

## **Winding up a SMSF**

**By Luis Batalha, Director & Nitasha Deo, Law Graduate**

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If you have made the decision to wind up your SMSF, there are some procedural steps you will need to follow to ensure the fund's obligations are met prior to its closure. Below is a summary of why SMSFs are commonly wound up, and what trustees must do to wind up the fund in accordance with the ATO's requirements.

### **Why trustees wind up SMSFs**

Running a SMSF can be hard work, requiring a lot of time, skill and expertise. Some trustees realise that they are not ready for the task of managing their own super fund and decide to wind it up.

Other circumstances in which a SMSF may be wound up include where all the members and trustees have left the fund, or when all the benefits have been paid out of the fund.

### **What you need to do**

Winding up a SMSF involves dealing with the assets of the fund and meeting all relevant reporting and administrative requirements.

After making the decision to wind up a SMSF, the trustees must do the following:

- notify the ATO in writing within 28 days of the fund being wound up, and
- deal with the members' benefits in accordance with super laws and the fund's trust deed, ensuring that all assets are disposed of. This may include making termination payments to members or rolling over their benefits to another fund
- undertake a final audit of the fund in order to lodge the final annual return,

and

- complete any reporting obligations to the ATO and pay any final tax liabilities.

The ATO will confirm the wind up in writing, and the fund must wait for this before closing its bank accounts. Once a SMSF has been wound up, it cannot be reactivated unless the wind up was in error.

If you are having trouble understanding the steps involved in winding up your SMSF or would like help in doing so, seek advice from a legal advisor to ensure that all the relevant obligations are met and your super fund is wound up correctly.