

JOHN RAY PTY LTD SUPERANNUATION FUND

Signed pension commencement doc and SOA on following pages

Pension Summary Report

As at 30/06/2020

Member Name : Ray, John

Member Age : 61* (Date of Birth : 17/12/1957)

Member Code	Pension Type	Pension Start Date	Tax Free	Min / PF	Minimum	Maximum	Gross Pension Payments	PAYG	Net Pension Payment	Amount to reach Minimum
RAYJOH00010P	Account Based Pension	01/11/2019	7.65%	2.00%	\$2,850.00*	N/A	\$3,000.00	\$0.00	\$3,000.00	NIL

*COVID-19 50% reduction has been applied to the minimum pension amount

					\$2,850.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00
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Total :

					\$2,850.00	\$0.00	\$3,000.00	\$0.00	\$3,000.00	\$0.00
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*Age as at 01/07/2019 or pension start date for new pensions.

Statement of Advice

Prepared for

John Ray

Nicole Bryant

Managing Director | Chartered Accountant



Mobile: **0400 621 832** | Telephone: **07 3844 5555**
Suite 4, 220 Melbourne St, South Brisbane QLD 4101 |
PO Box 3555, South Brisbane BC QLD 4101

Email: nicole.bryant@macrogroup.com.au | Web: www.macrogroup.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Responsible person: Nicole Bryant | Chartered Accountant
Limited AFSL: 485843 Authorised Representative: Nicole Bryant

What this document is about

John, this document (called a Statement of Advice or SOA) is set out in the following way:

- Section 1 sets out the **scope** of my advice
- Section 2 sets out **your circumstances**
- Section 3 sets out **my advice**
- Section 4 sets out any **risks** and disadvantages
- Section 5 explains other **important things** such as our **fees**
- Section 6 must be completed by you so that we are **authorised to proceed** with implementing the advice.

My contact details

You can contact me on: 07 38445555

My email address is: Nicole.bryant@macrogroup.com.au

Postal address: **PO Box 3555, South Brisbane, Qld 4101**

Our website address is: www.macrogroup.com.au

Section 1: Scope of this advice

We have agreed to provide you with advice in relation to

- Starting a pension from your SMSF.

This advice is limited to this issue. We are not providing any other advice regarding the investments in your SMSF.

Section 2: Your circumstances

Objectives, financial situation and needs

You have said that you:

- Have ceased working and you will no longer be earning any income.
- You are unwell and want to ensure you and your family has sufficient access to your funds in your SMSF.
- You are currently 61 years of age.

Our advice is based on the information we have collected from you, including your personal circumstances. This information is retained on our files as your on-going tax advisor.

Complete and accurate information

It is important that the advice is based on complete and accurate information. If you have not provided us with full and accurate information, our advice may not be appropriate, and you should consider the appropriateness of our advice to your circumstances before acting on it. If you are unsure about anything in this SOA, you should contact us immediately.

Section 3: My advice

This section sets out my advice, and why it is appropriate for you.

I recommend the following:

1. Create an uncapped reversionary pension to Susan for the entire balance of your superannuation account.

- a. This means that a pension account will be started in your SMSF.
- b. This mean that you will need draw a minimum of 4% of your pension balance each year. This is approximately \$5,710 per annum based on current balances on your fund. You can draw more than the minimum.
- c. The pension will revert to Susan upon your death.

2. This advice is in your best interests because:

- o You can draw down whatever cash funds you need this year and this amount will not be taxed in your personal name.

- Your portion of your SMSF will become tax free.
- In the event of your death, the pension will revert to Susan and she will be able to draw a minimum of 4% of the balance of the account each year or more if required.
- If your account is not converted to a pension then upon your death your entire balance will need to be paid out to Susan. This may require selling of investments.
- We believe it should leave you in a better off position as a portion of the SMSF will be tax free, an amount of income can be drawn down tax free this year and the payout of an entire balance will not be required.
- Please note: You are not required to use us to conduct your annual audits or ongoing administration of your SMSF - it is up to you to decide whether to use our services after the starting of this pension.

Section 4: Risks and disadvantages associated with my advice

In addition to the advantages set out in Section 3, you need to pay careful attention to and consider the potential risks and disadvantages associated with our advice, which are set out in the following table.

SMSF environment in the future	It may be unlikely that you will be unable to make any superannuation contributions after you turn 65 and therefore by drawing out those funds, you are taking them out of a tax concessionary environment.
Tax/Superannuation laws change	The Tax or Superannuation laws may change again in the future.
Breakdown in relationships	There are risks of a breakdown in the relationship between the members of the SMSF.

Section 5: Other things you need to know

We receive no commission in respect of the above advice.

You will be charged under your engagement letter at the hourly rates of \$110 to \$395 plus GST for this advice.

If you engage a financial planner to assist you with your investment strategy, they are likely to charge you an ongoing fee. They will provide details of this when you engage their services

Next steps

To decide whether to follow this advice, you should:

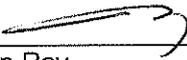
- make sure you understand the advice; and
- ask your adviser any questions you have.

To follow the advice, complete the Authority to Proceed on the next page and return it to your adviser.

Section 6: Authority to proceed

By signing below, you confirm that:

1. The scope of the advice as set out in Section 1 accurately reflects what you and we agreed to provide advice on.
2. You wish to proceed with the recommendations set out in this SOA.
3. You have received a copy of our current Financial Services Guide (FSG).
4. You have read this SOA and been given the opportunity to discuss it with your adviser.
5. You have checked that all the information in this SOA is accurate.
6. You accept that any fees and charges we receive as a result of the advice in this SOA are a benefit given to us by you, in exchange for the services provided by us. You understand, consent to, authorise and direct us to charge you in this way.
7. You authorise us to disclose and use your personal information in accordance with our Privacy Policy. See our Privacy Statement in Attachment 1 for a summary of how we use your information, and how to access our full Privacy Policy.

Signed	Client 1
	
Client name	John Ray
Date	28/10/2019

JOHN RAY PTY LTD SUPERANNUATION FUND



Minutes of a Meeting of the Director(s)

held on 28 October 2019 at

PRESENT: John Ray and Susan Ray

PENSION COMMENCEMENT: John Ray wishes to commence a new Account Based Pension with a commencement date of 01/11/2019.

The Pension Account Balance used to support this pension will be \$214,957.03, consisting of:

- Taxable amount of \$198,538.08; and
 - Tax Free amount of \$16,418.95
- Tax Free proportion: 7.64%.

CONDITION OF RELEASE: It was resolved that the member has satisfied a Condition of Release and was entitled to access their benefits on their Account Based Pension.

TRUSTEE ACKNOWLEDGEMENT: It was resolved that Trustee(s) have agreed to this and has taken action to ensure the following:

- The member's minimum pension payments are to be made at least annually
- An amount or percentage of the pension will not be prescribed as being left-over when the pension ceases
- The pension can be transferred only on the death of the pensioner to one of their dependants or cashed as a lump sum to the pensioner's estate.
- The Trustee(s) will comply with ATO obligations such as PAYG withholding and payment summary obligations
- The fund's trust deed provides for payment of this pension to the member
- The Trustee(s) will notify the member, in writing, of their pension amount and assessable amount each year.

REVERSIONARY: It is confirmed that the pension balance will automatically revert to Susan Ray upon the death of the member.

PAYMENT: It was resolved that the trustees have agreed to pay the pension payment for the current year of \$5,710.00 in the frequency of at least an annual payment.

CLOSURE: Signed by the trustee(s) pursuant to the Fund Deed.


John Ray
Chairperson

28 October 2019

JOHN RAY PTY LTD SUPERANNUATION FUND
John Ray
PO Box 3637, South Brisbane, Queensland 4101

Dear Sir/Madam

**JOHN RAY PTY LTD SUPERANNUATION FUND
Commencement of Account Based Pension**

John Ray and Susan Ray as trustee for JOHN RAY PTY LTD SUPERANNUATION FUND acknowledges that John Ray has advised their intention to commence a new Account Based Pension on 01/11/2019. It is confirmed that the pension balance will automatically revert to Susan Ray upon the death of the member.

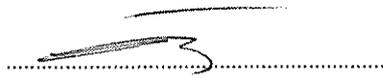
The Trustee(s) has agreed to this and has taken action to ensure the following:

- The member's minimum pension payments are to be made at least annually
- An amount or percentage of the pension will not be prescribed as being left-over when the pension ceases
- The pension can be transferred only on the death of the pensioner to their beneficiary(s).
- The Trustee(s) will comply with ATO obligations such as PAYG withholding and payment summary obligations
- You have reached your preservation age and satisfied a condition of release under the SIS Act.
- Establish that the fund's trust deed provides for payment of this pension to the member.

The trustee(s) have agreed to pay your pension payment for the current year of at least \$5,710.00. The frequency will be at the trustee's discretion however will be at minimum an annual payment.

If you have any queries with regard to the above, please do not hesitate to contact me.

Yours sincerely


.....
John Ray


.....
Susan Ray

28 October 2019

JOHN RAY PTY LTD SUPERANNUATION FUND
John Ray
PO Box 3637, South Brisbane, Queensland 4101

Dear Sir/Madam

**JOHN RAY PTY LTD SUPERANNUATION FUND
Commencement of Account Based Pension**

I hereby request the trustee to commence a Account Based Pension with a commencement date of 01/11/2019 with \$214,957.03 of the superannuation benefits standing to my member's account in the fund. It is confirmed that the pension balance will automatically revert to Susan Ray upon the death of the member.

This balance contains:
a Taxable Balance of: \$198,538.08; and
a Tax Free Balance of: \$16,418.95.
Tax Free proportion: 7.64%.

I have reached my preservation age and have currently satisfied a condition of release under the SIS Act.

I agree to withdraw my minimum pension of \$5,710.00 but will not exceed my maximum allowable threshold for the current period.

If you have any queries with regard to the above, please do not hesitate to contact me.

Yours sincerely


.....
John Ray
PO Box 3637, South Brisbane, Queensland 4101