

Compare the features of small funds and super wraps

There are two types of small superannuation funds – self-managed superannuation funds (SMSFs) and small APRA funds (SAFs). Together we refer to these as ‘small funds’ because the number of members within these types of funds is limited to four or less.

Making the decision to establish a small fund for your clients is a significant step toward empowering them to take control of their superannuation investments. For clients with larger balances, small funds can offer significant advantages over super wraps, such as:

- a wider investment menu
- effective tax planning
 - tax credits are passed back in full to fund members (and not shared or proportioned with other fund members)
- our small funds allow members to move seamlessly from the accumulation to the pension phase without triggering capital gains tax or a restart of their portfolio, and
- fund members can control when capital gains are realised
- estate planning opportunities
 - fund assets can be held on a flexible basis for the benefit of fund members, which may result in tax advantages for the fund, and
 - lump sum payment of benefits may be able to be made by transferring assets to the benefit recipient.

Small funds v super wraps

	Small funds	Super wraps
Legal structure	Small funds permit members to establish their own fund	Super wraps provide membership of a single fund
Fund regulator	SMSFs are regulated by ATO SAFs are regulated by APRA	APRA
Membership	Four or less members in each fund	Unlimited number of members in a single fund
Title to assets	Held in the name of the trustee	Held in the name of the trustee and/or custodian
Identity of the trustee and therefore compliance responsibility	SMSF – fund members SAF – professional trustee	Professional trustee
Management of the fund	High level of control rests with members of the fund	Control rests with the fund provider
Investment menu	Driven by the members of the fund	Set by the fund provider

Not all small fund offers are the same

AET Super Solutions is one of only a few institutions to offer both SMSFs and SAFs. This means you have the flexibility to design retirement strategies that are tailored to the particular objectives of each of your clients; they can choose the level of involvement and therefore responsibility they want with the operation and management of their small fund.

Services to small funds can be fragmented. For example, for one SMSF you may need the services of an accountant, an actuary, a solicitor, a financial adviser and an administrator. Our SMSF and SAF administration services have been purpose built to provide you with all-in-one trustee, investment and superannuation administration services from one platform.

For SMSF and SAF solutions, you and your network only need to liaise with one service provider – us.

Our small fund offers

Depending on the level of responsibility your clients want, we can offer them the choice between an SMSF or a SAF.

BOB

BOB is our all-in-one SMSF administration service that provides asset and super reporting. Even the simplest fund generates a mountain of paperwork, but BOB takes care of all that. As a member of the fund, your client retains the role of trustee, but BOB helps with the day-to-day administration of the fund.

Private Super Fund

Our SAF offering is the Private Super Fund (PSF) which enables you to offer your clients a small superannuation fund solution without the burden of trustee responsibilities.

Our PSF provides an all-in-one trustee, investment and superannuation administration service; we look after the day-to-day administration as well as the annual reporting requirements, giving you and your clients the time to concentrate on the investment strategy and mix rather than the fund's compliance.

Would you like further information?

We want to help you grow your business. To help you do this, we have a Technical Services Manager, a Training Manager and team of Business Development Managers to support you and your office staff.

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