



A Competitor Continues to Cry 'Wolf' – 'Small Dog Syndrome' or something more sinister?

Once again, Macquarie Group Services Pty Ltd (MGS) are up to their old tricks and have published a critique of 16 standard superannuation trust deeds supplied to the accounting/financial services industry (including the ACIS SMSF deed).

Once again, their published material is sufficiently vague that it is difficult to address the points raised in it with any meaning. Their main points, however, are that, in order to make additional payments to beneficiaries (anti-detriment payments), superannuation fund trust deeds must contain provisions allowing the trustee to do so and that the practice of using reserves to do so is somehow inappropriate as a strategy for making such payments.

MGS then claim that the ACIS trust deed is deficient in these areas.

And again, we have to point out that MGS are wrong. Our trust deeds have contained a method for paying anti-detriment payments via insurance proceeds since 1998 (the first in Australia to do so) and our deed has provided a reserving-based method for paying anti-detriment payments since the SIS Act was introduced in 1993. MGS are also incorrect in asserting that reserving is an inappropriate method of making anti-detriment payments.

Additional payments from a super fund can only be made by the use of reserves or insurance. Any such payments from a reserve have always been and continue to be counted towards the contributions cap whereas insurance payments do not.

Therefore, to claim that they have somehow circumvented this, we believe that MGS are deliberately being misleading in an effort to scare up business.

We should also, again, point out that Macquarie Group Services Pty Ltd is not in any way associated with Macquarie Group (including Macquarie Bank), although we think that perhaps they like to give that impression.

If you have any queries regarding anti-detriment payments and our SMSF deed, please call us toll-free on 1800-773-477.