Winding up a self managed super fund (SMSF)

Fast facts

Have a plan for when to wind up your SMSF

Have a plan for when to wind up. Even if you're not ready to wind up now, it will be much easier when the time comes if you start planning early.

Prepare an exit plan

- Your exit plan is unique to your fund.
- Make sure each trustee agrees with the exit plan.
- Ensure agreement with the exit plan is recorded.
- Check if there are rules in your fund's trust deed about how to handle specific life events.
- Keep your exit plan with the fund's records and make sure it's easy to access for all trustees.
- Regularly review the exit plan.

How to wind up an SMSF

Closing an SMSF can be complex and costly if you don't get it right.

Once an SMSF is wound up you can't reactivate it.

You must complete these tasks when winding up an SMSF:

- check your trust deed
- get written agreement from all trustees
- sell or dispose of your fund's assets
- finalise outstanding tax and compliance obligations
- pay outstanding expenses and tax liabilities
- calculate and distribute member benefits
- complete a final audit
- lodge your final SMSF annual return (SAR)
- notify third parties
- close your SMSF bank account.

Keeping SMSF records

Remember, as a trustee it is your responsibility to ensure proper and accurate tax and super records are kept for your SMSF.

When winding up an SMSF, you must make sure all trustees have access to the SMSF records after it has been wound up.

Depending on the type of records, there are different requirements for how long you must keep them, which may be for a minimum of either five or ten years.

Consider professional advice

You may need an SMSF professional to help you establish your fund, for the ongoing running of your fund and to help you wind up your fund.

While you can do a lot yourself, some professional support is mandatory.

Choose someone who is qualified, registered and licensed, and right for you and your circumstances.

Even if you use a professional to help with your fund, responsibility for the fund still rests with you.

Help and more information

The ATO and ASIC are co-regulators of the SMSF sector.

You can request specific advice on how the super laws apply to a specific SMSF transaction or arrangement.

Phone the ATO superannuation line on **13 10 20** from 8am – 6pm Monday to Friday.

Last modified: 11 Jul 2024