

**SMSF  
ASSOCIATION**

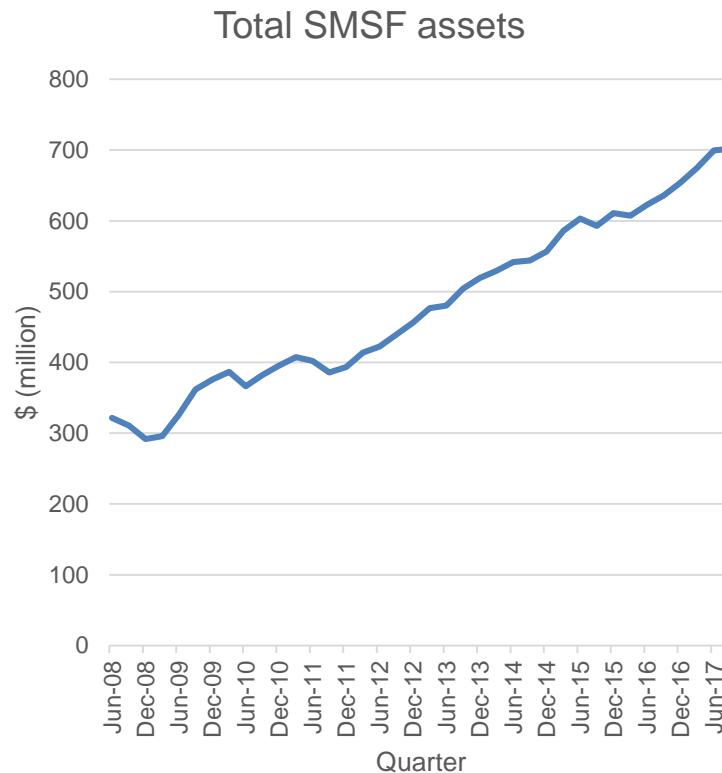
**Elder abuse and  
superannuation: A  
policy response to the  
Australian Law  
Reform Commission's  
elder abuse  
recommendations**

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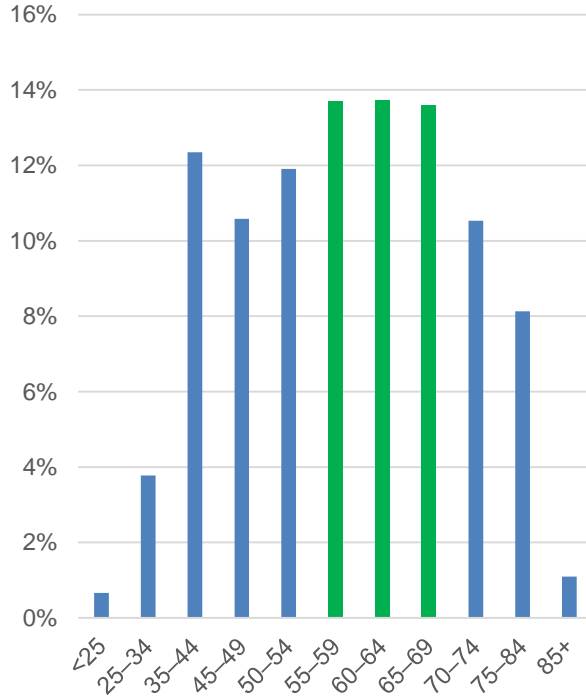


- Key SMSF statistics
  - 598,620 funds
  - 1,130,721 members
  - \$701.6 billion in assets

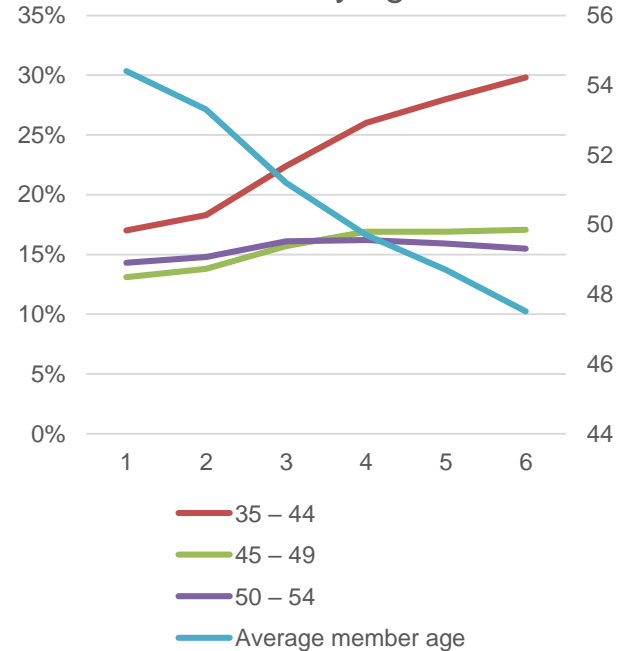
<b>Average and median assets 2015-16</b>	
Average assets per member	599,265
Median assets per member	362,280
Average assets per SMSF	1,126,863
Median assets per SMSF	641,983



SMSF members by age



Proportion of new SMSF trustees by age



- Key issues of aging SMSF demographic:
  1. Potential for financial abuse
  2. Loss of capacity to be a trustee through cognitive decline
  3. Death benefit disputes

- ALRC addressed both issues in report “Elder Abuse - A National Legal Response”
- SMSF/Superannuation targeted reforms
  - Replaceable rules in SIS Act to allow substitute SMSF trustee to replace trustee loss of capacity
  - SMSF trustees required to consider exit plan and succession planning as part of investment strategy
  - ATO notified to be notified where an enduring power of attorney is used in running an SMSF
  - Review of binding death benefit nomination laws
- Enduring Appointments reforms

- SMSF reforms are sensible
  - More focus on individuals considering later stages of having an SMSF needed
  - Replaceable rules remove poor outcomes from deficient trust deeds
  - Death benefit legislation review much needed
- EPOA reforms needed for consistency
- Advice and education as critical as law reform