# THE VOICE of Pensioners and Superannuants online

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**Self-managed super: could you do your own accounts and save?**

MANY self-managed superannuation funds (SMSFs) aren't all that busy. Many hold blue-chip, solid-dividend-paying (fully franked) shares, property or units in a managed fund.

They're like a sleeping country town in the middle of summer.

Nothing much happens from 1 July to 30 June.

In fact, the biggest activity undertaken by many an SMSF has nothing to do with the management of its assets but with compliance.

Each year the fund needs to be audited. To be audited, you have to prepare accounts and a tax return.

Preparation of accounts will easily set you back a few thousand dollars.

An audit comes to at least $400.

The ATO takes another $269 in a supervisory levy.

All that, and basically nothing has happened in your fund all year.

The problem is that accountants feel compelled to not just prepare a tax return, but also a set of accounts that meet the Australian Accounting Standards.

Not that they have to, but they do.

That's why it costs your fund several thousands of dollars each year to comply.

However, the legislation only requires SMSFs to prepare a special purpose financial report for the financial year. This means you don't have to meet Australian Accounting Standards, although your report must add up, of course.

You would need some sort of operating statement and a balance sheet showing member account balances. Your tax return would be based on those.

If your fund isn't very active, a special purpose financial report may be all you need. If you have accounting nous, you may be able to prepare this report yourself and save your fund a lot of money.

A word of warning, though. Just being able to add up, subtract, multiply and perform long division won't cut it. It does require an understanding of basic accounting concepts while completion of a fund's tax return, even a simple one, is finicky work.

You will still have to find an independent auditor (online) prepared to go over your special purpose financial report.

Unfortunately, there's no way to cut out the ATO supervisory levy either.

All this is not a criticism of professional accountants. They wisely stick to the Australian Accounting Standards to protect themselves.

Draft legislation just introduced will require "registrable superannuation entities" (retail and industry funds mainly) to prepare financial reports in accordance with Australian Accounting Standards.

Your SMSF, however, is not a registrable superannuation entity for the purpose of legislation. It can keep doing special purpose reports.

**Home Care Packages: aids and equipment may be harder to get**

BACK in July, we published an article about how your Home Care Package could pay for big (capital) items, such as an electric wheelchair or a walker.

You do this by saving up from your monthly payment until there is enough to cover such a one-off expense.

A recommendation by the Aged Care Royal Commission will mean that there will be a separate program to make aids and equipment and services available to Home Care Package recipients.

The recommended start date is 1 July 2022.

However, until such time as an aids and equipment program is implemented, you will have to make do with the old way of saving up.

This has become a little bit more complicated by a change in the way your Home Care Package provider is paid.

Until recently, the provider would be paid an amount towards your Home Care Package each month at the start of the month.

This changed on 1 September 2021. Providers are now being paid at the end of the month, after they have delivered services to you. They will only be paid for the services they have provided.

This measure is aimed at reducing the vast amounts of cash providers are holding for clients who don't fully spend their monthly allowance for three main reasons.

One is that their allowance is too big. They simply don’t spend all of it.

Another is that they are saving up for contingencies, when they will all of a sudden have to spend much more than they usually do.

Then there is the group who are saving up for aids and equipment.

The change is that your Home Care Package account previously being held by the provider is now being held by the Department.

It is reasonable that the Department is doing this because it means they make more effective use of the cash that pays for Packages. It means they can fund more Packages than previously.

However, this change also means that once your account balance has reached the point where you are able to fund a one-off purchase of an aid or piece of equipment, your provider would need to advance the money and be paid later: in arrears.

Here’s the Catch-22. Providers may not have the cash on hand to make the purchase on your behalf, but until they have made the purchase they won’t be paid by the Department.

If you currently have a Home Care Package or are in the process of choosing a Home Care Package provider, it is a good idea to ask individual providers how the purchase of capital items is handled by them.

**Electricity: how to register as a life support customer**

If you or someone you live with needs to use life supporting medical equipment at home such as home dialysis, ventilators or oxygen concentrators, you should register as a life support customer with your energy retailer as soon as possible.

Registered life support customers are given extra protections with their power supply. For example, when planned maintenance is to be carried out, life support customers are contacted well ahead of time with details outlining how long the power will be out.

Energy retailers may also assist in developing action plans for what people dependent on life support should do if an unplanned power outage occurs.

To begin the process, give your retailer a call to let them know that life support is required at your home. Their phone number will be on your energy bill.

You will then be sent an information pack on life support, including a medical confirmation form.

You will have 50 business days to have a medical practitioner (your GP or specialist) confirm that you require life support at home, complete the form and return it to your retailer.

From the day you notify your energy retailer, life support customer protections will be applied.

In addition to added protections, life support customers in NSW are entitled to an energy rebate to assist in increased energy bills because of the use of energy-intensive medical equipment at home.

Call Service NSW on 13 77 88 or visit this link if you live in a home where you are billed for energy directly or this link if you are an on-supply customer, meaning you receive a bill or invoice for energy issued by or on behalf of a residential community, retirement village or strata scheme.

This rebate is applied for every two years and you may receive multiple rebates if multiple life support machines are used.