



**INFORMATION ABOUT OUR  
SMSF REGULATORY COMPLIANCE &  
ADMINISTRATION SERVICE**

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## About the Administrator

Tranzact Super is a fully independent Self Managed Superannuation Fund Compliance & Administration Bureau. Tranzact Super does not have any involvement in the Fund's investment strategy or individual investments made. Tranzact Super specialises in the provision of web enabled administration and compliance services to Self Managed Superannuation Fund trustees and advisers throughout Australia.

Tranzact Super operates as an authorized representative of Tranzact Consulting Limited, a holder of an Australian Financial Services License which authorises Tranzact Super to advise on superannuation matters only. Tranzact Super provides associated services which require a license such as the provision of trust deeds, pension establishments and advice on the strategic operation of the Fund. Tranzact Super does not provide investment advice, investment facilities or financial planning advice.

## About the Service

### The Administration Process

Tranzact Super works to ensure that all reporting deadlines and audit requirements are met so as to avoid the imposition of penalties. The Fund records are maintained in an efficient and auditable manner. Where a Fund has a Financial Adviser all contact with the Fund Trustees is directed via the Adviser no direct contact is made between Tranzact Super and the Trustee of a Fund unless the Fund Adviser specifically requests it.

The Trustees are responsible for the investment strategy of the Fund which must be provided for the auditor. All investments made by the Fund must be made in accordance with the investment strategy which may be altered at any time.

Tranzact Super does not guarantee the Fund's compliance as we have no control over Fund activities or investments but our 24/7 administration service is designed to assist Financial Advisers, Accountants and Fund Trustees to detect and remedy any Compliance issues as they occur rather than several months after the event as is often the case when Funds administration and compliance is attended to on an Annual basis.

The ATO is the responsible body ensuring the compliance of Self Managed Superannuation Funds. The number of field audits and enforcement actions for compliance breaches is increasing yearly. Compliance issues are numerous and can be confusing to those who are not involved with the various matters on a daily basis, particularly in view of the ever changing legislative framework. To this end Tranzact Super applies our best efforts to ensure the Fund remains Compliant although the trustees and their immediate advisers cannot abrogate this responsibility. We suggest that any activity of a strategic or unusual nature be referred to us before it is proceeded with.

Remember that for the Fund to be complying for a year it must be complying for **every day** of the year. The penalty for non-compliance can be severe including fines of up to \$220,000, penalty tax on the **assets** of the fund of up to 45% (plus medicare) and up to **5 years jail**.

When Funds are transferred to our administration system we find that typically pension paperwork and the Fund Trust Deed are deficient or in appropriate. Where rectification work is required a charge will be levied which will vary with the work required but will never be greater than the cost of a Deed amendment or pension establishment as per our fee schedule. On an ongoing basis we assist in monitoring the appropriate Deed and the level of pensions paid to ensure ongoing compliance.

Under traditional administration arrangements the only opportunity the trustee and adviser have of perusing the accounts is at the end of the year. By this time any anomalies or errors will not be present as the accounts will have been audited, the holdings confirmed and any adjustments completed. By providing daily updates to our client accounts and making them available on the world wide web our processes are quite transparent. Though we pride ourselves on our level of accuracy and our compliance focus we do not profess to offer a "perfect" service on an unaudited

daily basis. Errors and anomalies do arise as it is not possible to maintain records to daily audit standard at all times. There are no investment restrictions , therefore, no standard list to choose from when identifying investments on which we are required to report. This may cause identification and valuation problems even with conventional managed funds as there are many instances where different funds from the same manager have the same name and values are either not available to be downloaded into our reports or reported on an irregular basis. This, and other potential problems, are exacerbated by a lack of timely and appropriate information. In order to avoid possible discrepancies appearing in our reports we urge Advisers Accountants and Trustees to take advantage of our Postal address for delivery of Fund information or otherwise ensure that Investment notices and other information in relation to their Funds are made available to us on a regular basis rather than once a year after Financial year end. .

Where a daily service is not required, or the adviser/accountant or Trustee wish to provide us information during the year on a quarterly or annual basis the pricing and fee collection will be the same. Each method involves fee collection on a monthly or quarterly basis.. A comparison between the yearly and quarterly or daily service follows:-

<b>Feature</b>	<b>Yearly</b>	<b>Daily</b>
<i>Daily data input</i>	No	Yes
<i>Daily queries raised for outstanding items</i>	No	Yes
<i>Web Access to Reports</i>	No	Yes
<i>Administrator Fee Basis</i>	Standard	Standard
<i>Administrator Fees Collected Monthly</i>	Yes /Set Fee	Yes

There are several parties involved in the administration process and it is important that mutual expectations be realistic and clear. The ongoing administration of the Fund is a joint process. Responsibility for the smooth flow and maintenance of all activities rests with all parties. The administrator's duties are to ensure the accurate processing of the data received and to assist the investment advisor and/or trustee in maintaining compliance within the Fund. The investment advisor's duties are to advise and liaise with the trustees on all matters and ensure that the flow of information between the trustees and the administrator is maintained either by post or email direct to Tranzact or by efficiently maintaining a flow of information that enables Tranzact to update the Funds details on a regular basis as per the Funds administration agreement either daily, monthly, quarterly or yearly

The trustee's role is to ensure that all relevant information is forwarded to the adviser or (where there is no adviser/ accountant ) to Tranzact Super in a timely manner, ensure that only complying activities are entered into and to advise the adviser/accountant (or where there is no adviser/accountant) Tranzact Super any errors or potential errors which may become apparent. The trustee is ultimately responsible for the Fund's activities and accounting. Fees are debited monthly from the Fund Bank Account.

## **Regular Reports on your Investment**

With the Daily service the Fund's current unaudited valuation, transactions and other information is available from the Tranzact super web site at [www.tranzacttotalsuper.com.au](http://www.tranzacttotalsuper.com.au) at anytime.

The Fund's yearly audited accounts report on the financial condition of the Fund and its investment performance.

## **Enquiries, Complaints and Dispute Resolution**

As the members of the Fund are also the trustees, the members do not have access to the Superannuation Complaints Tribunal.

Complaints against the Trustees must ultimately be resolved by the Trustees. Tranzact Super has established internal procedures for dealing with enquiries and complaints in respect of the services Tranzact Super provide.

If you have any enquiries or concerns about the administration of your Fund, you can:

- call Tranzact Super on 1800 644 804 - fax on (07) 3211 1455; or

- email [contact@tranzacttotalsuper.com.au](mailto:contact@tranzacttotalsuper.com.au); or
- write to Tranzact Super, GPO Box 849, Brisbane Qld 4001.

## Privacy

Tranzact Super is committed to protecting the privacy and confidentiality of the information entrusted to them. We are bound by the Privacy Act and the National Privacy Principles regulated by the Federal Privacy Commissioner. Further details are available on the Tranzact Super website at [www.tranzacttotalsuper.com.au](http://www.tranzacttotalsuper.com.au).

## How is Tranzact Super paid?

We operate on a flat fee structure. None of our charges are percentage based. We require payment for one-off services in advance and our ongoing fees are directly debited to the Fund Bank Account monthly. Where required, subject to favourable banking arrangements, we will collect the fees charged by third parties and remit them accordingly. To enable us to collect our fees in the most cost effective manner we require that every fund maintains a Macquarie Cash Management account as the fund's cash account. Tranzact Super does not receive any remuneration from Macquarie Bank however Financial Advisers with a Proper Authority from a registered Dealer Group may be entitled to receive a commission of 0.25% per annum on the daily Macquarie account balance.

There are initial fees, ongoing fees and expenses in relation to the establishment, operation and administration of the Fund. These will be charged directly by Tranzact Super. The fees charged by Tranzact Super and its associates for the Tranzact Super services are discussed below. All fees are inclusive of GST where applicable. All fees, including trust deed upgrades, audit and actuarial fees, are payable by direct debit from the account nominated in the Tranzact Super Direct Debit Request form.

The fees and charges stated in this PDS are current at the date of this PDS. These fees and charges are indexed to a maximum of the greater of CPI and 5% on 1<sup>st</sup> July each year and may be subject to other changes in the future. Any such change will be posted on the Tranzact Super web site at [www.tranzacttotalsuper.com.au](http://www.tranzacttotalsuper.com.au).

## Fee Summary

<b>Initial Fees for <i>New Funds</i> (Inclusive of GST)</b>	
Establishment on the Tranzact Super System	\$465
New Trust Deed	\$520
Corporate Trustee (If required)	\$960
<b>Initial Fees for <i>Existing Funds</i> (Inclusive of GST)</b>	
Establishment on the Tranzact Super System	\$990 Deferred. This fee is waived in full if the fund remains a client for 36 months
<b>Ongoing Administration Fees (Inclusive of GST)</b>	
Monthly Fee where there is an adviser intermediary	\$138.60 plus \$7.85
Monthly Fee where there is NO adviser intermediary	\$152.45 plus \$8.65
An investment is any investment or cash account in the fund at the beginning of each month that has a balance. A consolidated platform is counted as 2 investments regardless of number of investments under 40. The fund bank account is counted as 2 investments unless it is a Macquarie CMA. Additional Fees may apply for Non Standard Investments ongoing.	
<b>Other Fees (if applicable)</b>	
Member Account Fee	Nil
Pension Administration Fee	Nil
Preparation of GST Returns & Activity Statements	Nil
Withdrawal as a Pension Payment	Nil
Asset Purchase Fee	Nil
Non Standard Asset Purchase Fee	Nil
Additional annual fee for Fund with Property	\$440
Additional annual fee for Fund with Limited Recourse Loan (where asset acquired is property, \$440 above additional fee does not apply).	\$880
Lump Sum Withdrawal (including Pension Commutation not involving the establishment of a new pension).	\$110
Standard Audit from Independent Auditor (additional fee may apply for complex audit)	\$550
Pension Establishment	\$650
Pension Sweep/ Reboot	\$350
Actuarial Fees:	
- Tax Certificate for 'Exempt Current Pension Income'	\$370
- Solvency Certificate for Defined Benefit Pension (DBP)	
o Single DBP	\$665
o Single DBP plus one or more non DBP	\$830
o As above for extra DBP	\$210
ATO Lodgement Fee (Mandatory)	\$150
Lodgement of Australian Taxation Office Returns by Registered Tax Agent (includes any number of Lodgements)	\$187
Preparation of Tax Return & Financial Reports if a client of the service when they are prepared	Included in Administration Fee
Fund Wind up	POA
Fund Transfer from Tranzact Super	\$230 except where deferred establishment fee is paid
Corporate Trustee Registered Office (if required)	\$315 per annum
ATO Audit	Time Costed
Upgrade of Rules of Fund (Deed of Variation)	\$570

Change of Trustee	\$350
Change of Fund Name	\$350
Change of name of Company	\$605
Upgrade Constitution of Company to SMSF Sole Purpose Trustee Company	\$350
SMSF Consulting	P.O.A.

### Example

1.

A Fund with a Wrap Account (including the wrap cash account) and 1 Macquarie CMA Account.

The Standard fee is

Monthly Tranzact Super Fee	
Base Fee \$138.60 + Investment fees (3 X \$7.85) =	\$ 162.15/mth
Yearly Cost	\$1,945.80 per annum
BAS Refund	<u>\$ 133.00</u>
<b>Net Fee</b>	<b><u>\$1,812.80</u></b>

2.

A Fund with 10 Standard investments. (utilising adviser intermediary)

The standard fee is:

Base Fee \$138.60 + (Investment fee \$7.85 X 10 = \$217.10pm

Monthly Tranzact Super Fee	\$217.10/mth
Base Fee \$138.60 + (Investment fee \$7.85 X 10) =	\$217.10/mth
Yearly Cost	\$2,605.20 per annum
BAS Refund	<u>\$178.00</u>
<b>Net Fee</b>	<b><u>\$2,427.20</u></b>

### Fees for Retrospective Administration

To bring existing Fund records up to date, the above charges are levied for each month of work required. The fees will be debited as soon as practicable after the commencement of the administration process and may be a minimum monthly fee until such time as the records have been sufficiently completed to enable the fees to be calculated correctly based on the number of investments each month.

### Administration of the Fund

#### Administration Agreement

Tranzact Super administers the Fund under the terms of the Administration and Compliance Agreement. **Please ensure you read it carefully.** Under this agreement Tranzact Super is appointed by the Trustees as the administrator to manage and administer the Fund on a day-to-day basis. The Fund may be established under the comprehensive and flexible trust deed provided via Tranzact Super. If it is not then certain Fund functions and options mentioned in this PDS may not be available.

The Trustees are required to formally document the investment strategy of the fund. The investment strategy is subject to certain restrictions imposed on superannuation funds by Superannuation laws. The Trustees are required to make all investments in accordance with the documented investment strategy. The Fund's financial adviser may assist the Trustees in determining the investment strategy to best suit the members' needs.

The Trustees are responsible for monitoring investments, strategies and objectives, and supporting systems to ensure compliance and to minimise risk. The Trustees will always retain control of the Fund's bank accounts and as such will make all deposits and payments in relation to the activities of the Fund. This includes, for example, the member contributions, investment income and proceeds from sale of investments, as well as pension payments, tax payments and payments for purchases of investments. The Trustees will need to provide transaction receipts, written confirmations and bank statements to Tranzact Super in order for these transactions to be reflected in the financial records of the Fund.

Tranzact Super, as the Fund's administrator, may enlist the services of other service providers from time to time and has negotiated ongoing relationships with service providers for the provision of trust deeds, audit, actuarial services and certain administration functions. As the agent of the Trustees, Tranzact Super will engage service providers as necessary.

Tranzact Super will charge the Trustees a fee for these services as per Tranzact Super's Fee Schedule and some of this fee or the entire fee may be paid to the service providers. Tranzact Super may change its service providers from time to time without notice to the Trustees.

The Trustees are free to select insurance and arrange for premiums to be paid. The Fund's financial adviser may assist the Trustees in selecting an appropriate level of insurance cover to meet the needs of members.

## **Taxation Matters**

All Tax Agent services are attended to by an external Registered Tax Agent ('RTA'), nominated by Tranzact Super. Prior to performing any Tax Agent services on behalf of the Fund the RTA is required to be appointed as the Fund's Tax Agent for income tax, activity statement and other related tax matters.

## **Transferring the administration of the Fund**

### **To Tranzact Super**

Transfer of an existing fund to the Tranzact Super compliance and administration system is deemed to take place from the date of the last audited accounts. As a minimum Tranzact Super requires a copy of these accounts, evidence of all transactions from that date, the cost base of existing investments and the Fund records generally. We will then advise what further items are required, if any. We do not automatically require an existing fund to update its deed however we do not guarantee that a deed, other than one we have provided, can provide all the SMSF features mentioned above.

### **From Tranzact Super**

The Trustees can transfer the administration of the Fund from Tranzact Super to themselves or another nominated administrator at any time subject to the Administration Agreement by giving 30 days notice in writing.

Tranzact Super may determine whether or not to provide Administration and Compliance services to a Fund and may use its own discretion to cease services by giving 30 days written notice to the Fund trustees,

Non Complying Funds will not be provided with services.

Tranzact Super will return Fund documentation to the Fund trustees or new administrator as directed as soon as practical and where possible within 30 days of receiving a request to transfer the Fund provided no processing of current years work is required.

A one off fee of \$230 will be payable by the Fund to cover pack up and transportation costs except where the deferred establishment fee of \$990 is paid. Details of fees payable by Funds transferring from our services are included in the Administration Agreement.

### **Winding up the Fund**

The Trustees can wind up the Fund at any time. This will generally involve disposal of all the Fund's assets and either rolling over all member benefits to another complying superannuation fund or making final benefit payments to the members. Disposal of the Fund's assets will realise capital gains and/or losses in the fund which, along with fund income, may become taxable. The Trustees will be required to pay fees and charges applicable to the Fund, including a fee to wind up the Fund.

### **Product Disclosure Statement for a SMSF**

We encourage you to read the Product Disclosure Statement (PDS) of the Strategist SMSF Trust Deed. This PDS will provide you with information concerning establishing and running a SMSF. This PDS is available from our website or by contacting our office for a copy to be sent to you.