Check with your existing superannuation fund what insurance you hold with them

YOUR SMSF IS NOT SET UP FOR SUPERSTREAM



It is necessary for rollovers to be actioned via SuperStream. Your SMSF Administrator is best placed to register your SMSF for SuperStream as part of the platform they use to prepare your annual accounts.



Check with your SMSF Administrator to make sure that your SMSF has been registered for SuperStream

YOUR SMSF BANK ACCOUNT IS NOT IN THE CORRECT NAME



It is a mandatory requirement that a superannuation fund utilises the SMSF Verification Service before they roll money over to an SMSF. As well as checking the SMSF ABN, complying status, Eligible Service Address (ESA), Member TFN's, the service also checks that the SMSF bank data matches those held by the ATO.

The SMSF Bank Account Name should be recorded as Trustee Name as trustee for SMSF Name – for example:

Trustee Name = Smith Pty Ltd SMSF Name = Smith Super Fund

Bank Account Name should be recorded as "Smith Pty Ltd ATF Smith Super Fund"



Make sure you set your bank account up in the correct name and check with your SMSF Administrator that the bank details are recorded correctly on your SMSF's tax records.

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