



## Welcome to Asset

Your Merit Wealth update for  
Limited Authorised Representatives

## Welcome to 2017

Hopefully you managed to have a break over the Christmas/ New Year period.

It looks as though we all have a busy 2017 in front of us and SMSF work will be in the forefront.

With a range of superannuation changes coming into effect during this year, clients will be seeking advice from their accountants and advisers on how they can best manage and position themselves for the changes.

These SMSF members between 55 and 74 years of age are the ones most likely to be affected by the superannuation change. And this provides you with a great opportunity to be on the front foot with your

SMSF clients and to be their primary adviser in relation to their SMSF matters.

In this edition of Asset we focus on some of the changes and things your clients should be looking at.

To assist you in working with your clients we will be providing you with a range of strategies, tools and communication resources to use throughout the year.

In addition you have access to the Merit Wealth Adviser in your area who can assist you, where your client has needs beyond those you can provide under your Limited Authorisation.

Greg Hayes



## 2016 SMSF STATISTICS



The statistics tell the story ~  
Here are the numbers from 2016

Number of SMSFs

581,736



SMSF Members

1,098,799

2016 New funds  
established

33,022



Members by Age

55 to 64yrs = 28%  
65 to 74yrs = 23.8%

New Contributions

\$33 Billion



Total Assets in  
SMSFs

\$611 Billion

# 2017 is all about Super

Here are some of the conversations you might want to have with your clients based on the changes.



Under the headline column we show the possible question to be asked of the client. We then explain why this is an issue and the possible action to be considered. Obviously each strategy and client position needs to be considered individually to determine whether or not it would be appropriate.

Headline	Changes that are coming	Possible action
<p><i>Should you be making or looking to maximise your non concessional contributions by 30 June 2017?</i></p>	<p>From 1 July 2017 where a members superannuation balance exceeds \$1.6 million they will not be eligible to make further non-concessional contributions.</p> <p>Subject to this \$1.6 million member balance cap, the non-concessional contribution will be reduced to \$100,000 per year and under the bring forward rule, a maximum of \$300,000.</p>	<p>This is the last year that clients with balances over \$1.6 million will be able to make non-concessional contributions.</p> <p>Clients may want to maximise contributions this year and utilise available bring forward rules.</p>
<p><i>Should you be looking to maximise your concessional contributions for the year ended 30 June 2017? And will this require a salary sacrifice arrangement?</i></p>	<p>From 1 July 2017 the concessional contribution cap will be reduced to \$25,000.</p>	<p>Clients may want to maximise their concessional contribution for the 2017 financial year (\$30,000 or \$35,000 if over 49 years of age).</p> <p>May need to consider salary sacrificing to achieve this.</p>
<p><i>Are you planning any in specie property transfers?</i></p>	<p>From 1 July 2017 the reduction in non-concessional contributions to \$100,000 and the related bring forward rule, \$300,000, will limit contributions that can be made in any one year.</p>	<p>Do clients need the current higher contribution and bring forward rules (available until 30 June 2017) to facilitate any in specie transfers.</p>

Headline	Changes that are coming	Possible action
<i>Should you be considering contribution splitting to stay below the \$1.6 million cap?</i>	From 1 July 2017 where a members superannuation balance exceeds \$1.6 million they will not be eligible to make further non-concessional contributions.	Where a client is close to the \$1.6 million cap it may be appropriate to split prior year contributions with their spouse (up to 85% of concessional contribution).
<i>Do you have any related party loans within your SMSF, where the higher concessional contribution rules may assist to resolve?</i>	From 1 July 2017 the reduction in non-concessional contributions to \$100,000 and the related bring forward rule, \$300,000, will limit contributions that can be made in any one year.	Do clients need the current higher contribution and bring forward rules (available until 30 June 2017) to assist in resolving any related party loans within their SMSF.
<i>You will be over age 65, on 1 July 2017 – should you maximise your contributions this financial year?</i>	Eligibility to contribute to superannuation post 1 July 2017 will be subject to a work test at the time of contribution.	Where clients may not meet the work test, post 65 years of age, they may wish to maximise their contributions for the year ending 30 June 2017.
<i>Would you like to save some tax once you start drawing down on your superannuation?</i>	Reduced contribution limits may impact the ability of clients to maximise their re-contribution position.	Re-contribution strategies can assist some clients to reduce their ultimate tax exposure on superannuation drawdowns. Should they take advantage of the higher contribution limits in the 2017 financial year.
<i>Should you reset the cost base of assets being moved back into your accumulation account?</i>	Where a pension account balance has more than \$1.6 million there is an opportunity to reset the cost base of assets when transferring assets back into accumulation account.	Trustees may wish to identify assets with unrealised capital gains, where cost base reset may be required and CGT relief will need to be claimed.
<i>Should you undertake a transition to retirement (TTR) strategy?</i>	From 1 July 2017 TTR pensions will lose their tax exemption on fund earnings.	Clients who do not require the pension may wish to commute their TTR back to accumulation phase to avoid reduction in fund account.



## Dates for your Diary

### LAR PD - Feb/Mar 2017

**Melbourne** 6 February  
**Brisbane** 8 February  
**Newcastle** 13 February  
**Sydney** 27 February  
**Perth** 16 March

### LAR PD - May/June 2017

**Perth** 16 May  
**Brisbane** 18 May  
**Newcastle** 22 May  
**Sydney** 29 May  
**Melbourne** 1 June

### LAR Conference 2017

Friday 28 July 2017

## Talking to your clients



With all of the different superannuation issues in play this year, the challenge is how to get the information to your clients and to manage the advice process. One great way to talk to a lot of clients at the same time is through a client seminar.

We have created an Update seminar for your clients with various support material to assist in promoting and delivering the program.

Not only can you get the key information to your clients in a single program but you also have client feedback forms that assist you to know who needs follow up and requires further assistance.

Delivering seminar programs positions you as the expert. Great credibility and great exposure for your clients.

**This seminar pack is provided complimentary to our Limited Authorised Representatives.**



To access your copy of our seminar program pack please speak to Justin Viney on 1300 785 611 or [Justin.viney@meritwealth.com.au](mailto:Justin.viney@meritwealth.com.au).

# We're Here to Help You – Call 1300 785 611

We have a team of people who are keen to assist where you need it - but who is the best person to speak to? If the person you're after is not available, Elyssa will have them call you back asap.



## Scot Andrews

Scot is your man for any compliance queries.  
[scot.andrews@meritwealth.com.au](mailto:scot.andrews@meritwealth.com.au)



## Elyssa Feekings

Elyssa takes care of administration, PD, training and if you need to have additional people authorised.  
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## Vivian Wang

Vivian looks after your SOAs or para planning requirements.  
[vivian.wang@meritwealth.com.au](mailto:vivian.wang@meritwealth.com.au)



## Justin Viney

If you need to be connected to a Merit adviser in your area for advice beyond your Limited Authorisation.  
[justin.viney@meritwealth.com.au](mailto:justin.viney@meritwealth.com.au)



## Garth McNally

Garth is your go to man for superannuation technical issues .  
[garth.mcnally@meritwealth.com.au](mailto:garth.mcnally@meritwealth.com.au)



## Helen Costi

Helen is Head of Operations and the person you talk to when you're not sure who to talk to.  
[helen.costi@meritwealth.com.au](mailto:helen.costi@meritwealth.com.au)



## David Moss

David is Head of Accountant's Services & new LAR appointments.  
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## Compliance Audits

We complete compliance audits on all advisers at least once per year.

This is an important part of our compliance process to assist in ensuring that advisers are on track and to ensure that everyone is meeting their compliance obligations.

A certain number of advisers will be selected each month for audit review. Typically you will have 4-6 weeks notice in advance of your audit.

The audit process has been designed to be as efficient as possible, with only limited intrusion on your time.

Scot Andrews manages this compliance process. If you have any queries on this please give him a call.

Whilst we will endeavor to accommodate requests for change in proposed audit dates, all advisers must complete an audit during the annual cycle.