

Accountant Letter Head

Date / Time

Client first Name Surname

Address

Suburb

State Post Code

Dear *[first name]*,

Updating of your SMSF Trust Deed [Name of Fund]

You will no doubt be aware that in the past two years' a large number of changes were made to superannuation law. Regular legislative changes in law, necessitate that SMSF deeds be reviewed and updated at regular intervals. Having an outdated deed with invalid clauses not only poses a danger of not complying with current legislation, it could also deprive you of advantages of new strategies that have been developed in view of these latest changes.

The ATO also states **"As a trustee, you need to make sure the trust deed is regularly reviewed and updated so it complies with the super laws (including changes to the law) and the members' needs."** In our review of your deed, there are too many changes in law - (a few important ones mentioned below) and we believe, that now is a good time to consider updating your super fund trust deed.

1. Internally 'rollback' pensions to accumulation;
2. Segregate assets between accumulation and pension phases for exempt current pension income;
3. Who can or cannot contribute, based total superannuation balance (TSB);
4. Deal with excess transfer balance cap, automatic commutation of pensions;
5. Allow income streams and Account Based Pension (grandfathered);
6. Specify guardians for incapacity and death;
7. Identify the Power of Attorney when living overseas for more than 2 years;
8. Resettle pensions with flexible timing without mingling with accumulation account;
9. Allow reversionary beneficiary nominations with current pensions;
10. Valuation of certain assets to provide for CGT relief for assets held during 2016 - 17;
11. Cease or keep Transition to Retirement Income Streams and automatic conversion to retirement phase on meeting nil conditions of release;
12. Calculate member balances, across different funds for TSB;
13. Commencing new pensions from contributions and rollovers without the need for Statement of Advice.

Cost of updating

The amendment process involves deleting all the provisions of your deed, via a deed of variation and replacing them with a new set of governing rules. You will receive two bound copies of your new deed, minutes of meetings approving the changes and notice to members informing them of the change that has occurred. The cost will be **\$XXX (inc. GST) which includes / does not include unlimited updates for the next five years.**

A feature of the five year unlimited updates is that your trust deed will be kept updated automatically for the next 5 years by the law firm for you without any administrative burden on you, the process is simple and effective.

What happens next?

We have all the data in our office to update your fund's trust deed. Enclosed is our invoice for this work, please send us a cheque (or confirmation of EFT payment) from your SMSF bank account; please note this expense will be tax deductible to the SMSF.

When we receive your payment, we will arrange for the following documents

- Deed of Variation
- Trustee minutes to adapt the variation & notice to members
- Updated Trust deed

to be prepared and sent to you for your signature. Once you have signed the documents your SMSF trust deed will be updated.

Since we have quite a few SMSF trust deeds to be varied, we will not have enough time to send reminders to you, hence we request you to take action as soon as you receive this letter. We have appointed **Mr / Ms XXXXXX** in our office for this task; feel free to contact him / her at any time to know progress of updating of your trust deed.

Should you have any questions, on any matter, do not hesitate to contact the undersigned.

Kind Regards,

XXXX

Accounting Partner