

FinancialMappers® Pro

Masterclass

Retirement Accounts

**Superannuation / Pension
Self-Managed Superannuation
Annuities & Defined Benefit Funds**

Glenis Phillips B Ed., SF Fin

Designer of Financial Mappers
Director Plencore Wealth Ltd

glenis.phillips@financialmappers.com.au

0411 086 532

Version 22.10.2021

1300 162 945

Plencore Online Pty Ltd is a wholly owned subsidiary of Plencore Wealth Ltd and is the online retail section of the company. For additional information about the software, contact Glenis Phillips, the concept designer. (glenis.phillips@financialmappers.com.au or phone Direct Line)

Table of Contents

INTRODUCTION.....	3
ACCOUNT BALANCES AT START OF PLAN.....	4
Superannuation/Pension: Account Balances	5
SMSF – Account Balances	6
CONTRIBUTIONS.....	9
Employer Contributions	9
Personal Contributions: – Pre-Tax and After-Tax.....	11
ACCOUNT MANAGEMENT	21
Account Management – Superannuation Account.....	21
Account Management - SMSF.....	30
Fee & Life Insurance	31
Cash Account.....	32
Shares and Managed Funds	34
Real Estate.....	38
Rebalancing the SMSF account	39
Statistics	41
DRAWDOWN IN RETIREMENT.....	45
CALCULATION OF TAX.....	50
TRANSFER BALANCE CAP	51
ANNUITY AND DEFINED BENEFIT FUNDS.....	54
Valuation of Annuities – including Superannuation Rollover to Annuity.....	56
Return on Investment – Annuity.....	56
RETIREMENT INCOME	57
SAMPLE PLANS	59
CONVERSATIONAL SMARTPANELS	60
Annuities	60
Superannuation.....	60
SMSF.....	61
CONTACT	61

Introduction

It is almost impossible to find cash flow modelling software which integrates **Superannuation**, an **SMSF**, **Annuity** or **Defined Benefit Fund** within a holistic cash flow planning tool. This is one of the reasons, **Financial Mappers Pro** is such a valuable tool. The software allows you to demonstrate, in front of the client, how your expertise will save them money in one package is a very valuable modelling tool.

The **Superannuation/Pension** account is designed for clients who have a regular fund, managed by an external trustee. Because **Financial Mappers** has been developed for International use as well as Australia, the name **Pension** has been included in the name to meet the needs of that market.

The **SMSF** account is extremely important to both advisers and accountants. The aim of this account is to manage the **Asset Allocation** and **Cash Flow** when the fund has three or more separate accounts to coordinate within the SMSF and also include the cash flows of two members where required..

The **Annuity** is only accessed in the **Retirement Phase** and there is no allocation for Saving towards this fund. The same account can be used for clients with a **Defined Benefit Fund**.

As the **Superannuation/Pension** and the **Self-Managed Superannuation** are both Defined Contribution Funds, they will be discussed in parallel, with the **Annuity** type products in a separate section at the end of the document. The major differences between the SMSF and Super are:

- The **SMSF** may have two members for the account.
- The **SMSF** has three or more sub-accounts which are all interlinked
 - Cash Account (one only)
 - Shares and Managed Funds (one only)
 - Real Estate and Loan (one for each property)
- The **Superannuation Fund** can be converted to an **Annuity** at the start of Retirement

Clients may have multiple **Superannuation** and/or **SMSF** Accounts, but each partner can only have one account which is activated to receive **Employer Contributions**. If you are

using the **Starting Position** to import data to a plan, you should activate which account is the receive **Employer Contributions**. **SMSF** and **Annuity** information cannot be entered in the **Starting Position** and must be entered manually into the plan.

Account Balances at Start of Plan

In both accounts, the balances are tracked for the three types of contributions:

- Employer
- After-Tax Personal Contributions
- Pre-Tax Personal Contributions

Where the client exceeds the **Transfer Balance Cap**, an **Excess Accumulation Fund** will be introduced at the Start of the Drawdown.

With the **SMSF**, the account balances for both partners are combined, where the fund has two members. Where **Real Estate** is held, the ownership is allocated at the start of the plan proportionally according to the balances of the **Cash** and **Shares & Managed Funds** Accounts. If **Real Estate** is purchased after the start of the plan, the proportion is adjusted according to the value of additional contributions made to each fund.

Superannuation/Pension: Account Balances

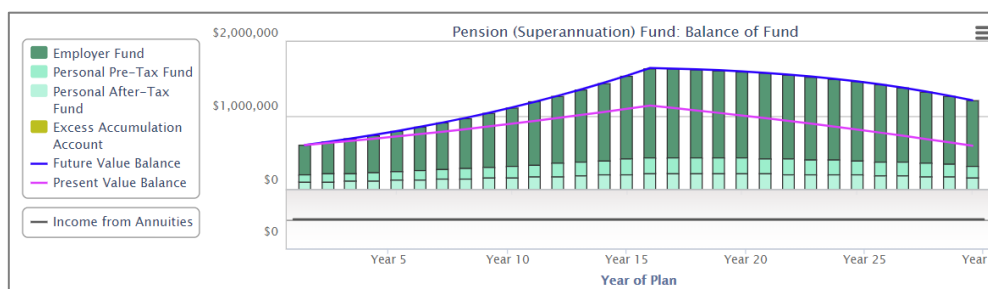
On the TAB, **Start Balance and Options**, you will need to save the account first, and then tick the box, **Calculate Employer Contributions**, if this is the account to which Employer Contributions are to be made. Only one account for each partner may be activated for Employer Contributions.

Note that it is on this page you can **Activate Contributions to Spouse** and elect the **Fund Type**. The **Fund Type** defaults to **Australian Superannuation**, which is the only country-specific fund type currently listed. If you select **Universal**, you can create a fund, with a customized set of rules. In **Australian Fund**, the **Gender** does not impact on the calculations and therefore is not relevant.

The screenshot shows the 'SUPERANNUATION/PENSION FUND : PARTNER A SUPER' form. It has four tabs: 'Start Balance & Options', 'Contributions', 'Returns, Fees, Insurance, Change of Funds & Roll into Annuity', and 'Drawdown'. The 'Start Balance & Options' tab is active. It contains the following fields and options:

- Description: Partner A Super
- Ownership: John
- Activate Fund?: ☒
- Calculate Employer Contributions?: ☒ (Note: Each person may have only one account receiving future Employer Contributions)
- Activate Contributions to Spouse?: ☐
- SUPERANNUATION/PENSION FUND TYPE:
 - Gender: Male
 - Format: ☐ Universal, ☒ By Country
 - By Country: Australian Superannuation
- START BALANCE:
 - Employer Contributions: Current Value of Employer Fund: \$400,000
 - Personal Contributions: Current Value of After-Tax Contributions: \$100,000, Current Value of Pre-Tax Contributions: \$100,000

The first graph displays the allocation of the fund, together with the FV and PV of the account balance. This balance is the balance at the Start of Year, before any Transactions, including the Drawdown.



SMSF – Account Balances

Due to the complexity of the SMSF multiple accounts, the account balances **cannot** be imported to a plan from the **Starting Position**.

In the **SMSF**, there are two TABs, to accommodate the information listed on the **Superannuation TAB**, **Start Balance & Options**.

On the TAB, **Options**, you must nominate whether the account is a **Joint Account** or for one of the two partners, where there is a Joint Plan.

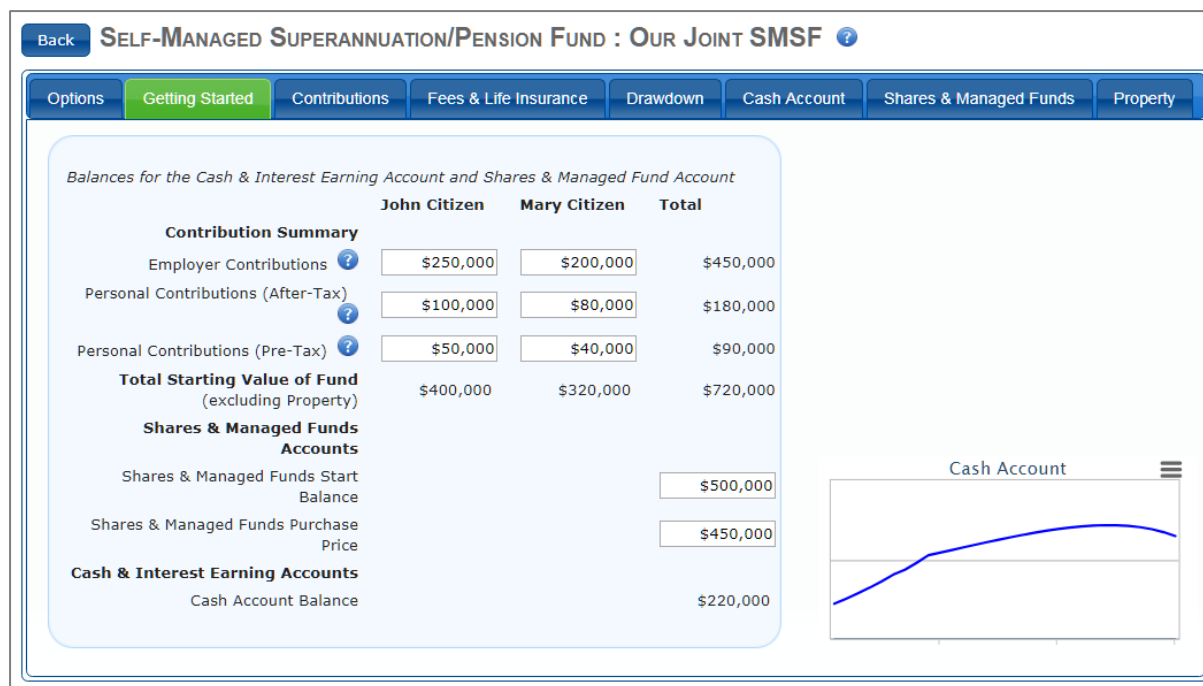
The screenshot shows the 'Options' tab of a software interface for setting up a Self-Managed Superannuation/Pension Fund. The title bar reads 'SELF-MANAGED SUPERANNUATION/PENSION FUND : OUR JOINT SMSF'. Below the title bar is a navigation menu with tabs: 'Options' (selected), 'Getting Started', 'Contributions', 'Fees & Life Insurance', 'Drawdown', 'Cash Account', 'Shares & Managed Funds', and 'Property'. The main content area is divided into two sections. The top section, titled 'Description', contains fields for 'Our Joint SMSF', 'Ownership' (set to 'Joint'), 'Activate SMSF?' (checked), 'Calculate Employer Contributions?' (checked for 'John' and 'Mary'), and 'Activate Contributions to Spouse?' (unchecked). A note states: 'Each person may have only one account receiving future Employer Contributions'. The bottom section, titled 'SELF-MANAGED SUPERANNUATION/PENSION FUND TYPE', contains fields for 'Format' (radio buttons for 'Universal' and 'By Country', with 'By Country' selected), 'Australian SMSF' (dropdown), 'John Citizen' (radio button), 'Mary Citizen' (radio button), and 'Gender' (dropdowns for 'Male' and 'Female'). On the right side of the bottom section is a line graph titled 'Cash Account' showing an upward trend.

On the TAB, **Getting Started** you commence with entering account balances. When setting up the account balances there are two sections. The first section is for entry of the values for the **Cash & Interest Earning Account** and **Shares and Managed Funds Account**. You must not include the value of property in these balances. Hopefully, you will have this information, or your client's accountant can provide it. The values of the three Contribution types are first entered:

- Employer Contributions
- Personal Contributions (After-Tax)
- Personal Contributions (Pre-Tax)

Financial Mappers Pro Masterclass

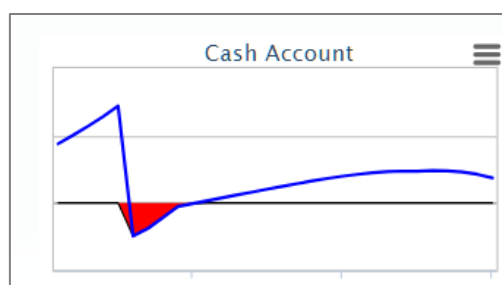
Below that you will need to enter the Value of the Shares and Managed Funds account, together with the Purchase Price. (An approximation should be OK). The program then assigns the balance to the **Cash and Interest Earning Accounts**. This is a screenshot for a Joint Account. Note the account balances are maintained for both partners in the same accounts.



Special Note on the Cash Account Graph

It is essential that the **Cash Account** is maintained with a positive balance. These screenshots are displaying the balance as the account is being created. If the **Cash Account** balance is negative, the balance will be below the horizontal line and shaded red as in this example.

This is an example where a Property is purchased in Year 5, with a \$450,000 Deposit. To maintain, the positive balance in the **Cash Account**, Shares & Managed Funds would need to be sold, so the proceeds of the sale are the Cash Account.



Financial Mappers Pro Masterclass

Where **Real Estate** is currently owned by the Fund, the details of each Property and Loan is entered under the TAB Property.

Back SELF-MANAGED SUPERANNUATION/PENSION FUND : OUR JOINT SMSF ?

Options Getting Started Contributions Fees & Life Insurance Drawdown Cash Account Shares & Managed Funds **Property**

Add New Property

Cash Account

Back SMSF PROPERTY : PROPERTY 1 ?

Property Fees Investment Return

Description

☒ Is this a property you currently own? ?

Current Property Value

Purchase Price (including costs)

Year Property Sold

Profit ?

% of Net Sale Price allocated to Shares & Managed Funds

ATTACHED LOAN

Loan Amount

Loan Term

Loan Type

Edit Loan [Property 1 \[Loan\]](#) ?

Save Cancel

Note that when the Property is sold, you can nominate what percentage of the net sale proceeds, can be used to purchase **Shares and Managed Funds**. This helps maintain the desired asset allocation.

Contributions

Employer Contributions

You must **Activate** the **Employer Contributions**, to one account only. Where a **Salary** account has nominated to have **Employer Contributions** applied, these contributions will be paid into the account but only to the limit of SGL. Note that caution should be used here, where you have more than one salary receiving the SGL, as this second account, may push the contributions over the limit SGL.

Back SALARY : SALARY A

Salary Details

SALARY DETAILS ?

Description: Salary A

Ownership: John

Salary Increase Method: Inflation

Activate Salary: ☒ ?

Calculate and Include in Employer Superannuation Contributions: ☒

This is a sample where Partner A, has two Superannuation Accounts.

Back SUPERANNUATION/PENSION FUND : PARTNER A SUPER ?

Start Balance & Options Contributions Returns, Fees, Insurance, Change of Funds &

Description: Partner A Super

Ownership: John

Activate Fund? ☒ ?

Calculate Employer Contributions? ☒ ?

Each person may have only one account receiving future Employer Contributions

Activate Contributions to Spouse? ☐ ?

Back SUPERANNUATION/PENSION FUND : PARTNER A's OLD SUPER ?

Start Balance & Options Contributions Returns, Fees, Insurance, Change of Funds &

Description: Partner A's Old Super

Ownership: John

Activate Fund? ☒ ?

Calculate Employer Contributions? ☒ ?

Each person may have only one account receiving future Employer Contributions

Activate Contributions to Spouse? ☐ ?

If you select two funds, this warning will appear and you must decide which account to use.

Description: Partner A's Old Super

Ownership: John

Activate Fund? ☒ ?

Calculate Employer Contributions? ☒ ?

Each person may have only one account receiving future Employer Contributions

This option has been selected in another Retirement Fund. If you select it here, it will be deselected from the other Fund.

Activate Contributions to Spouse? ☐ ?

Financial Mappers Pro Masterclass

If you wish to add **Employer Contributions** which are greater than the SGL, these can be included on the TAB Contributions.

The **Non-Means Tested Government CoPayment** is for **KiwiSaver** and similar products where the government make a co-payment to all, provided they meet other requirements.

The screenshot shows the 'Contributions' tab in the Financial Mappers Pro software. At the top, there are three tabs: 'Start Balance & Options', 'Contributions' (which is active and highlighted in green), and 'Returns, Fees, Insurance, Change of Funds & Roll into Annuity'. Below the tabs, there is a dropdown menu for 'Contribution Increase Method' set to 'Inflation'. The main area is divided into four sections, each with a title and a help icon (?):

- PRE-TAX CONTRIBUTIONS FROM BANK ACCOUNT**: Contains a light blue box with the text 'Pre-tax Contributions' and an 'Add' button.
- AFTER-TAX CONTRIBUTIONS FROM BANK ACCOUNT**: Contains a light blue box with the text 'After-tax Contributions' and an 'Add' button.
- EMPLOYER CONTRIBUTIONS**: Contains a light blue box with the text 'Employer Contributions' and an 'Add' button.
- NON-MEANS TESTED GOVERNMENT CO-PAYMENT**: Contains a light blue box with the text 'Government Contributions' and an 'Add' button.

Personal Contributions: – Pre-Tax and After-Tax

Pre-Tax and **After-Tax Personal Contributions** are maintained in separate accounts, with the rules of each account being maintained.

Special Note on Contributions

The program allows allocated contributions above the **Current Concessional Contribution Limit** of \$25,000. However, the program will give a warning when contributions exceed that limit.

The program makes no reference to **Non-Concessional Contributions** which exceed the limit for that particular person.

The **Tax Surcharge** of 15% will automatically be applied to those clients, whose Taxable Income is greater than the High Income Limit of \$250,000.

Contributions allocated in the Investment Plan

When you enter the **Investment Plan**, all the accounts, except **Superannuation Accounts** will be activated. Prior to your activating the account, this fund would not be listed in the allocation as funds.

The screenshot displays the 'INVESTMENT PLAN' section of a software interface. At the top, there are navigation links for 'Back', 'INVESTMENT PLAN', and 'HOME & INVESTMENTS'. Below this, a panel on the left contains checkboxes for 'Activate accounts to which you wish to distribute cash', 'Shares 1', 'Cash 1', and 'Self-Managed Superannuation/Pension Fund (SMSF)'. To the right of this panel is a chart titled 'Investment Allocation' showing a bar chart with a single bar. Below the checkboxes, a section titled 'DISTRIBUTION OF SAVINGS FROM SALARIES' features a sidebar with 'SAVINGS PHASE' (Years 1 - 5, Years 6 - 10) and 'RETIREMENT PHASE'. The main area contains a table with columns for 'Savings Phase', 'Year 1 (2018, Age 55)', 'Year 2 (2019, Age 56)', 'Year 3 (2020, Age 57)', 'Year 4 (2021, Age 58)', and 'Year 5 (2022, Age 59)'. The table rows include 'Savings Allocation', 'Allocation to Loan Expenses', 'Unallocated Funds', 'Before Current Distribution', 'Transferred to Bank Account', and 'Percentage of Savings Allocated'. Below the table, there is a section 'Enter Allocation to Accounts' with input fields for 'Shares 1' and 'Cash 1' across the five years.

Savings Phase	Year 1 2018 Age 55	Year 2 2019 Age 56	Year 3 2020 Age 57	Year 4 2021 Age 58	Year 5 2022 Age 59
Savings Allocation	\$19,500	\$19,988	\$20,487	\$20,999	\$21,524
Allocation to Loan Expenses	\$0	\$0	\$0	\$0	\$0
Unallocated Funds					
Before Current Distribution	\$19,500	\$19,988	\$20,487	\$20,999	\$21,524
Transferred to Bank Account	\$19,500	\$19,988	\$20,487	\$20,999	\$21,524
Percentage of Savings Allocated	0.00%	0.00%	0.00%	0.00%	0.00%

Enter Allocation to Accounts

	Year 1	Year 2	Year 3	Year 4	Year 5
Shares 1	0.00%	0.00%	0.00%	0.00%	0.00%
Cash 1	0.00%	0.00%	0.00%	0.00%	0.00%

Financial Mappers Pro Masterclass

In the **Investment Plan**, Contributions are allocated as a percentage of the funds available for investment, after the allocation of Investment Loan Expenses (Net of Rent, but not Share dividends where the client has a Margin Loan or similar). Loans are displayed as **RED** in the graph, Investment Allocation. Pale Blue is the Transaction Account.

Contributions may be either After-Tax or Pre-Tax and can be assigned to either member where you have a Joint Fund.

Back INVESTMENT PLAN (HOME & INVESTMENTS) ?

☒ Activate accounts to which you wish to distribute cash ?
☒ Emergency Cash (Joint)
☒ Share 1 (Joint)
☐ Our Joint SMSF (Joint)

Investment Allocation

DISTRIBUTION OF SAVINGS FROM SALARIES ?

Savings Phase
Years 1 - 5
Years 6 - 10
RETIREMENT PHASE

	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023
Age Mary, Brad	Age 55, 55	Age 56, 56	Age 57, 57	Age 58, 58	Age 59, 59
Salary Allocation for Investment	\$52,000	\$53,300	\$54,633	\$55,998	\$57,398
Less Home & Net Asset Loan Costs ?	\$6,886	\$6,886	\$6,886	\$6,886	\$6,886
Usage of Remaining Funds					
Remaining Investable Funds	\$45,114	\$46,414	\$47,746	\$49,112	\$50,512
Moved to Transaction Account	\$45,114	\$46,414	\$47,746	\$49,112	\$50,512
Percentage Invested in Other Assets	0.00%	0.00%	0.00%	0.00%	0.00%
Enter Allocation to Accounts					
Emergency Cash (Joint)	0.00%	0.00%	0.00%	0.00%	0.00%
Share 1 (Joint)	0.00%	0.00%	0.00%	0.00%	0.00%

Here is an example of funds being distributed to both partner's Personal Contributions for the first 5-years of the plan. This is an extremely quick and easy way to assign **Personal Contributions** to the fund. The advantage of using this automated process is that as the plan develops, you may find that there are fewer funds available for additional contributions. For example, the client may over-extend their loan payments and find they have to reduce the allocation to Superannuation. In this case, it is automatically adjusted.

Activate accounts to which you wish to distribute cash ?
☒ Emergency Cash (Joint)
☒ Share 1 (Joint)
☒ Our Joint SMSF (Joint)

Investment Allocation

DISTRIBUTION OF SAVINGS FROM SALARIES ?

Savings Phase
Years 1 - 5
Years 6 - 10
RETIREMENT PHASE

	Year 1 2019	Year 2 2020	Year 3 2021	Year 4 2022	Year 5 2023
Age Mary, Brad	Age 55, 55	Age 56, 56	Age 57, 57	Age 58, 58	Age 59, 59
Salary Allocation for Investment	\$52,000	\$53,300	\$54,633	\$55,998	\$57,398
Less Home & Net Asset Loan Costs ?	\$6,886	\$6,886	\$6,886	\$6,886	\$6,886
Usage of Remaining Funds					
Remaining Investable Funds	\$45,114	\$46,414	\$47,746	\$49,112	\$50,512
Moved to Transaction Account	\$31,580	\$32,490	\$33,422	\$34,378	\$35,358
Percentage Invested in Other Assets	30.00%	30.00%	30.00%	30.00%	30.00%
Enter Allocation to Accounts					
Emergency Cash (Joint)	0.00%	0.00%	0.00%	0.00%	0.00%
Share 1 (Joint)	0.00%	0.00%	0.00%	0.00%	0.00%
Our Joint SMSF (Joint)					
Pre-Tax Contributions (Mary)	5.00%	5.00%	5.00%	5.00%	5.00%
	\$2,256	\$2,321	\$2,387	\$2,456	\$2,526
Pre-Tax Contributions (Brad)	5.00%	5.00%	5.00%	5.00%	5.00%
	\$2,256	\$2,321	\$2,387	\$2,456	\$2,526
After-Tax Contributions (Mary)	10.00%	10.00%	10.00%	10.00%	10.00%
	\$4,511	\$4,641	\$4,775	\$4,911	\$5,051
After-Tax Contributions (Brad)	10.00%	10.00%	10.00%	10.00%	10.00%
	\$4,511	\$4,641	\$4,775	\$4,911	\$5,051

Contributions allocated as a Dollar Value

I found, talking to advisers, they often want to nominate a dollar value which is fixed rather than dependent on other investment choices. In this case, you can create a schedule of contributions in the TAB, **Contributions**. These **Contributions** are withdrawn from the **Transaction Account**, at the Start of the Year, so you need to ensure there are sufficient funds in the account each year of the withdrawal. There is the option to Index the values each year.

The screenshot displays the 'Contributions' tab in the Financial Mappers Pro software. At the top, there are three tabs: 'Start Balance & Options', 'Contributions' (which is active and highlighted in green), and 'Returns, Fees, Insurance, Change'. Below the tabs, a dropdown menu for 'Contribution Increase Method' is set to 'Inflation'. The main section is titled 'PRE-TAX CONTRIBUTIONS FROM BANK ACCOUNT' with a help icon. It contains a table with columns 'Amount', 'Year of Plan', and 'No. of Years'. A single row is entered with '\$2,000', 'Year 1', and '15 Years'. To the right of the table are 'Delete' and 'Add' buttons. Below this is another section titled 'AFTER-TAX CONTRIBUTIONS FROM BANK ACCOUNT' with a help icon. It also has a table with the same columns. Two rows are entered: the first with '\$5,000', 'Year 1', and '5 Years'; the second with '\$10,000', 'Year 6', and '10 Years'. Each row has a 'Delete' button, and there is an 'Add' button at the bottom right of the section.

Amount	Year of Plan	No. of Years	
\$2,000	Year 1	15 Years	Delete
			Add

Amount	Year of Plan	No. of Years	
\$5,000	Year 1	5 Years	Delete
\$10,000	Year 6	10 Years	Delete
			Add

Allocation of Contributions to Cash and Shares in SMSF

In the **SMSF**, **Financial Mappers** has special features to help you maintain the desired **Asset Allocation** automatically. Thus you can nominate the Percentage of Contributions to be allocated to the **Shares & Managed Funds** Account. When you enter a percentage, this percentage will autofill to the End of the Plan. You can change the value in any year, and this value will autofill to the End of the Plan. Thus you can alter the **Asset Allocation** over the length of the plan.

Financial Mappers Pro Masterclass

SELF-MANAGED SUPERANNUATION/PENSION FUND TRANSACTIONS						
<div>SAVINGS PHASE</div> <div>Years 1 - 5</div> <div>Years 6 - 10</div> <div>Years 11 - 15</div> <div>RETIREMENT PHASE</div>	Savings Phase					
	Shares & Managed Funds ?					
	Age John, Mary					
	Management of Contributions and Drawdowns					
	Contributions used to buy Shares	50.00%	50.00%	40.00%	40.00%	40.00%
Shares sold to fund Drawdown		0.00%	0.00%	0.00%	0.00%	0.00%
Asset Allocation Management						
Sale of Shares		0.00%	0.00%	0.00%	10.00%	0.00%
		\$0	\$0	\$0	\$213,342	\$0
Purchase of Shares		0.00%	0.00%	0.00%	0.00%	25.00%
		\$0	\$0	\$0	\$0	\$203,806
Cash Account Balance After Drawdown		\$492,448	\$519,153	\$546,358	\$787,323	\$611,417
Shares & Managed Funds Balance		\$1,571,429	\$1,740,024	\$1,926,707	\$2,133,419	\$2,126,077

The **Asset Allocation** may also be managed on a yearly basis, by buying or selling Shares and Managed Funds as a Percentage of the Fund. Note that percentages are used to maintain the dynamic nature of the software. The actual **Dollar (FV) Value** is calculated and displayed.

Note the Balances After the Drawdown for both accounts is displayed, which allows for easy monitoring of the cash flows.

Government Co-Contribution for Low-Income Earners

Where a person has made an **After-Tax Contribution** and is eligible for either a full or part **Government Co-Contribution**, the program will automatically allocate the payment. Please note that this is treated as an **End of Year Transaction** and will not earn income in the year of the contribution.

Where the user has more than two superannuation accounts, the co-payment is made to the one activated to receive **Employer Contributions**.

<u>Personal Contributions (After-Tax) - End of Year</u>	\$106,897
Start Balance	\$100,000
Drawdown Amount	\$0
Start Balance – After Drawdown	\$100,000
Contributions - after Fees and Taxes	\$1,000
Govt CoContribution (Aust Only)	\$500
Spouse Contribution (Aust Only)	\$0
Income	\$7,035
Capital Losses (When Returns are Negative)	\$0
Costs	\$1,005
Tax on Fund	\$633
End Balance	\$106,897

Spouse Contributions

Where you have a **Joint Plan**, only one partner can be nominated as the person to make **Spouse Contributions**. Spouse Contributions are made according to these rules where an **After-Tax Contribution** has been made.

1. If the person nominated to make the **Spouse Contribution**, is eligible for the **Government Co-Payment** for low-income earners, then this allocation takes priority of the **Spouse Contribution**.
2. If after any allocation for Rule 1, the balance of the contribution, up to the value of \$3,000 will be used for the **Spouse Contribution**, and the person making the Spouse Contribution, will receive an **18% Tax Rebate**, up to the value of \$540.
3. If there is still a balance of **After-Tax Contributions**, after making the maximum eligible Spouse Contribution (for the receiving the Tax Rebate), the balance of the After-tax Contribution is given to the client making the Spouse Contribution.

The **Spouse Contribution** is made to the partner's account, nominated to receive **Employer Contributions**.

Here the Partner A, John, has activated the Spouse Contribution.

Financial Mappers Pro Masterclass

[Back](#) **SUPERANNUATION/PENSION FUND : SUPER A** [?](#)

[Start Balance & Options](#) [Contributions](#) [Returns, Fees, Insurance, Change of Funds & Roll into Annuity](#)

Description

Ownership

Activate Fund? [?](#) ☒

Calculate Employer Contributions? [?](#) ☒

Each person may have only one account receiving future Employer Contributions

Activate Contributions to Spouse? [?](#) ☒

In this example, \$3,000 has been deposited in the Partner B (Mary) Account, after a \$3,000 After-Tax Contribution was made by Partner A.

Personal Contributions (After-Tax) - End of Year	\$55,685
Start Balance	\$50,000
Drawdown Amount	\$0
Start Balance – After Drawdown	\$50,000
Contributions - after Fees and Taxes	\$0
Govt CoContribution (Aust Only)	\$0
Spouse Contribution (Aust Only)	\$3,000
Income	\$3,500
Capital Losses (When Returns are Negative)	\$0
Costs	\$500
Tax on Fund	\$315
End Balance	\$55,685

Partner A, John receives the 18% (\$540) **Tax Rebate**.

Financial Mappers Pro Masterclass

[Back](#) **TAX ESTIMATOR (JOHN CITIZEN)** ?

The calculations are of a general nature using a simplified format and as such are NOT suitable for use n be based on this information without obtaining advice from a person licensed to give Tax Advice. Tax Rat

SAVINGS PHASE
Years 1 - 5

Savings Phase		Year 1 2019
Age John, Mary		Age 30, 30
Total Income and Capital Gains		\$80,000
Taxable Income Taxed at Income Tax Rate		\$80,000
Income Taxed at Specified Rate		\$0
Tax Free Income		\$0
Capital Gains		\$0
Total Tax Credits		\$540
Non-Refundable Tax Credits		\$0
Refundable Tax Credits		\$540
Super A (John)		\$0
Super A (John) (Spouse Contribution)		\$540
Total Tax Due (After Tax Credits)		\$18,607
Tax Due - Investments		\$0
Tax Due - Personal Income		\$18,607
Tax Due - Capital Gains		\$0
Tax Due - HECS-HELP		\$0
Average Tax Rate		
Income and Investment Net Income		23.26%
Capital Gains		0.00%

In the case of a **Joint SMSF**, the user must activate the option and then nominate the partner to receive the **Spouse Contribution**. Note that the Partner, may have a different **Superannuation Account**, and the funds would be distributed to the account, nominated to receive **Employer Contributions**.

[Back](#) **SELF-MANAGED SUPERANNUATION/PENSION FUND : OUR SUPER** ?

Options | Getting Started | Contributions | Fees & Life Insurance | Drawdown | Cash Account | Shares & Managed Funds | Property

Description:

Ownership:

Activate SMSF? ☒

Calculate Employer Contributions? ☒ John ☒ Mary

Each person may have only one account receiving future Employer Contributions

Activate Contributions to Spouse? ☒

Partner Making Spousal Contributions

Cash Account	
Start Balance	\$900,000
Transactions at Start	
Start Balance – After Transactions	\$900,000
Drawdown Amount	\$0
Balance After Drawdown	\$900,000
Income	
Net Contributions	\$12,796
Govt CoContribution (Aust Only)	\$0
Spouse Contribution (Aust Only)	\$3,000
Earnings on Cash Accounts	\$63,448
Net Rent	\$0
Sale of Property	\$0
Expenses	
End Balance	\$959,283

Special Note:

The allocation of **Spouse Contributions** is quite complex and rules regarding the calculations have been formulated to reduce the complexity. Where the **Spouse Contribution** is made, this contribution is treated as an “End of Year” transaction and therefore, no income is allocated in the year of the allocation. In addition, no Contribution Fees are applied where the program has elected to charge Contribution Fees. The Spouse Contribution is displayed as a separate line item, as is the Govt. Co-Contribution.

Your **High Net Wealth** (HNW) clients may have “stay at home” partners, earning little or no income. *Financial Mappers Pro* will let you demonstrate how to get an extra \$500 for their (low income) partner by simply having the low-income partner make an **After-tax Contribution** of \$1,000 and receive \$500 from the government. Where else can you get your client a guaranteed 50% return on their money? The software will automatically add the **Government Co-Contribution** where applicable.

In a similar fashion, making a **Spouse Contribution**, to the eligible partner, using **After-Tax** money will add up to \$3,000 a year to the partner's superannuation and in the meantime receive an 18% Tax Rebate or \$540. That's a guaranteed return of 18% for your client.

There may be other tools which assist in the accumulation phase, but *Financial Mappers Pro* comes into its own when you have clients with over the \$1.6M in the Fund. **Financial Mappers Pro** allows the division of the funds into the **Transfer Balance Account** and **Excess Accumulation Account**. Once the money has been allocated at the commencement of the drawdown period, two separate income streams can be managed independently. This is where you add value by demonstrating strategies which best suits the needs of your HNW clients. *(This feature is currently under development – further details are listed later)*

The **SMSF** is divided into multiple accounts. There is a **Cash** (or Interest Earning) account, an account for **Shares and/or Managed Funds**, together with one account for each **Property and Property Loan**.

Having these three account types allows you to micro-manage the **Asset Allocation** and **Percentage of Growth Assets**. Most importantly you can demonstrate to your client when an **Investment Property** may need to be sold, in order to release capital in the latter stages of the drawdown. You are likely to find, some of your clients are quite attached to some properties, particularly if it were the family home in a previous time period. They can get quite agitated when told the property has to be sold. If you can demonstrate the effect of this property transfer, some twenty or so years before the inevitable sale, your client may be grateful.

It would be possible for you to create a plan which can be used for the fund's **Investment Strategy**. On the chevron for **Objectives**, you can write the objectives of the fund, together with the strategies employed to meet those objectives. In the third, free text area called **General Comments**, information relating to how the SMSF investments integrate with other

investments demonstrates how the SMSF strategy has been designed to complement other investments.

The SMSF account allows for one or two members. Where applicable screenshots for both will be displayed.

In the **Sample Plans**, you will find an **SMSF Sample Plan**, together with a PDF. This may be quite useful to your clients who are Pro^{CONNECT} clients. Some of the information from that PDF will be included in this document together with more insights.

Transition to Retirement - Contributions

The program has a rule which automatically stops any Contributions, once the Drawdown is activated.

You can override this rule by going to the TAB, **Drawdown**, and nominating the number of years for **Transitions to Retirement**.

The screenshot displays the 'SUPERANNUATION/PENSION FUND : PARTNER A SUPER' interface. At the top, there is a 'Back' button and a question mark icon. Below this is a navigation bar with four tabs: 'Start Balance & Options', 'Contributions', 'Returns, Fees, Insurance, Change of Funds & Roll into Annuity', and 'Drawdown' (which is highlighted in green). The main content area is titled 'Activate Retirement Drawdown' and contains several input fields and a checkbox. The checkbox is checked. The input fields are: 'Preservation Age' (Age 60), 'Enter Age for Start of Drawdown' (Age 65), 'Number of Years for Transition to Retirement' (0 Years), 'Minimum Balance to Close Account' (\$10,000), 'Method of Calculating Drawdown Amount' (Number of Years), and 'Number of Years for Drawdown Period' (25 Years). The 'Number of Years for Transition to Retirement' field is highlighted in yellow.

Field	Value
Preservation Age	Age 60
Enter Age for Start of Drawdown	Age 65
Number of Years for Transition to Retirement	0 Years
Minimum Balance to Close Account	\$10,000
Method of Calculating Drawdown Amount	Number of Years
Number of Years for Drawdown Period	25 Years

Account Management

Due to the nature of the two accounts, the Management of each account type is quite different.

Account Management – Superannuation Account

In the **Superannuation Account**, you can alter the **Investment Profile** throughout the length of the plan. When you click on the [LINK](#) to each Investment Profile you can change the information for that time period.

EMPLOYER PENSION (SUPERANNUATION) FUND

Start Balance & Options | Contributions | **Returns, Fees, Insurance, Change of Funds & Roll into Annuity** | Drawdown

1ST FUND

Investment Profile | Costs for Change of Fund | Management Fee Rebate

Investment Profile	Start	% pa Return	Management Fee	Insurance
Aggressive [Edit]	Year 1	12.00%	1.25%	\$200
High Growth [Edit]	Year 11	10.00%	1.00%	\$0
Balanced [Edit]	Year 16	7.00%	1.00%	\$0

[Switch Profile](#) [Remove Profile](#)

[Add New Fund](#) [Remove Fund](#) [Roll into Annuity](#)

When you click on the link, the first TAB, **Investment Returns** lets you nominate the year in which the change starts and the %pa Return, which is a combined Income & Capital Return. Note it lists the **Investment Profile**, but this has a TAB of its own, where you can change that Profile.

Edit Investment Profile

Investment Returns (Income) | Fees and Insurance | Investment Profile

Investment Profile: Aggressive

Year Change Starts: Year 1

% pa Return (Income and Capital): 12.00%

[Close](#)

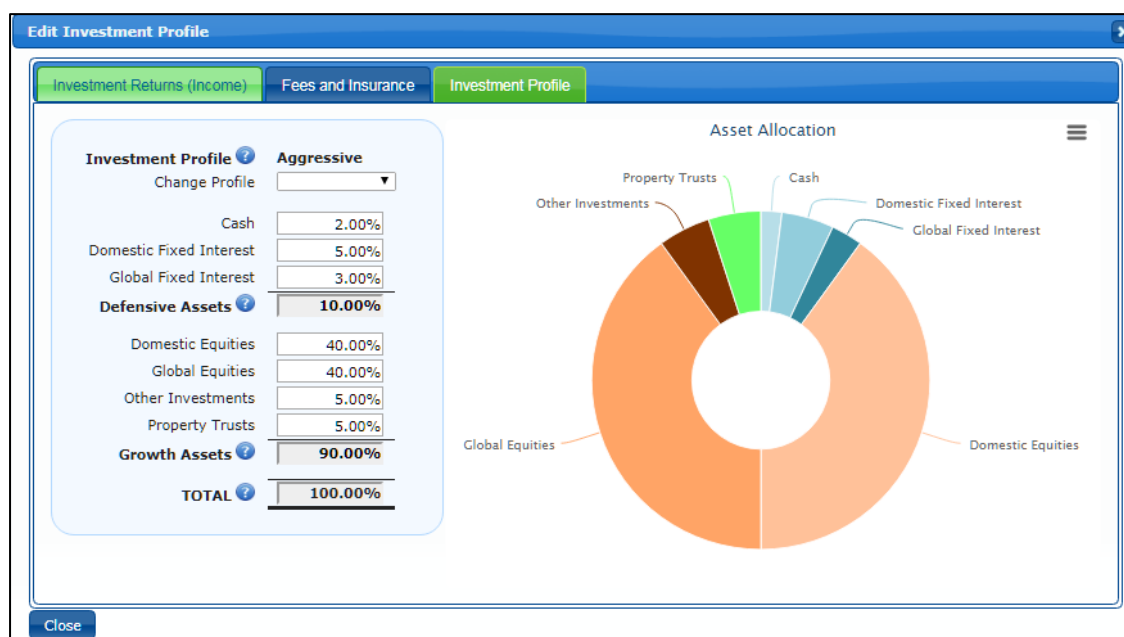
Financial Mappers Pro Masterclass

On the TAB for **Fees and Insurance**, there is a considerable array of fees, some of which are calculated as a percentage of the fund, and others are dollar values, which are indexed.

The screenshot shows the 'Edit Investment Profile' window with the 'Fees and Insurance' tab selected. The window has three tabs: 'Investment Returns (Income)', 'Fees and Insurance', and 'Investment Profile'. The 'Fees and Insurance' tab contains a table of fees and a 'Close' button at the bottom left.

Fee Type	Value
Contribution Fee (% of Contributions)	0.00%
Management Fee (Base)	1.25%
Management Fee (Performance)	0.50%
Advisor Service Fee (% of Fund)	0.25%
Annual Administrative Fee	\$100
Annual Insurance Premium	\$200
Switching Fee	\$0

The user has the same selection of assets as in the **Managed Fund** accounts. For each selected **Investment Profile** (and it's associated year range), the user can nominate a range of fees and costs, including any insurances held within superannuation during that time period.

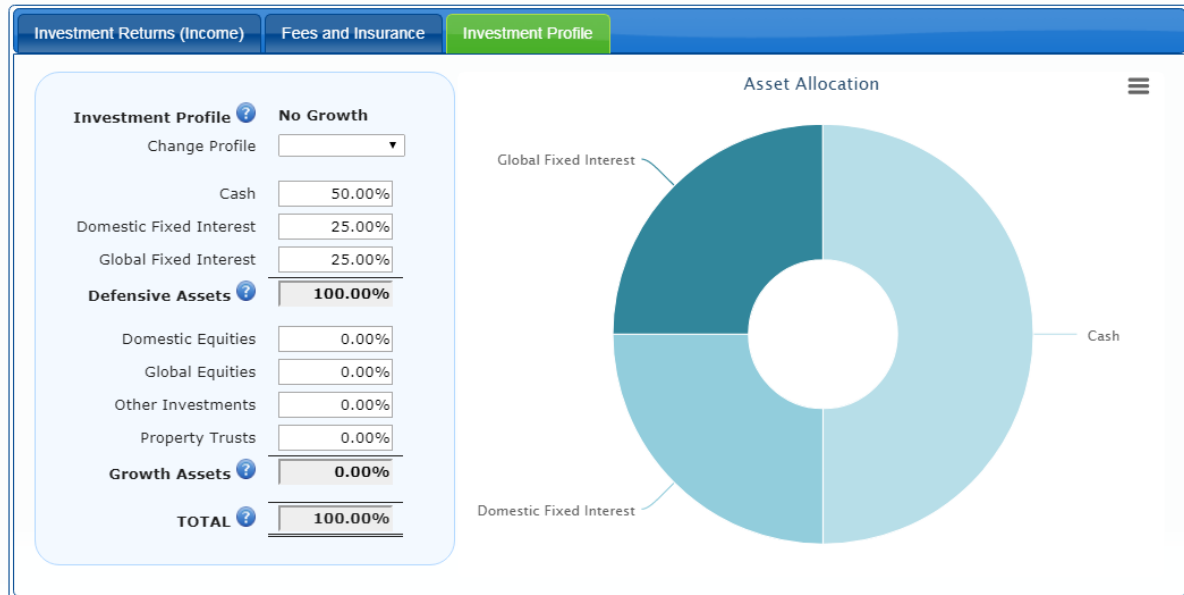


Note **Investment Profile** defaults to a **Balanced Fund** with the allocation listed in the screenshot above. You can manually change that allocation if required. If the change in percentages, changes to another Investment Profile, such as High Growth or Conservative, the name is automatically changed.

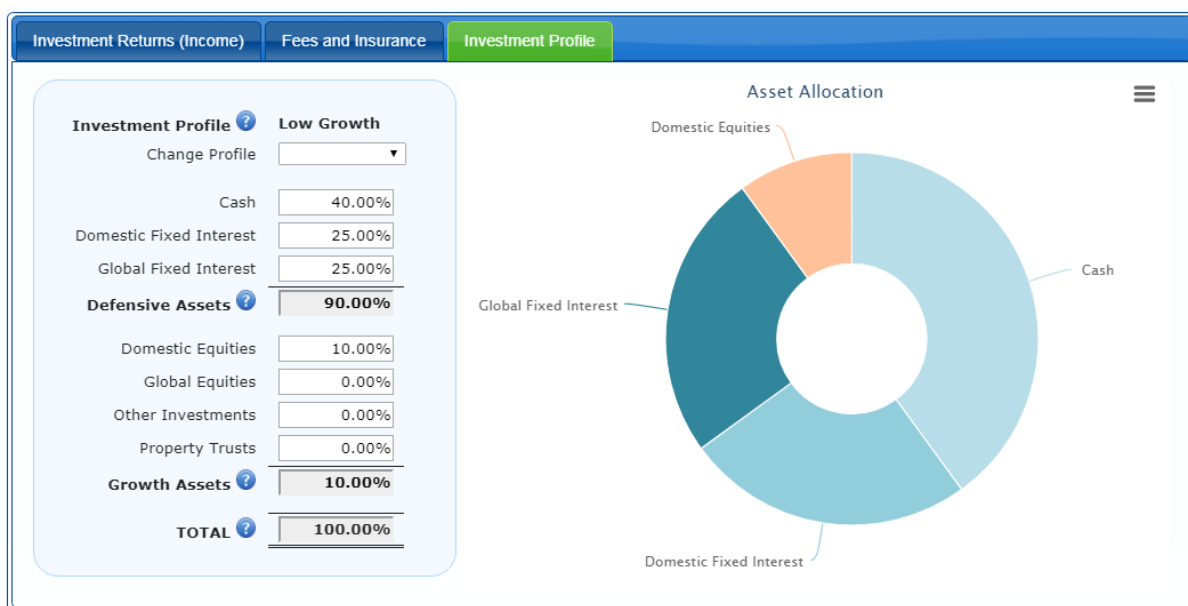
Financial Mappers Pro Masterclass

These are the **Default Allocations** for each **Investment Profile**. Note that you may need to change the Investment Return and Fees to match the new profile. For example, an **Aggressive Fund** is more likely to have a high return and higher fees.

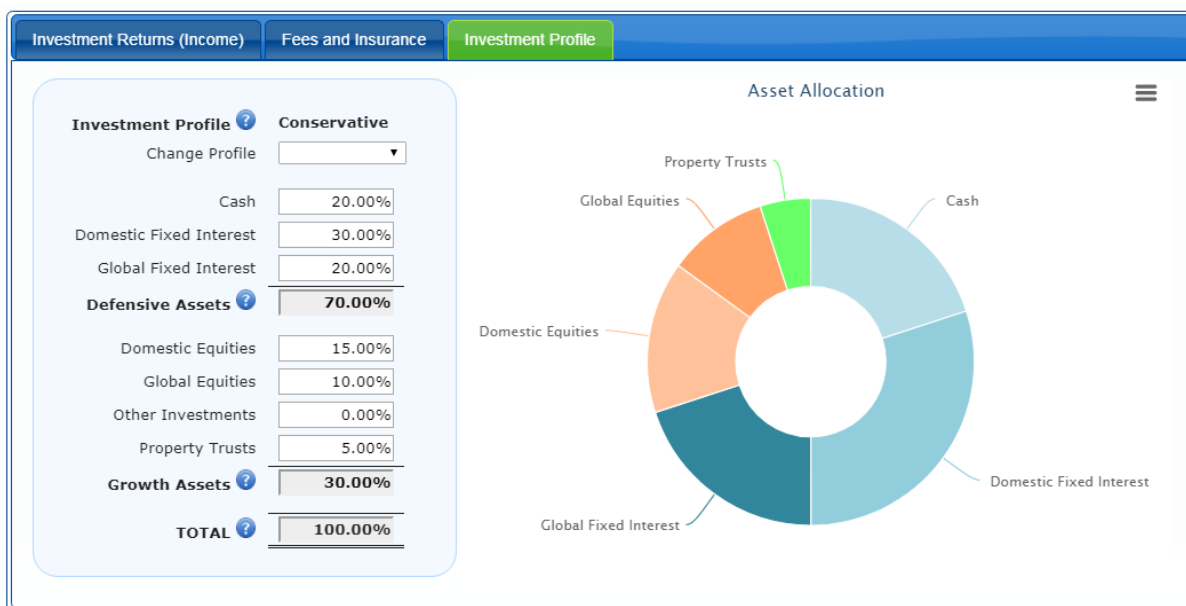
No Growth



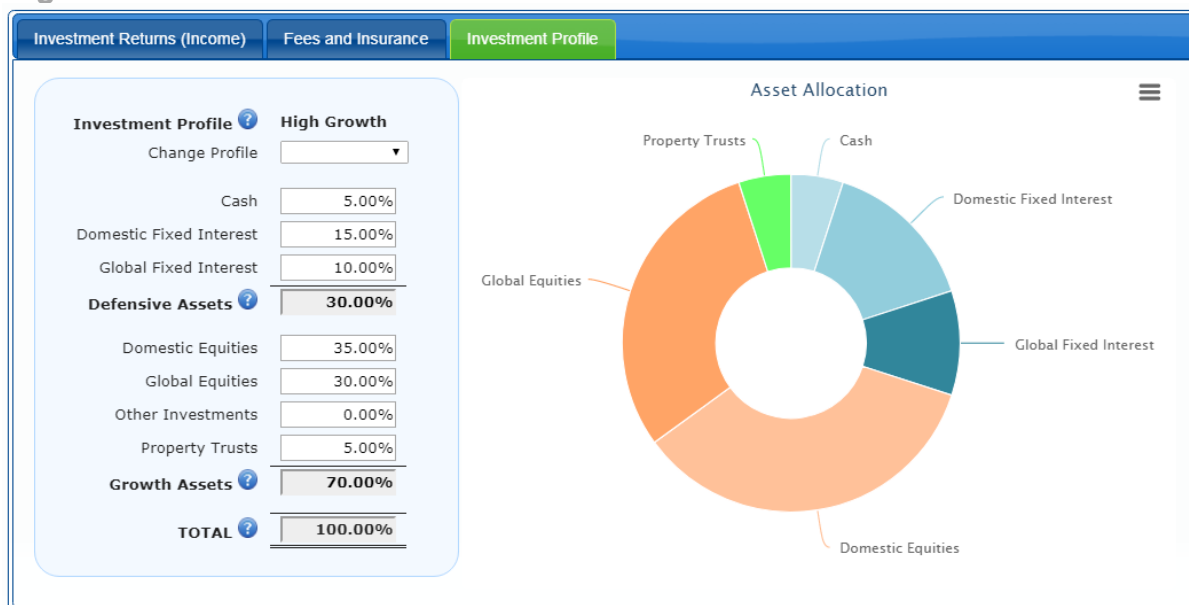
Low Growth



Conservative

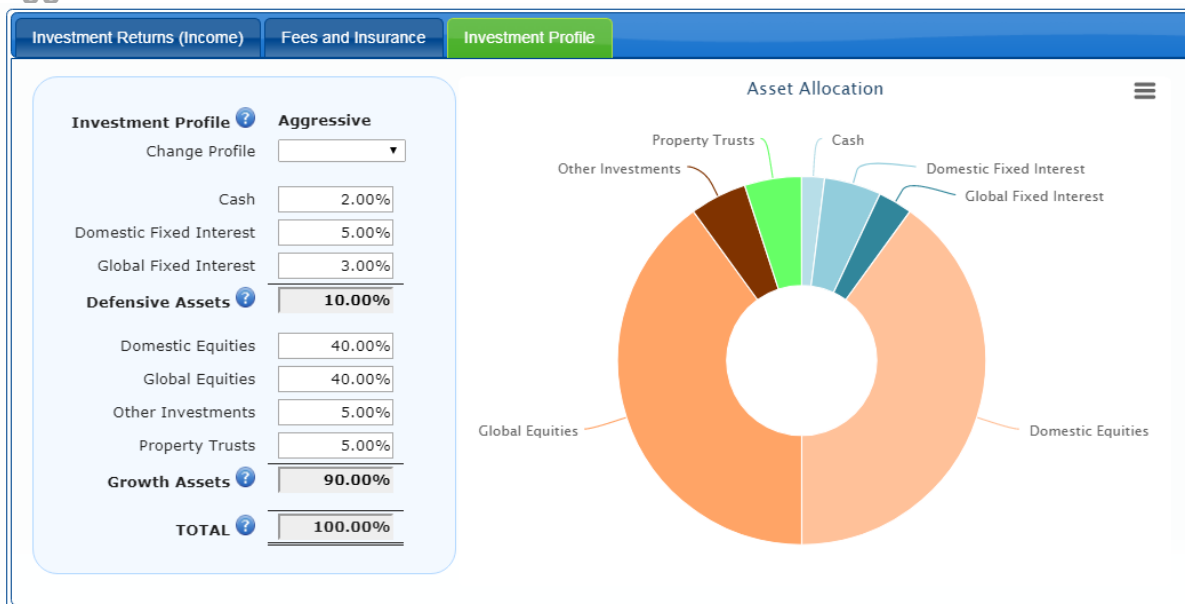


High Growth



Financial Mappers Pro Masterclass

Aggressive



In addition to these fees, you can also include a **Management Fee Rebate** for **High Account Balances**.

The screenshot shows the '1ST FUND' tab with the 'Management Fee Rebate' sub-tab selected. The settings for the rebate are as follows:

Setting	Value
Activate Management Fee Rebate	<input checked="" type="checkbox"/>
Start of Rebate at Level 1	\$500,000
% pa Rebate at Level 1	0.01%
Start of Rebate at Level 2	\$800,000
% pa Rebate at Level 2	0.02%

There will be times when your client needs to transfer the account to another fund. In this case, you can nominate the fees charged by either fund to exit and enter the fund.

The screenshot shows the '2ND FUND' tab with the 'Costs for Change of Fund' sub-tab selected. The settings for the fees are as follows:

Setting	Value
Exit Fee	\$300
Exit Fee (% of Fund)	0.00%
Entry Fee	\$0
Entry Fee (% of Fund)	0.50%

Financial Mappers Pro Masterclass

This is an example of where the client has changed the **Investment Profile** from Aggressive to High Growth in Year 6 and then moved to a 2nd Fund in Year 10, with a Balanced Investment Profile, which is changed to Conservative for the last 5-years of the plan. Normally you can't predict when this is likely to happen, but the option is there. It may be particularly useful when the client is considering changing jobs which will mean relocation of the Superannuation Funds. Alternatively, you may advise the client, that they should move their account to a new Fund. Unfortunately, this can't be demonstrated before Year 2.

Here is an example of the fund, where the account has been transferred to another fund and where the **Investment Profile** has been changed 4-times over the length of the plan, moving from **Aggressive** to **Conservative** over a 30-year period.

The screenshot displays the 'SUPERANNUATION/PENSION FUND : PARTNER A SUPER' interface. It features a top navigation bar with tabs: 'Start Balance & Options', 'Contributions', 'Returns, Fees, Insurance, Change of Funds & Roll into Annuity' (which is highlighted), and 'Drawdown'. Below this, the '1ST FUND' section is visible, containing sub-tabs for 'Investment Profile', 'Costs for Change of Fund', and 'Management Fee Rebate'. The 'Investment Profile' sub-tab shows a table of investment profiles for the first fund.

Investment Profile	Start	% pa Return	Management Fee	Insurance
Aggressive [Edit]	Year 1	12.00%	2.00%	\$200
High Growth [Edit]	Year 6	10.00%	1.50%	\$250

Below the table are buttons for 'Switch Profile' and 'Remove Profile'. The '2ND FUND' section follows a similar layout, showing investment profiles for the second fund.

Investment Profile	Start	% pa Return	Management Fee	Insurance
Balanced [Edit]	Year 10	7.00%	1.00%	\$0
Conservative [Edit]	Year 25	6.50%	1.00%	\$0

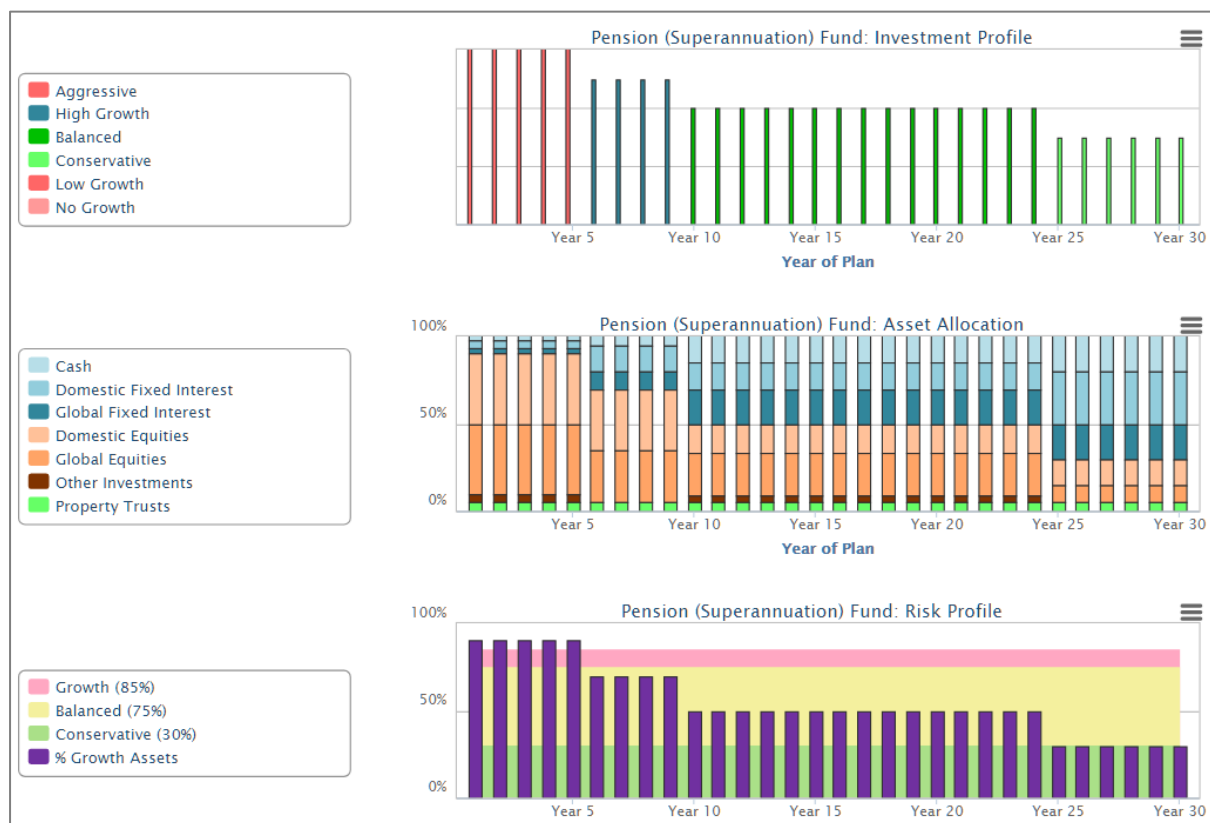
At the bottom of the interface are buttons for 'Add New Fund', 'Remove Fund', and 'Roll into Annuity'.

Special Note on TAB Roll into Annuity

Note that it is on this page you can **Roll into Annuity** at the Start of Retirement. The other **Drawdown Options** are on the TAB **Drawdown**. However, you must activate the **Drawdown on the Drawdown TAB first**. This option will be discussed in the last section **Annuities**.

Financial Mappers Pro Masterclass

In the Graphs, and Data View can view the allocations.



Plan Outcomes – Asset Allocation

On the chevron, [Reports](#), [Plan Outcomes](#), the [Data View](#) displays the [Asset Allocation](#) for all [Retirement Accounts](#) in the plan. In a Joint Plan, it will include both partners. For each year, the percentage and dollar value (FV or PV) are displayed.

Asset Allocation - Retirement Accounts					
Cash	\$66,919 6.47%	\$74,377 6.42%	\$82,412 6.37%	\$91,185 6.32%	\$100,756 6.27%
Domestic Fixed Interest	\$87,260 8.44%	\$97,292 8.40%	\$108,154 8.36%	\$120,057 8.33%	\$133,088 8.29%
Global Fixed Interest	\$91,486 8.85%	\$101,716 8.79%	\$112,743 8.72%	\$124,788 8.65%	\$137,933 8.59%
Domestic Equities	\$331,688 32.09%	\$372,509 32.17%	\$417,177 32.26%	\$466,492 32.35%	\$520,856 32.44%
Global Equities	\$356,588 34.49%	\$400,090 34.56%	\$447,627 34.62%	\$500,063 34.68%	\$557,816 34.74%
Other Investments	\$48,131 4.66%	\$53,951 4.66%	\$60,303 4.66%	\$67,304 4.67%	\$75,007 4.67%
Property Trusts	\$51,688 5.00%	\$57,891 5.00%	\$64,654 5.00%	\$72,099 5.00%	\$80,287 5.00%
Real Property	\$0 0.00%	\$0 0.00%	\$0 0.00%	\$0 0.00%	\$0 0.00%

Financial Mappers Pro Masterclass

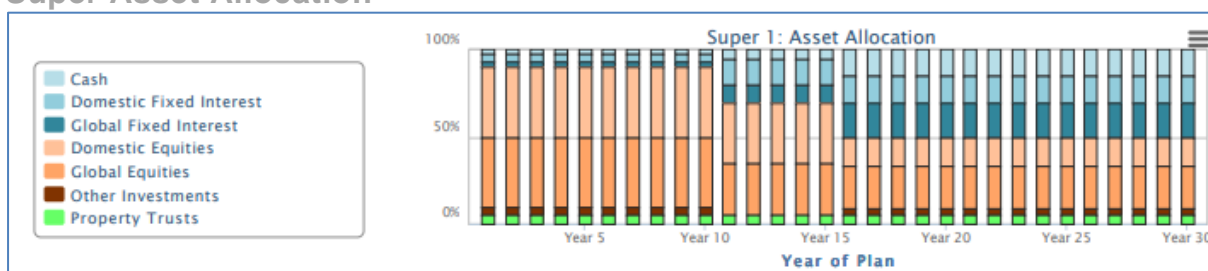
Note on Smart Panels

In the **Report Writer**, you can create your own reports. These reports consist of a selection of **Free Text Panels** and **SmartPanels**. There is a document on the **QuickStart Page** which lists all the **Smart Panels**. There is a similar set of Smart Panels for the SMSF.

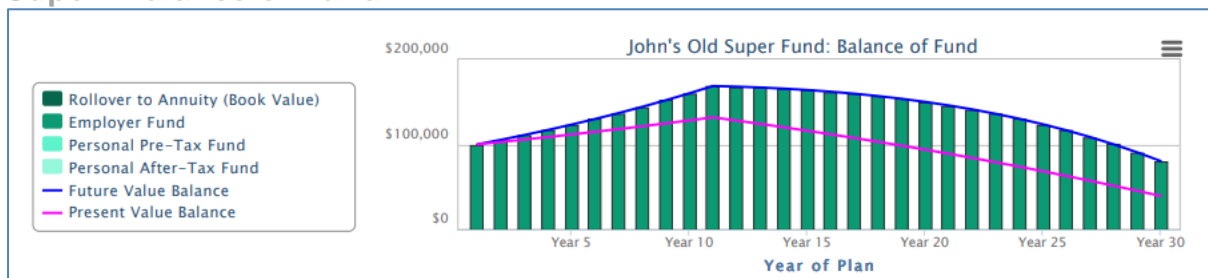
<https://www.financialmappers.com.au/wp-content/uploads/2019/01/SmartPanels-for-Report-Writer-Financial-Mappers-PRO.pdf>

The SmartPanels for Superannuation refer to specific Superannuation Accounts. Thus if there is more than one Superannuation Account in the Plan, the software will display the selected panels for each account. The name of the account will be listed in the Chart Title. These panels show information for **Super 1** and **John's Old Super Fund**.

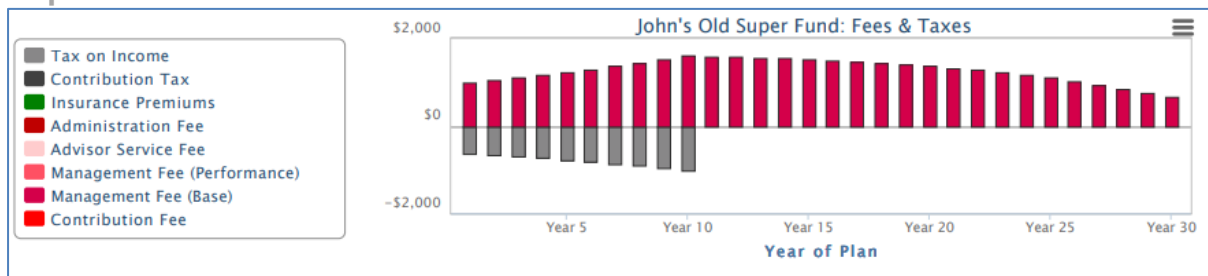
Super Asset Allocation



Super: Balance of Fund

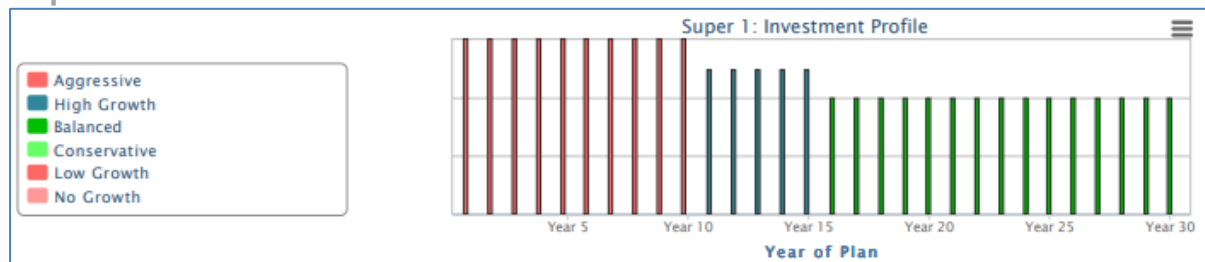


Super: Fees and Taxes

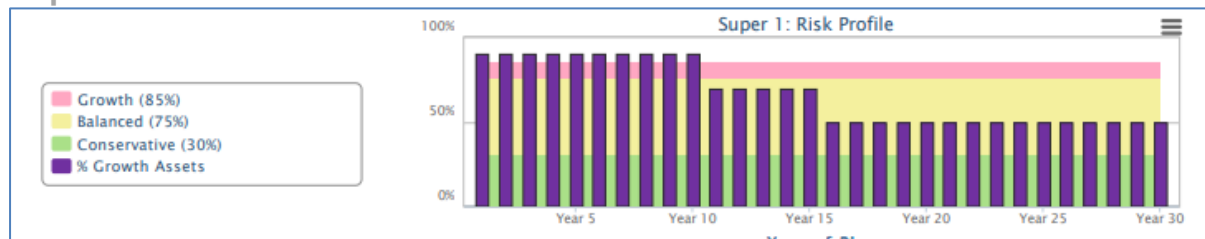


Financial Mappers Pro Masterclass

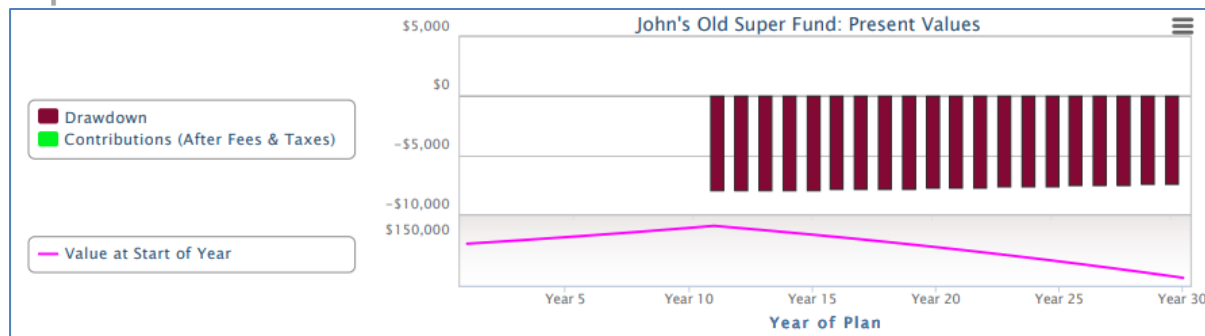
Super Investment Profile



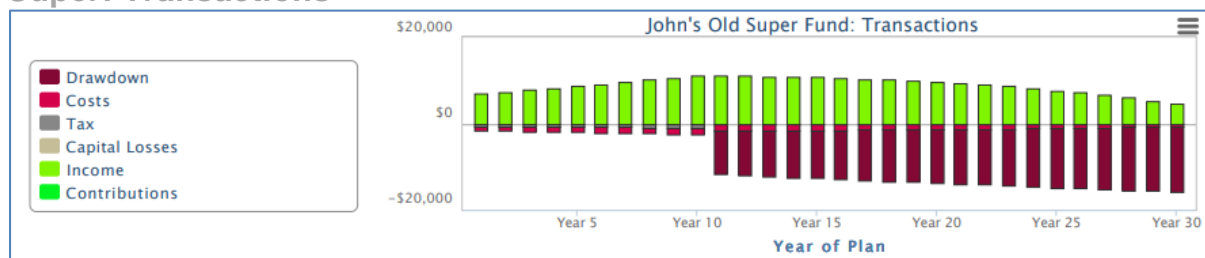
Super: Risk Profile



Super: Present Values



Super: Transactions



Account Management - SMSF

In the **SMSF**, there are three account types being managed. First, let's look at each particular account and then look at how we manage the relationship between the three accounts. This management will require the following:

- Keeping the Cash Account balance positive
- Maintaining an Asset Allocation, Investment Profile, and % of Growth Assets at a level suitable for the age and investment needs of the client.

The three asset accounts within the SMSF are:

- **SMSF Cash Account:** All interest earning accounts such as Cash Management Accounts, Term Deposits, and Bonds. You may elect to use the Cash Account for actual cash, and put the allocation to Term Deposits and Bonds in the **Managed Funds**. Managed Funds has the option to allocate to the three standard types of Defensive Assets. (Cash, Domestic & Global Fixed Interest Securities)
- **Shares & Managed Funds:** A collective account for all your Share Portfolio and various Managed Funds. With this account, there is the same option as Managed Funds and Superannuation. The difference is that the fund defaults to an **Aggressive Profile** with **100% Domestic Equities**.
- **Real Estate:** For each property, you will hold and manage a separate property account and loan if applicable.

When the SMSF account ownership is **Joint**, the account balances for Employer Contributions and Personal Pre and After-Tax Contributions are maintained, while displaying the total values of the fund in each of the accounts.

Fee & Life Insurance

On the TAB, **Fees & Life Insurance**, the details can be nominated.

Note that the **Life Insurance Premiums** are not indexed, but the costs are indexed.

[Back](#)
SELF-MANAGED SUPERANNUATION/PENSION FUND : OUR JOINT SMSF

[Options](#)
[Getting Started](#)
[Contributions](#)
[Fees & Life Insurance](#)
[Drawdown](#)
[Cash Account](#)
[Shares & Managed Funds](#)
[Property](#)

FEES

Accounting & Auditing Fees	\$5,000
Administration Fees	\$500
Administration Fees (% of Fund)	0.50%
Adviser Fees (% of Fund)	0.00%
Contribution Fees (% of Contribution)	0.00%

LIFE INSURANCE

	John Citizen	Mary Citizen
Select Insurance Type	Male Death and TPD	Male Death and TPD
	Edit	Edit
Monthly Premium	\$200	\$200
Age When Life Insurance Ceases	Age 55	Age 55

Cash Account

In regards to **Insurance Cover**, the program has taken a generic cost of cover and uses those figures for the database, where the value of the cover changes as the age of the person changes. However, you can [EDIT](#) those values to match your clients cover. The benefit is based on every \$10 of premium paid per month. This is a sample for the program's generic cover:

[Back](#)
LIFE INSURANCE: MALE DEATH AND TPD

Age	Benefit	Age	Benefit	Age	Benefit
Age 20	\$70,000	Age 31	\$70,000	Age 41	\$46,000
Age 22	\$70,000	Age 32	\$70,000	Age 43	\$38,000
Age 23	\$70,000	Age 33	\$70,000	Age 42	\$44,000
Age 24	\$70,000	Age 34	\$68,000	Age 44	\$38,000
Age 21	\$70,000	Age 35	\$68,000	Age 45	\$32,000
Age 25	\$70,000	Age 36	\$62,000	Age 46	\$30,000
Age 26	\$70,000	Age 37	\$62,000	Age 47	\$28,000
Age 27	\$70,000	Age 38	\$62,000	Age 48	\$24,000
Age 28	\$70,000	Age 39	\$54,000	Age 49	\$22,000
Age 29	\$70,000	Age 40	\$52,000	Age 50	\$18,000
Age 30	\$70,000				

Cash Account

The **Cash Account** is the account through which all transaction occurs.

The following are the **Deposits** to the Cash Account

- Contributions which have not been allocated to the Shares & Managed Funds account.
- All Government Co-Contributions and Spouse Contributions
- Net Sale Proceeds of Property, which has not been allocated to the Shares & Managed Funds account
- Sale of Shares and Managed Funds (Start of Year Transaction)
- Sale of Shares and Managed Funds to fund the Drawdown (Start of Year Transaction)
- Rental Income
- Earnings on Cash Account

The following are the **Withdrawals** from the Cash Account:

- Drawdown in Retirement (Start of Year Transaction transferred to the **Transaction Account**)
- Deposit and Buying Costs of Property
- Loan payments and Loan Costs.
- Purchase of Shares and Managed Funds
- Management fees for both the Cash and the Shares & Managed Funds Accounts
- Life Insurance
- All Administrative Fees
- Tax on Income, Capital Gains and Contributions, with Imputation Credits included in the calculation.
- Selling Costs of Shares & Managed Funds. (The Buying Costs are deducted from the value of funds purchased in the Shares & Managed Fund Account)

The **Cash Account** defaults to **no Account Costs** and **Default Return of 5.37%**. These values can be changed by clicking on the [LINK](#) to edit the inputs.

Financial Mappers Pro Masterclass


[Back](#)
SELF-MANAGED SUPERANNUATION/PENSION FUND : OUR JOINT SMSF

[Options](#)
[Getting Started](#)
[Contributions](#)
[Fees & Life Insurance](#)
[Drawdown](#)
[Cash Account](#)
[Shares & Managed Funds](#)
[Property](#)


Balance \$220,000

Interest Rate 5.37%

Annual Fees None

Edit Cash Account  [SMSF Cash Account](#)

Cash Account



[Back](#)
CASH ACCOUNT : SMSF CASH ACCOUNT

[Cash Account](#)
[Account Costs](#)
[Investment Return \(Income\)](#)

Select Method of Account Costs Fixed Amount

Monthly Fee

Annual Fee

Total Annual Fees \$120.00

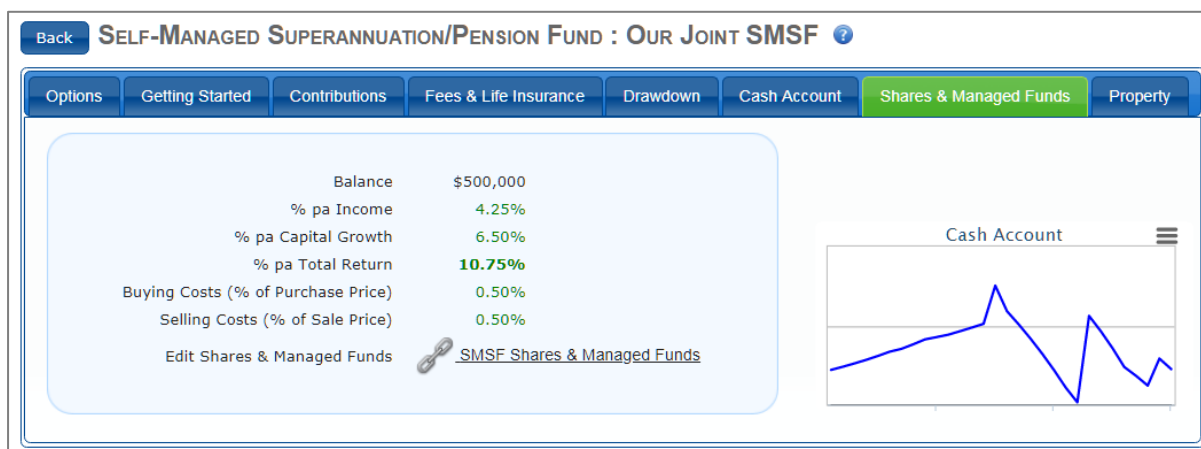
[Save](#) [Cancel](#)

This is a sample of the **Data View** of the **Cash Account** during the **Savings Phase**.

Cash Account						
Start Balance		\$442,716	\$464,813	\$487,623	\$511,419	\$752,832
Transactions at Start						
Deposits						
Sale of Shares & Managed Funds (Drawdown)		\$0	\$0	\$0	\$0	\$0
Sale of Shares & Managed Funds		\$0	\$0	\$0	\$218,904	\$0
Withdrawals						
Deposit on Property		\$0	\$0	\$0	\$0	\$0
Buying Costs (Property)		\$0	\$0	\$0	\$0	\$0
Purchase of Shares & Managed Funds		\$0	\$0	\$0	\$0	\$188,208
Start Balance – After Transactions		\$442,716	\$464,813	\$487,623	\$730,324	\$564,624
Drawdown Amount		\$0	\$0	\$0	\$0	\$0
Balance After Drawdown		\$442,716	\$464,813	\$487,623	\$730,324	\$564,624
Income		\$44,728	\$46,438	\$48,476	\$62,067	\$53,740
Net Contributions		\$1,280	\$1,312	\$1,614	\$1,654	\$1,696
Govt CoContribution (Aust Only)		\$0	\$0	\$0	\$0	\$0
Spouse Contribution (Aust Only)		\$0	\$0	\$0	\$0	\$0
Earnings on Cash Accounts		\$24,246	\$25,445	\$26,689	\$39,735	\$30,850
Net Rent		\$16,321	\$16,729	\$17,147	\$17,576	\$18,015
Sale of Property		\$0	\$0	\$0	\$0	\$0
Expenses		\$19,751	\$20,675	\$21,654	\$36,457	\$24,063
Loan Payments & Costs		\$0	\$0	\$0	\$0	\$0
Management Fees (Cash)		\$120	\$120	\$120	\$120	\$120
Management Fees (Shares & Managed Funds)		\$0	\$0	\$0	\$0	\$0
Administrative Costs (Excluding Contrib Fees)		\$20,574	\$21,951	\$23,447	\$25,064	\$26,696
Life Insurance		\$0	\$0	\$0	\$0	\$0
Selling Costs Shares and Managed Funds		\$0	\$0	\$0	\$1,095	\$0
Tax on Income, Capital Gains & Contributions		CR \$943	CR \$1,396	CR \$1,913	\$10,179	CR \$2,753
End Balance		\$464,813	\$487,623	\$511,419	\$752,832	\$591,122

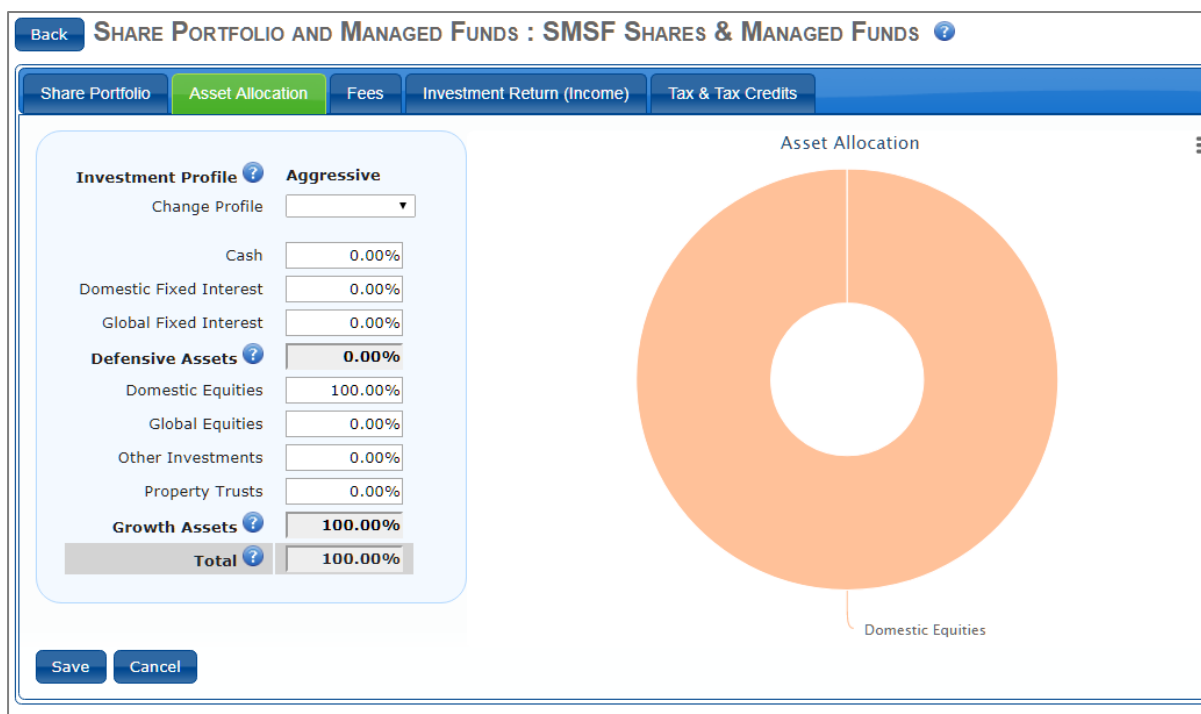
Shares and Managed Funds

You should click on the [LINK](#) and adjust the Default Entries and include a Management Fee if applicable.



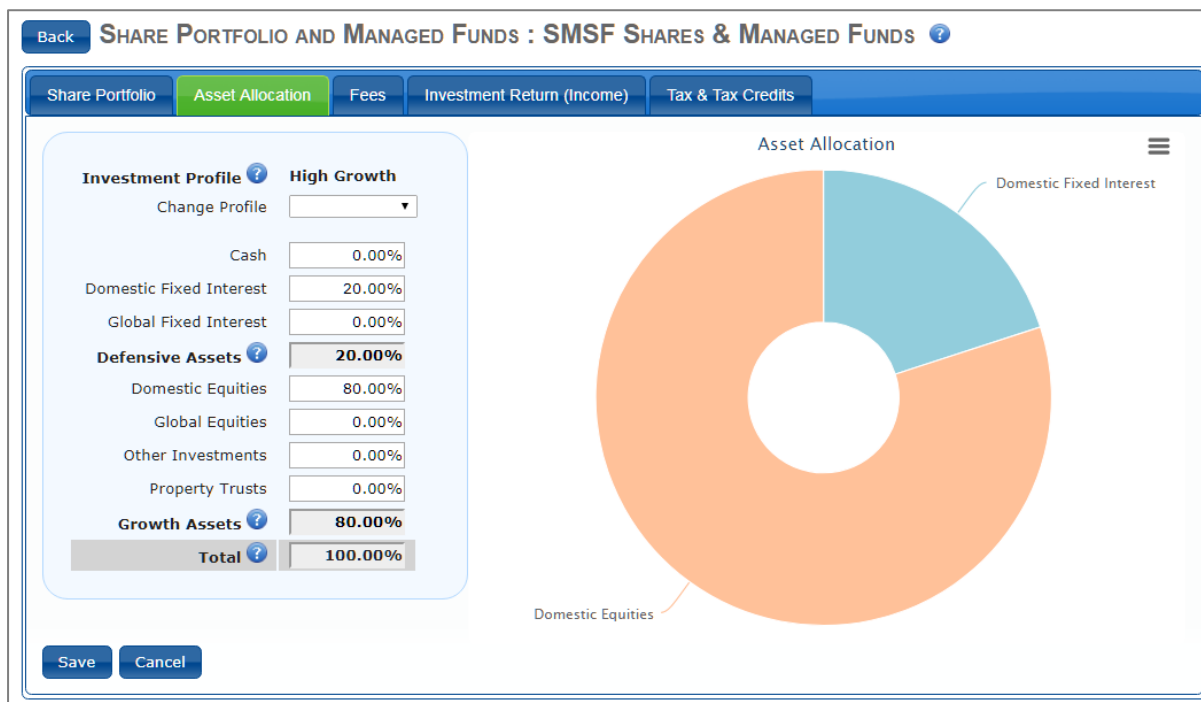
Asset Allocation

The **Asset Allocation** defaults to **100% Domestic Equities**. This is based on the assumption that most self-directed investors are more likely to invest directly in the share market. However, you can allocate the funds as you want. For example, you may want to keep your fixed interest securities in this account as they are not liquid assets in terms of paying for fund expenses

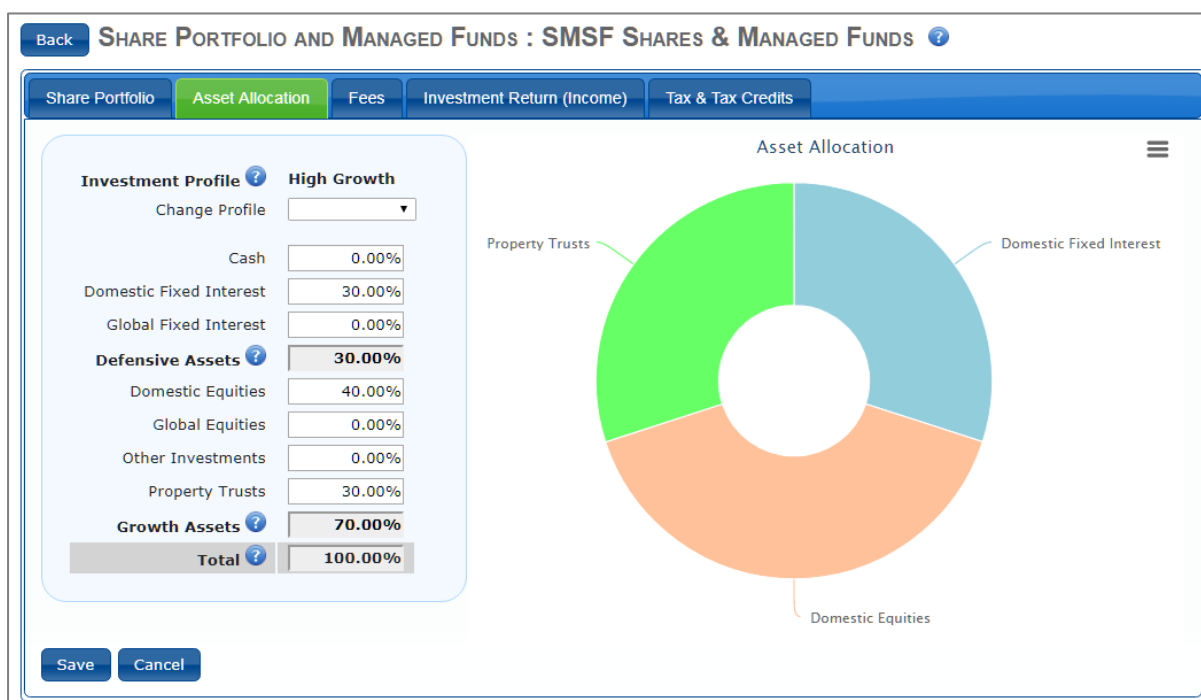


Financial Mappers Pro Masterclass

This is an example of a **High Growth** fund which includes **Domestic Fixed Interest Securities** and **Domestic Equities**.



If your client has chosen not to include Real Property, there is the opportunity to include **Property Trusts** in this fund. You may have an allocation similar to this example. The allocation will depend on your preference and detailed knowledge of your client's risk tolerance and how you want to treat the Cash Account.



Fees

On the TAB, **Fees**, the Default Buying & Selling Costs are 0.5%. However, the **Management Fee** is listed as 0%. If your client is paying **Management Fees** this will need to be changed.

The screenshot shows the 'Fees' tab selected in the 'SHARE PORTFOLIO AND MANAGED FUNDS : SMSF SHARES & MANAGED FUNDS' interface. The tab bar includes 'Share Portfolio', 'Asset Allocation', 'Fees', 'Investment Return (Income)', and 'Tax & Tax Credits'. The 'Fees' tab is active. The main content area displays the following settings:

Field	Value
Select Method of Buying Costs	Default Rate
Buying Costs (% of Purchase Price)	0.50%
Select Method of Selling Costs	Default Rate
Selling Costs (% of Sale Price)	0.50%
Management Fee (% of Fund Value)	0.00%

At the bottom, there are 'Save' and 'Cancel' buttons.

Investment Return

The **Investment Returns** default to that of **Shares** in the Investments section.

The screenshot shows the 'Investment Return (Income)' tab selected in the 'SHARE PORTFOLIO AND MANAGED FUNDS : SMSF SHARES & MANAGED FUNDS' interface. The tab bar includes 'Share Portfolio', 'Asset Allocation', 'Fees', 'Investment Return (Income)', and 'Tax & Tax Credits'. The 'Investment Return (Income)' tab is active. The main content area displays the following settings:

Field	Value
Rate of Return	Default Interest Rate
% pa Income	4.25%
% pa Capital Growth	6.50%
% pa Total Return	10.75%

At the bottom, there are 'Save' and 'Cancel' buttons.

Tax and Tax Credits

The account defaults to 0% **Tax Credits** and should always be amended. In this example, the entry has been changed to 60% of the fund.

The screenshot shows the 'Tax & Tax Credits' tab selected in the 'SHARE PORTFOLIO AND MANAGED FUNDS : SMSF SHARES & MANAGED FUNDS' interface. The tab bar includes 'Share Portfolio', 'Asset Allocation', 'Fees', 'Investment Return (Income)', and 'Tax & Tax Credits'. The 'Tax & Tax Credits' tab is active. The main content area displays the following settings:

Field	Value
% of Fund with Tax Credits	60.00%
Refundable?	<input checked="" type="checkbox"/>

At the bottom, there are 'Save' and 'Cancel' buttons.

Transactions in the Shares and Managed Fund Account

Deposits to the Shares and Managed Funds are:

- Capital Growth is added to the value of the fund each year
- All dividends are reinvested into the account
- Contributions, allocated to the Fund as a percentage
- Purchases from Cash Account, net of fees
- Proceeds from Sale of Property, allocated to the Shares and Managed Funds account. (End of Year Transaction)

Withdrawals from the Shares and Managed Funds transferred the **Cash Account**

- Sale of Shares and Managed Funds to rebalance the Asset Allocation (Start of Year transaction)
- Sale of Shares and Managed Funds to fund Drawdown (Start of Year Transaction)

This is a sample of the **Data View** of the **Shares and Managed Funds** Account

Shares & Managed Funds					
Start Balance	\$500,000	\$568,531	\$644,870	\$729,869	\$825,166
Transactions at Start					
Deposits					
Purchases from Cash Account	\$0	\$0	\$0	\$0	\$0
Withdrawals					
Sale of Shares & Managed Funds (Asset Allocation)	\$0	\$0	\$0	\$0	\$0
Sale of Shares & Managed Funds (Drawdown)	\$0	\$0	\$0	\$0	\$0
Start Balance – After Transactions	\$500,000	\$568,531	\$644,870	\$729,869	\$825,166
Income & Capital Growth					
Purchases from Net Contributions	\$14,129	\$14,562	\$15,008	\$16,126	\$17,300
Dividends Reinvested	\$21,442	\$24,350	\$27,587	\$31,205	\$35,260
Purchases from Sale of Property	\$0	\$0	\$0	\$0	\$0
Capital Growth	\$32,959	\$37,428	\$42,404	\$47,966	\$54,198
End Balance	\$568,531	\$644,870	\$729,869	\$825,166	\$931,924

Rebalancing the SMSF account

The SMSF account is quite complex but allows you a lot of flexibility to demonstrate your strategies for the SMSF account.

Rebalancing the Accounts to Maintain a positive Cash Account Balance.

In a similar fashion to allocating a Percentage of Contributions to the **Shares and Managed Funds Account**, likewise, you can nominate a Percentage of Drawdown to be allocated from the sale of **Shares and Managed Funds**.

In this example, 60% of the Drawdown has been funded by the sale of **Shares and Managed Funds**. However, by Year 6, the **Cash Account** will be overdrawn after the Drawdown.

SELF-MANAGED SUPERANNUATION/PENSION FUND TRANSACTIONS					
<div>SAVINGS PHASE</div> <div>RETIREMENT PHASE</div> <div>Years 1 - 5</div> <div>Years 6 - 10</div> <div>Years 11 - 15</div>					
Retirement Phase					
Shares & Managed Funds ?					
Age John, Mary					
Management of Contributions and Drawdowns					
Contributions used to buy Shares	Year 6 2039 Age 70, 70 0.00%	Year 7 2040 Age 71, 71 0.00%	Year 8 2041 Age 72, 72 0.00%	Year 9 2042 Age 73, 73 0.00%	Year 10 2043 Age 74, 74 0.00%
Shares sold to fund Drawdown	60.00%	60.00%	60.00%	60.00%	60.00%
Asset Allocation Management					
Sale of Shares	0.00%	0.00%	0.00%	0.00%	0.00%
Purchase of Shares	0.00%	0.00%	0.00%	0.00%	0.00%
Cash Account Balance After Drawdown	-\$9,224	-\$108,987	\$435,110	\$332,055	\$217,978
Shares & Managed Funds Balance	\$3,042,378	\$3,172,440	\$3,737,298	\$3,928,365	\$4,129,711
RB** RB**					
**RB - You need to rebalance your accounts as you should not operate if a negative balance					

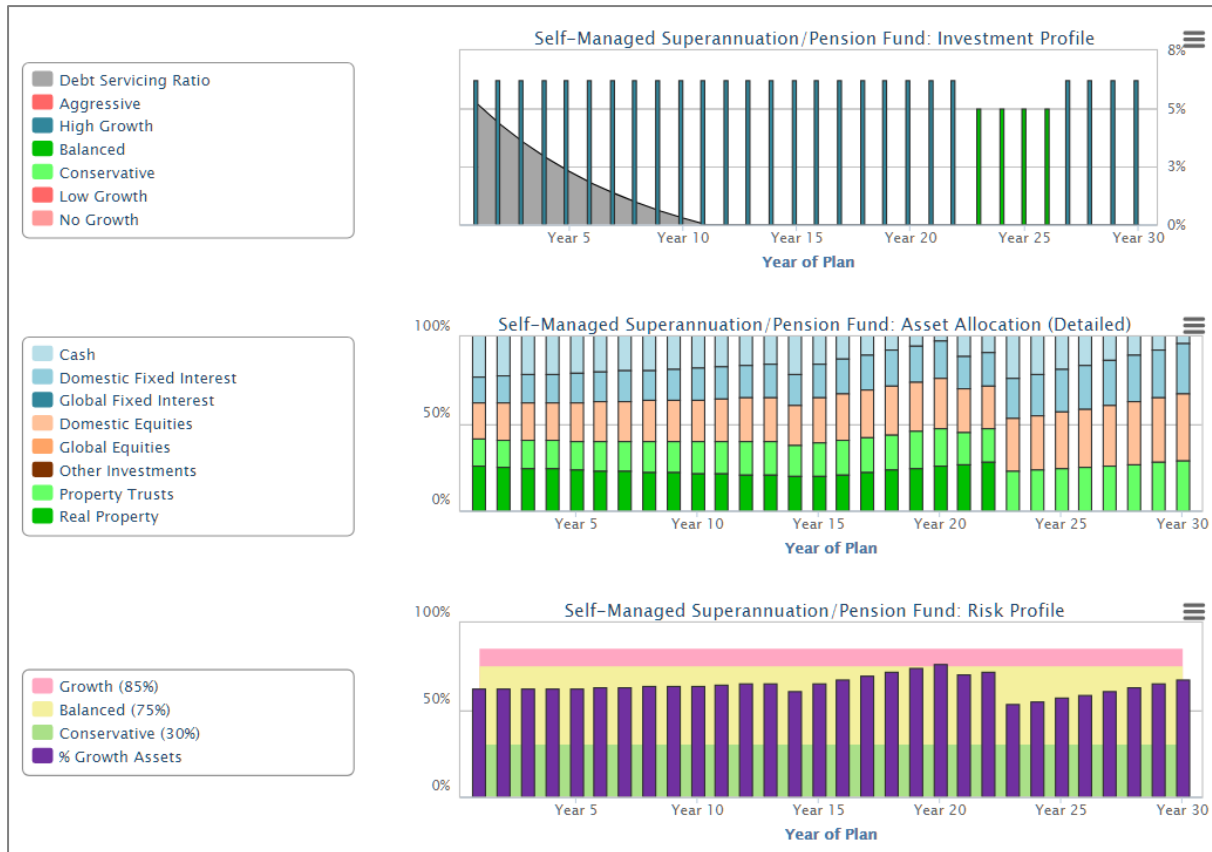
This problem could be resolved by increasing the percentage of Drawdown to say, 70% of funds or sell some of the **Shares and Managed Funds** in the **Asset Allocation Management Area**. In this example, an additional 15% of **Shares and Managed Funds** are sold in Year 6 of the Retirement Phase and the positive Cash Account Balance is maintained to the end of the plan.

SELF-MANAGED SUPERANNUATION/PENSION FUND TRANSACTIONS					
<div>SAVINGS PHASE</div> <div>RETIREMENT PHASE</div> <div>Years 1 - 5</div> <div>Years 6 - 10</div> <div>Years 11 - 15</div>					
Retirement Phase					
Shares & Managed Funds ?					
Age John, Mary					
Management of Contributions and Drawdowns					
Contributions used to buy Shares	Year 6 2039 Age 70, 70 0.00%	Year 7 2040 Age 71, 71 0.00%	Year 8 2041 Age 72, 72 0.00%	Year 9 2042 Age 73, 73 0.00%	Year 10 2043 Age 74, 74 0.00%
Shares sold to fund Drawdown	60.00%	60.00%	60.00%	60.00%	60.00%
Asset Allocation Management					
Sale of Shares	15.00%	0.00%	0.00%	0.00%	0.00%
Purchase of Shares	0.00%	0.00%	0.00%	0.00%	0.00%
Cash Account Balance After Drawdown	\$447,133	\$362,093	\$922,691	\$843,340	\$755,028
Shares & Managed Funds Balance	\$3,042,378	\$2,667,121	\$3,179,442	\$3,314,171	\$3,454,904

Financial Mappers Pro Masterclass

Rebalancing the accounts to maintain a suitable allocation of Growth Assets

This is the information being displayed in the current graphs. This is where **Financial Mappers** is so valuable. You can immediately see what needs to be changed to create an asset allocation which provides a suitable **Risk Profile** for your client.



By using a combination of the **Management of Contributions and Drawdowns** and **Asset Allocation Management** you will be able to quickly create the best outcome for your client.

In general, using the Management of the Contributions and Drawdowns is the best place to start and just use the Asset Allocation Management if you want to “Tweak” the results occasionally.

SELF-MANAGED SUPERANNUATION/PENSION FUND TRANSACTIONS					
SAVINGS PHASE					
RETIREMENT PHASE					
Years 1 - 5					
Years 6 - 10					
Years 11 - 15					
Retirement Phase					
Shares & Managed Funds	Year 6	Year 7	Year 8	Year 9	Year 10
	2039	2040	2041	2042	2043
Age John, Mary	Age 70, 70	Age 71, 71	Age 72, 72	Age 73, 73	Age 74, 74
Management of Contributions and Drawdowns					
Contributions used to buy Shares	30.00%	0.00%	0.00%	0.00%	0.00%
Shares sold to fund Drawdown	60.00%	60.00%	60.00%	60.00%	60.00%
Asset Allocation Management					
Sale of Shares	15.00%	0.00%	0.00%	0.00%	0.00%
	\$456,357	\$0	\$0	\$0	\$0
Purchase of Shares	0.00%	0.00%	0.00%	0.00%	0.00%
	\$0	\$0	\$0	\$0	\$0
Cash Account Balance After Drawdown	\$447,133	\$362,093	\$922,691	\$843,340	\$755,028
Shares & Managed Funds Balance	\$3,042,378	\$2,667,121	\$3,179,442	\$3,314,171	\$3,454,904

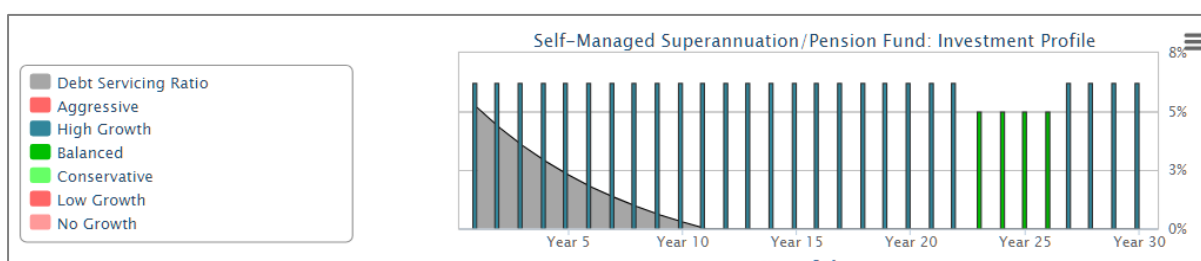
Statistics

Debt Servicing Ratio

Because loans must be non-recourse loans, the lending institutions will most likely have a lower **Debt Servicing Ratio**. **Financial Mappers** calculates this ratio for each year.

Statistics ?					
Debt Ratio	5.15%	4.29%	3.53%	2.87%	2.28%

This ratio is also displayed on the Investment Profile Graph.



Returns on SMSF

It can be quite difficult calculating the returns on an SMSF account when you have funds invested in accounts with different **Investment Returns**. With **Financial Mappers**, the program takes into account all the various returns and calculates the average return for the whole fund.

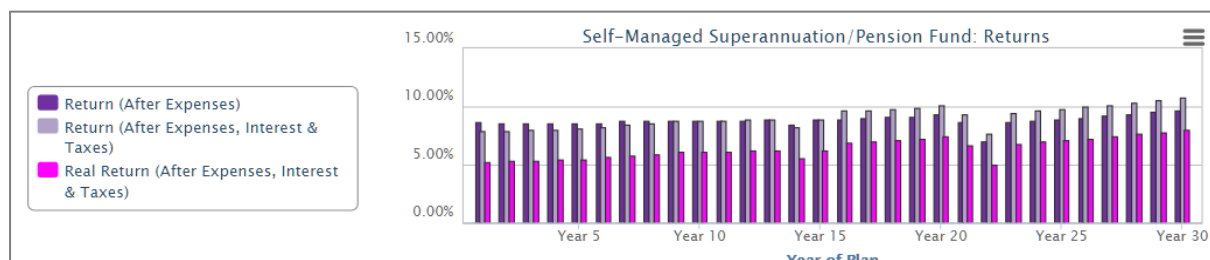
In addition, the **return on investments** is calculated for the following so that you can compare your fund with other market statistics:

- % Gross Return - before any costs
- % Net Return – After Expenses
- % Net Return – After Expenses, Interest & Taxes

Statistics ?					
Debt Ratio	5.15%	4.29%	3.53%	2.87%	2.28%
% Gross Return - Before any costs	10.47%	10.33%	10.20%	10.10%	10.01%
% Net Return - After Expenses	8.61%	8.59%	8.58%	8.57%	8.57%
% Net Return - After Expenses, Interest & Taxes	7.86%	7.93%	8.00%	8.05%	8.10%
% Real Return - After Expenses, Interest & Taxes	5.23%	5.30%	5.37%	5.42%	5.47%

Financial Mappers Pro Masterclass

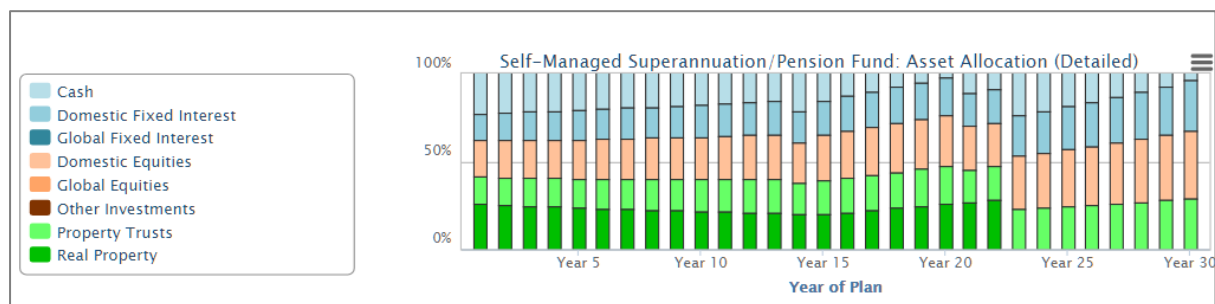
The same information is given in graph format.



Asset Allocation

There are a number of ways to examine **Asset Allocation**. The first is the allocation by each of the 8-categories.

Asset Allocation					
Cash	22.68%	22.18%	21.69%	21.21%	20.76%
Domestic Fixed Interest	15.46%	15.77%	16.07%	16.37%	16.66%
Global Fixed Interest	0.00%	0.00%	0.00%	0.00%	0.00%
Domestic Equities	20.62%	21.03%	21.43%	21.83%	22.22%
Global Equities	0.00%	0.00%	0.00%	0.00%	0.00%
Other Investments	0.00%	0.00%	0.00%	0.00%	0.00%
Property Trusts	15.46%	15.77%	16.07%	16.37%	16.66%
Real Property	25.77%	25.25%	24.74%	24.23%	23.70%
% of Growth Assets	61.86%	62.05%	62.24%	62.42%	62.58%

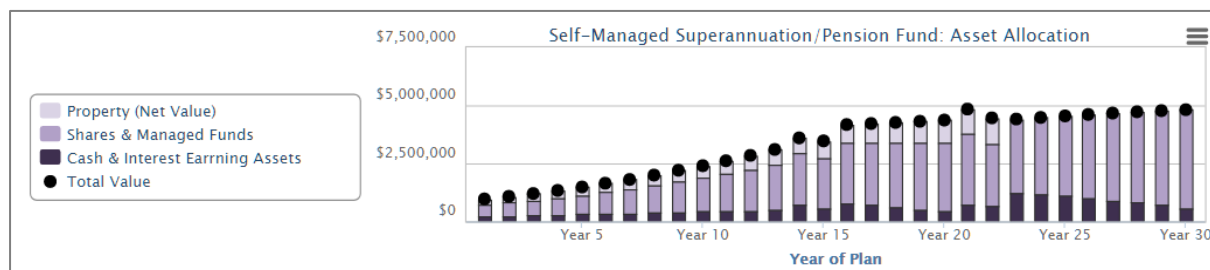


Financial Mappers Pro Masterclass

One can also examine the **Asset Allocation**, according to the three major asset classes

	View Data					View Graph
Savings Phase	Year 1	Year 2	Year 3	Year 4	Year 5	
	2019	2020	2021	2022	2023	
Age John, Mary	Age 50, 50	Age 51, 51	Age 52, 52	Age 53, 53	Age 54, 54	
Asset Allocation After Transactions & Drawdown						
Investment Profile	High Growth	High Growth	High Growth	High Growth	High Growth	
Cash & Interest Earning Assets	38.14%	37.95%	37.76%	37.58%	37.42%	
Equities & Other Investments	20.62%	21.03%	21.43%	21.83%	22.22%	
Property (Net) & Property Trusts	41.24%	41.02%	40.81%	40.60%	40.36%	
Account Values	\$970,000	\$1,081,574	\$1,203,757	\$1,337,555	\$1,485,528	
Cash Account	\$220,000	\$239,917	\$261,114	\$283,645	\$308,329	
Shares & Managed Funds	\$500,000	\$568,531	\$644,870	\$729,869	\$825,166	
Property (Net Value)	\$250,000	\$273,127	\$297,774	\$324,040	\$352,032	

This information is also displayed in graph format. Note that any Interest Earning Assets in the Shares Managed Fund account is included in that account.

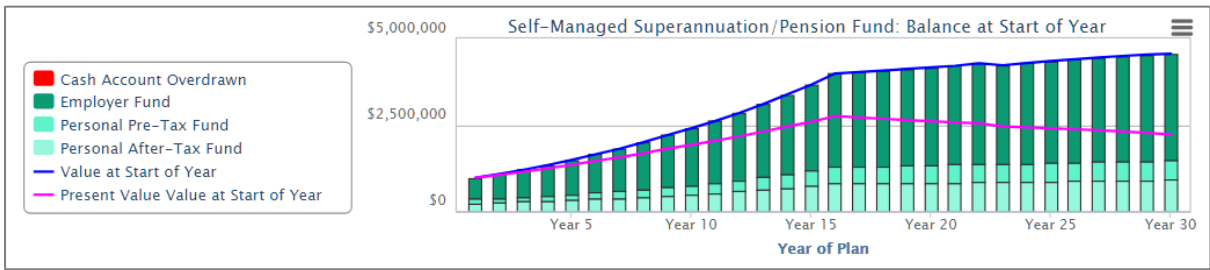


Fund Allocation According to Contribution Type

In the case of a Joint SMSF, clicking on the [LINK](#) displays the values for each partner.

Asset Allocation according to Contribution Type					
Start Balance – after Drawdown	\$970,000	\$1,081,574	\$1,203,757	\$1,337,555	\$1,485,528
After-Tax Contributions - Non-Concessional	\$237,487	\$259,505	\$283,215	\$308,172	\$334,753
Pre-Tax Contributions - Concessional	\$118,141	\$128,481	\$139,601	\$151,289	\$163,735
Pre-Tax Contributions - Concessional (John)	\$67,169	\$74,391	\$82,276	\$90,721	\$99,850
Pre-Tax Contributions - Concessional (Mary)	\$50,973	\$54,090	\$57,325	\$60,568	\$63,885
Employer Pre-Tax Contributions	\$614,372	\$693,588	\$780,941	\$878,094	\$987,040
Contributions (Before Fees and Taxes)					
After-Tax Contributions - Non-Concessional	\$5,000	\$5,125	\$5,253	\$5,384	\$5,519
Pre-Tax Contributions - Concessional	\$2,000	\$2,050	\$2,101	\$2,154	\$2,208
Employer Pre-Tax Contributions	\$28,500	\$29,412	\$30,355	\$32,978	\$35,741
Total Contributions - Before Fees and Taxes	\$35,500	\$36,587	\$37,709	\$40,517	\$43,468
Total Fees and Taxes	\$4,575	\$4,719	\$4,868	\$5,270	\$5,692

The allocation, together with the FV and PV of the fund are also displayed in graph format.



Drawdown in Retirement

For both accounts, there are three methods of Drawdown. In addition, the **Superannuation/Pension** account can convert the fund to an **Annuity** at the Start of the Drawdown. If this option is chosen the following rules will not apply.

- There will be no **Minimum** and **Maximum Rules**
- No account will be made for the **Transfer Balance Cap**, currently at \$1.6m.

The program calculates the **Preservation Age**, of the client. The **Drawdown** can not commence before the **Preservation Age**.

If a **Transition to Retirement** is nominated, the fund can continue to receive **Contributions** during that time period. If the **Transition to Retirement** commences before Age 65, there is a 4% Minimum Drawdown and 10% Maximum.

Because funds, can be drawn down as a percentage, there is an entry for the **Minimum Account Balance**. This defaults to a value of \$10,000 but may be changed. Once the value of the fund reaches this indexed value, all the funds are withdrawn in that year.

Note that the Drawdown must be activated. When you create an account, the Drawdown is always deactivated. This allows you to quickly toggle between activation and no activation. With all Drawdown methods, you can make Additional Drawdown Amounts which is added to the total. These **Additional Drawdown Amounts** are not submitted to any Minimum or Maximum rules.

Back SUPERANNUATION/PENSION FUND : PARTNER A SUPER ?

Start Balance & Options Contributions Returns, Fees, Insurance, Change of Funds & Roll into Annuity Drawdown

☒ Activate Retirement Drawdown

Preservation Age ? Age 60

Enter Age for Start of Drawdown ? Age 65

Number of Years for Transition to Retirement ? 3 Years

Minimum Balance to Close Account ? \$10,000

Method of Calculating Drawdown Amount ? Number of Years

Number of Years for Drawdown Period ? 25 Years

ADDITIONAL DRAWDOWN AMOUNTS ?

Amount	Year of Plan	
\$20,000	Year 20	Delete
		Add

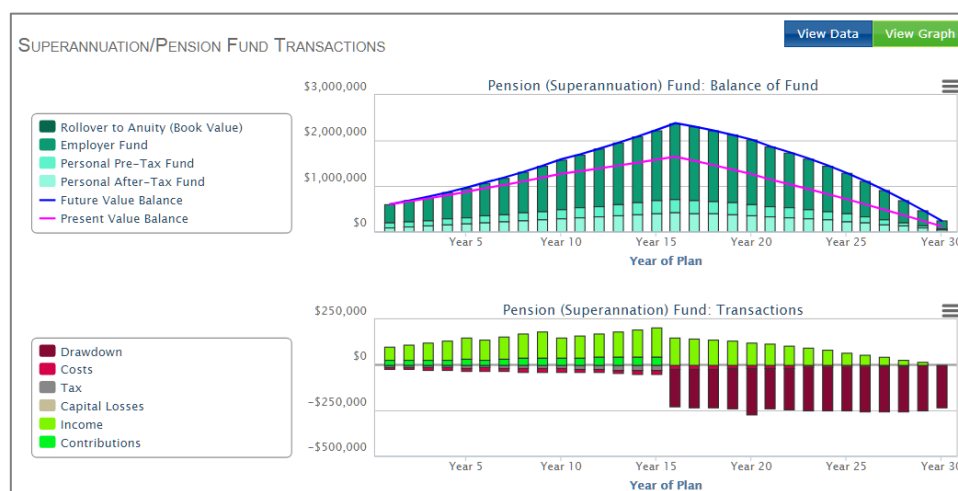
Financial Mappers Pro Masterclass

Where you have a Joint Plan, both partners may have different types of Drawdown and may commence in different years.

Drawdown Method – Number of Years

The algorithm developed for the drawdown over a number of years is designed to try and make a fairly even Present Value drawdown amount over the time period. However, this is not an 'exact science', as the formula is based on long term average investment returns and the life expectancy of the person.

In this example, 15-years has been selected, which is the length of the Retirement Phase. Note that the PV Drawdowns are fairly even, except in the year with the additional \$20,000.



Note the additional drawdown amount in Year 5 and the Minimum and Maximum values.

SUPERANNUATION/PENSION FUND TRANSACTIONS						View Data	View Graph
SAVINGS PHASE							
RETIREMENT PHASE							
Years 1 - 5							
Years 6 - 10							
Years 11 - 15							
Retirement Phase							
Year 1							
2034							
Age 65							
Year 2							
2035							
Age 66							
Year 3							
2036							
Age 67							
Year 4							
2037							
Age 68							
Year 5							
2038							
Age 69							
Change of Fund or Profile							
Investment Profile							
Drawdown Allocation							
Minimum Drawdown							
\$119,096							
\$115,283							
\$111,009							
\$106,246							
\$100,962							
Maximum Drawdown							
\$2,381,912							
\$2,305,658							
\$2,220,188							
\$2,124,914							
\$2,019,240							
Drawdown Amount - After Adjustments							
\$206,763							
\$211,141							
\$215,552							
\$219,970							
\$256,333							
Manual Adjustments to Drawdown Amount							
\$0							
\$0							
\$0							
\$0							
\$31,973							
Total Fund							
Start Balance							
\$2,381,912							
\$2,305,658							
\$2,220,188							
\$2,124,914							
\$2,019,240							
Drawdown Amount							
\$206,763							
\$211,141							
\$215,552							
\$219,970							
\$256,333							
Start Balance - after Drawdown							
\$2,175,149							
\$2,094,517							
\$2,004,636							
\$1,904,944							
\$1,762,907							
Contributions after Fees and Taxes							
\$0							
\$0							
\$0							
\$0							
\$0							
Income After Tax							
\$152,260							
\$146,616							
\$140,325							
\$133,346							
\$123,404							
Capital Losses (When Returns are Negative)							
\$0							
\$0							
\$0							
\$0							
\$0							
Costs							
\$21,751							
\$20,945							
\$20,046							
\$19,049							
\$17,629							
Tax on Income							
\$0							
\$0							
\$0							
\$0							
\$0							
End Balance							
\$2,305,658							
\$2,220,188							
\$2,124,914							
\$2,019,240							
\$1,868,682							
Total Tax Due							
\$0							
\$0							
\$0							
\$0							
\$0							
Contributions Warning: "Over Limit"							
Warning - Excessive Fees							

Drawdown Method – Percentage of Funds

The program allows the selection of two rates, over different time periods. Where the nominated percentage is less than than the **Minimum Drawdown**, the value will be automatically adjusted to meet the rules of drawdown.

Back
SUPERANNUATION/PENSION FUND : PARTNER A SUPER

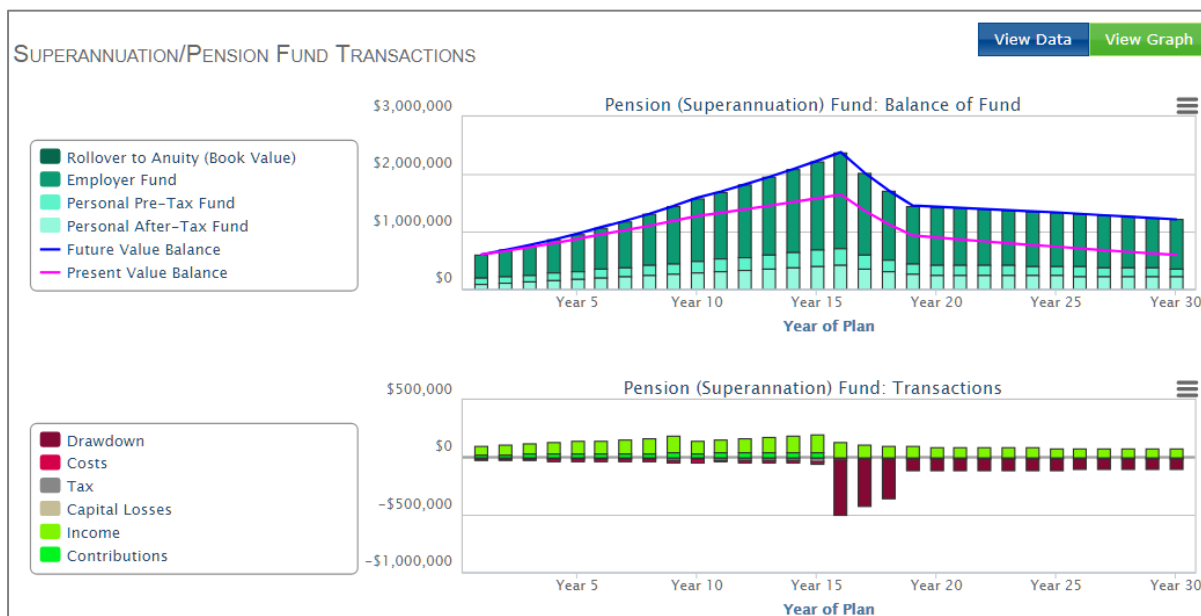
Start Balance & Options
Contributions
Returns, Fees, Insurance, Change of Funds & Roll into Annuity
Drawdown

☒ Activate Retirement Drawdown

Preservation Age ? Age 60
Enter Age for Start of Drawdown ? Age 65
Number of Years for Transition to Retirement ? 3 Years
Minimum Balance to Close Account ? \$10,000
Method of Calculating Drawdown Amount ? % of Fund
Percentage of Fund for First Drawdown Period 20.00%
Number of Years for First Drawdown Period 3 Years
Percentage of Fund for Second Drawdown Period 7.00%

ADDITIONAL DRAWDOWN AMOUNTS ?

Drawdown Amounts Add



Drawdown Method – Specified Dollar Value

The program allows you to build a schedule of dollar value Drawdown amounts. For some clients, an actual (PV) dollar amount is something they can easily comprehend. Once the client tells you how much money they want from their Super, then you can demonstrate very quickly whether or not the proposal is practical.

Start Balance & Options

Contributions

Returns, Fees, Insurance, Change of Funds & Roll into Annuity

Drawdown

☒ Activate Retirement Drawdown

Preservation Age ? Age 60

Enter Age for Start of Drawdown ? Age 65

 Number of Years for Transition to Retirement ? 3 Years

Minimum Balance to Close Account ? \$10,000

 Method of Calculating Drawdown Amount ? Specified Amounts ▾

DRAWDOWN BY SPECIFIED AMOUNT

JOHN CITIZEN

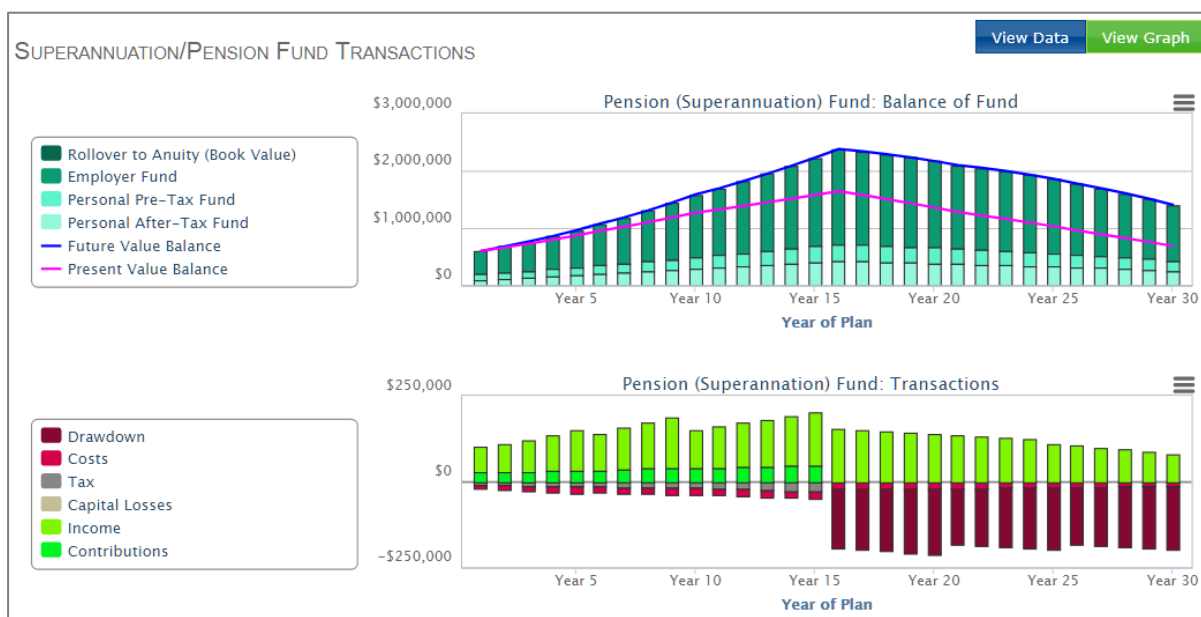
	Amount	Year of Drawdown	No. of Years
1st Time Period	\$120,000	Year 1	5 Years
2nd Time Period	\$100,000	Year 6	5 Years
3rd Time Period	\$90,000	Year 11	5 Years
		Total	15 years

Add Remove

ADDITIONAL DRAWDOWN AMOUNTS ?

Drawdown Amounts

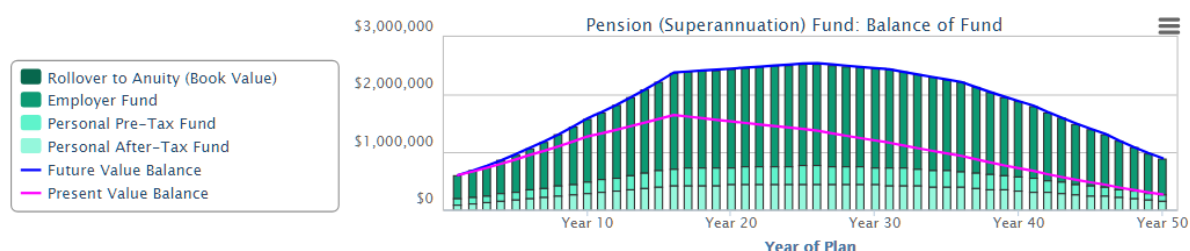
Add



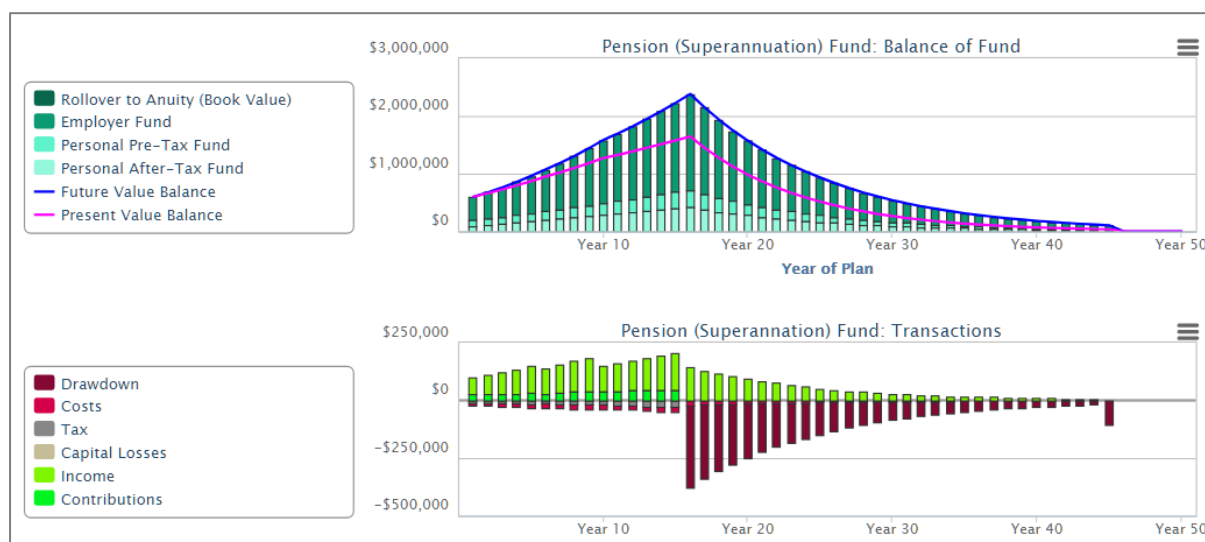
Extending the Plan Length

There may be times when you want to extend out the **Plan Length**, to demonstrate the likely drawdown scenario, but don't want to overwhelm you, client, with 'Information Overload'

Here the plan has been extended to a 50-year plan to demonstrate the long term effect of drawing down 5% of the fund. As 5% is less than the Minimum drawdown value, the amount will be adjusted each year. Thus you can demonstrate how long your funds will last if you only draw down the Minimum.



If the fund were drawn down at 15%, with a Minimum Closing Balance of \$40,000, the graph would be the following. Note the importance of having a realistic **Minimum Balance**. You don't want your client thinking the funds will last longer if the value of the drawdown is less than what is required for living expenses.



Calculation of Tax

There are a number of situations where tax information is included as a statement of information.

This is the list of possible entries in the Superannuation/Pension Account

Personal Taxation					
Tax on Drawdown (not taxed as part of Taxable Income)	\$0	\$0	\$0	\$0	\$0
Drawdown to be taxed at Specified Rate	\$0	\$0	\$0	\$0	\$0
Drawdown to be taxed as Income	\$0	\$0	\$0	\$0	\$0
Drawdown Tax Rebate	\$0	\$0	\$0	\$0	\$0
Tax Rebate on Spouse Contribution	\$0	\$0	\$0	\$0	\$0
Drawdown - Tax Free	\$0	\$0	\$0	\$0	\$0
Tax Deductible (Pre-Tax) Contributions	\$0	\$0	\$0	\$0	\$0

This is the list of possible entries for the SMSF

Personal Taxation					
Tax on Drawdown (not taxed as part of Taxable Income)	\$0	\$0	\$0	\$0	\$0
Drawdown to be taxed at Specified Rate	\$0	\$0	\$0	\$0	\$0
Drawdown to be taxed as Income	\$0	\$0	\$0	\$0	\$0
Drawdown Tax Rebate	\$0	\$0	\$0	\$0	\$0
Drawdown - Tax Free	\$0	\$0	\$0	\$0	\$0
Tax Deductible (Pre-Tax) Contributions	\$0	\$0	\$0	\$0	\$0
Tax Rebate on Spouse Contribution	\$0	\$0	\$0	\$0	\$0

Transfer Balance Cap

The inclusion of the **Transfer Balance Cap** and the division of the account, into two funds at the start of retirement is has been a recent addition to the software.

This is a screenshot of the data entries for the Superannuation Account:.

Back
SUPERANNUATION/PENSION FUND : SUPER A

Start Balance & Options
Contributions
Returns, Fees, Insurance, Change of Funds & Roll into Annuity
Drawdown

☒ Activate Retirement Drawdown

Preservation Age
Age 55

Enter Age for Start of Drawdown
Age 65

Value of Fund at Start of Drawdown
\$2,000,000

☒ Activate Transfer Balance Account

Allocation to Transfer Balance Account
\$1,600,000

Excess Accumulation Account
\$400,000

Number of Years for Transition to Retirement
1 Years

Minimum Balance to Close Account
\$10,000

Method of Calculating Drawdown Amount
Number of Years

Number of Years for Drawdown Period
25 Years

DRAWDOWN OF EXCESS ACCUMULATION ACCOUNT

JOHN CITIZEN

	Amount	Year of Drawdown	No. of Years
1st Time Period	\$10,000	Year 1	10 Years
2nd Time Period	\$0	Year 11	10 Years
3rd Time Period	\$50,000	Year 21	10 Years
		Total	30 years

Note that the **Excess Accumulation Account** has its own schedule of Drawdown. This schedule is limited to Dollar Values. The **Excess Accumulation Account** will continue to pay tax on earnings.

Financial Mappers Pro Masterclass

This is a screenshot of the data entries for a Joint SMSF Account:.

[Back](#) **SELF-MANAGED SUPERANNUATION/PENSION FUND : OUR SMSF** [?](#)

[Options](#) [Getting Started](#) [Contributions](#) [Fees & Life Insurance](#) [Drawdown](#) [Cash Account](#) [Shares & Managed Funds](#) [Property](#)

☒ Activate Retirement Drawdown

	John Citizen	Maryanne Citizen
Preservation Age ?	Age 55	Age 55
Enter Age for Start of Drawdown ?	<input type="text" value="Age 65"/>	<input type="text" value="Age 65"/>
Value of Fund at Start of Drawdown	\$2,611,120	\$2,088,880
Activate Transfer Balance Account where you have more than one Super Account	<input checked="" type="checkbox"/> Activate Transfer Balance Account	<input checked="" type="checkbox"/> Activate Transfer Balance Account
Allocation to Transfer Balance Account	<input type="text" value="\$1,600,000"/>	<input type="text" value="\$1,600,000"/>
Transfer Balance Cap	\$1,600,000	\$1,600,000
Excess Accumulation Account	\$1,011,120	\$488,880
Number of Years for Transition to Retirement ?	<input type="text" value="1 Years"/>	<input type="text" value="1 Years"/>
Minimum Balance to Close Account ?	<input type="text" value="\$10,000"/>	<input type="text" value="\$10,000"/>
Method of Calculating Drawdown Amount ?	<input type="text" value="Specified Amounts"/>	<input type="text" value="Specified Amounts"/>

Financial Mappers Pro Masterclass

Where the fund exceeds the TBC at the start of retirement, the transactions for the Total Fund, Transfer Balance Account and the Excess Accumulation Account are displayed.

SUPERANNUATION/PENSION FUND TRANSACTIONS

View Data

View Graph

RETIREMENT PHASE

Years 1 - 5

Retirement Phase	Year 1	Year 2	Year 3	Year 4	Year 5
	2019	2020	2021	2022	2023
	Age 65	Age 66	Age 67	Age 68	Age 69
Change of Fund or Profile	Fund 1		Fund 2		
Investment Profile	Balanced		Balanced		
Drawdown Allocation					
Minimum Drawdown	\$80,000	\$73,457	\$66,324	\$58,298	\$49,863
Maximum Drawdown	\$1,600,000	\$1,469,135	\$1,326,472	\$1,165,965	\$997,259
Drawdown Amount - After Adjustments	\$220,000	\$225,500	\$231,138	\$236,916	\$242,839
Total Fund					
Start Balance	\$2,000,000	\$1,865,506	\$1,718,511	\$1,551,144	\$1,376,464
Drawdown Amount	\$220,000	\$225,500	\$231,138	\$236,916	\$242,839
Start Balance – after Drawdown	\$1,780,000	\$1,640,006	\$1,487,373	\$1,314,228	\$1,133,625
Contributions after Fees and Taxes	\$0	\$0	\$0	\$0	\$0
Income After Tax	\$124,600	\$114,800	\$104,116	\$91,996	\$79,354
Capital Losses (When Returns are Negative)	\$0	\$0	\$0	\$0	\$0
Costs	\$36,700	\$33,928	\$38,008	\$27,469	\$23,887
Tax on Income	\$0	\$0	\$0	\$0	\$0
End Balance	\$1,865,506	\$1,718,511	\$1,551,144	\$1,376,464	\$1,186,842
Total Tax Due	\$2,394	\$2,368	\$2,337	\$2,291	\$2,250
Contributions Warning: "Over Limit" ?					
Warning - Excessive Fees					
Transfer Balance Account (TBA)					
Start Balance	\$1,600,000	\$1,469,135	\$1,326,472	\$1,165,965	\$997,259
Drawdown Amount	\$200,000	\$205,000	\$210,125	\$215,378	\$220,763
Balance after Drawdown	\$1,400,000	\$1,264,135	\$1,116,347	\$950,587	\$776,496
Income	\$98,000	\$88,489	\$78,144	\$66,541	\$54,355
Costs	\$28,865	\$26,152	\$28,527	\$19,869	\$16,362
Tax on Income	\$0	\$0	\$0	\$0	\$0
Value at End of Year	\$1,469,135	\$1,326,472	\$1,165,965	\$997,259	\$814,490
Excess Accumulation Account (EAA)					
Start Balance	\$400,000	\$396,371	\$392,038	\$385,179	\$379,205
Drawdown Amount	\$20,000	\$20,500	\$21,013	\$21,538	\$22,076
Balance after Drawdown	\$380,000	\$375,871	\$371,026	\$363,641	\$357,128
Income	\$26,600	\$26,311	\$25,972	\$25,455	\$24,999
Costs	\$7,835	\$7,776	\$9,481	\$7,601	\$7,525
Tax on Income	\$2,394	\$2,368	\$2,337	\$2,291	\$2,250
Value at End of Year	\$396,371	\$392,038	\$385,179	\$379,205	\$372,352

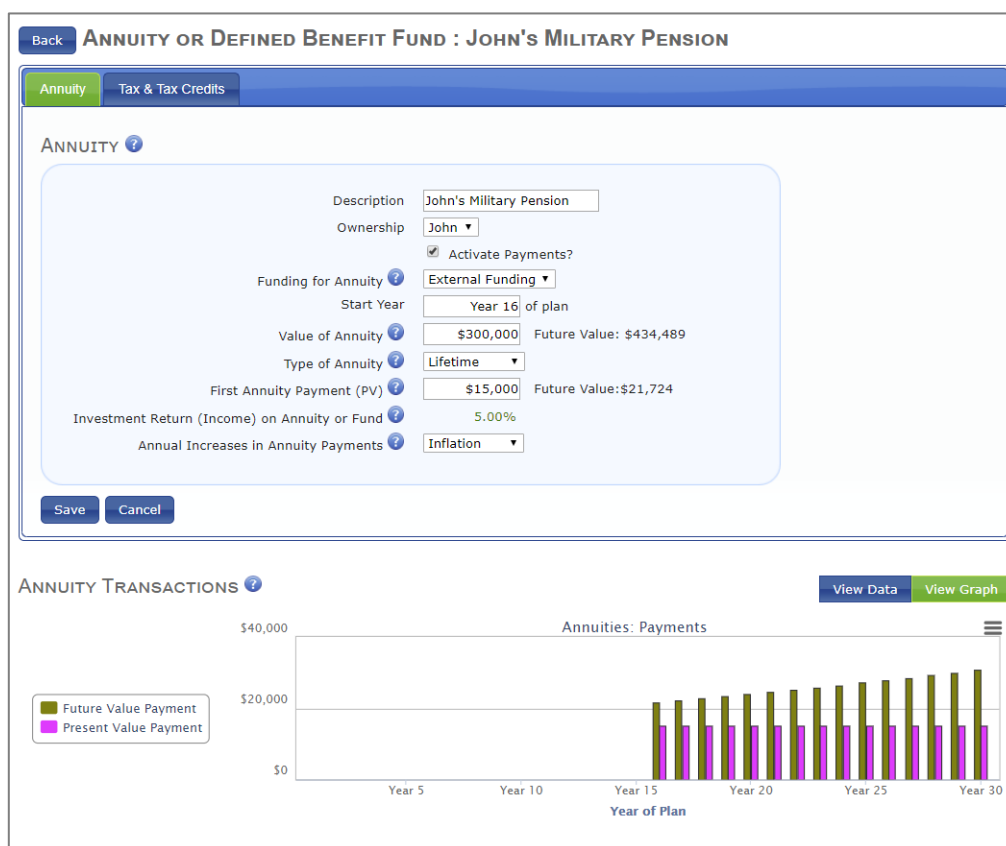
Annuity and Defined Benefit Funds

This asset type may be used for the purchase of an Annuity or include a Defined Benefit Fund, for which the client may be entitled from their employer. There are multiple options to create parameters suitable for the user.

In the **Superannuation/Pension Account**, there is an option to convert the balance of the account to an annuity at the Start of Retirement. The value of the fund is calculated in Present Value.

Annuities may be lifetime or for a fixed time period, have specified increases in payments or be inflation-linked. They may be taxed as income, tax-free or taxed at a specified rate. There is also the option for the inclusion of either refundable or non-refundable tax credits.

This is an example of a **Defined Benefit Pension**. It is funded from an External Source, that is, the client has not purchased the benefit. The Annuity is a Lifetime Annuity with an Investment Return of 5%, which is increased at the rate of Inflation.



Financial Mappers Pro Masterclass

This is an example of an **Annuity** which is purchased from the **Transaction Account** for an amount of \$100,000, for a fixed period of 20-years, with payment commencing at \$3,000 (PV), giving an Investment Return of 3%. The annual payments are increased by 2%.

[Back](#) **ANNUITY OR DEFINED BENEFIT FUND : MARY'S 20-YEAR ANNUITY**

Annuity | **Tax & Tax Credits**

ANNUITY ?

Description

Mary's 20-Year Annuity

Ownership

Mary ▼

☒ Activate Payments?

Funding for Annuity ?

Bank Account ▼

Start Year

Year 16 of plan

Value of Annuity ?

\$100,000

Future Value: \$144,830

Type of Annuity ?

Fixed Period ▼

Length of Annuity

20 Years

First Annuity Payment (PV) ?

\$3,000

Future Value:\$4,345

Investment Return (Income) on Annuity or Fund ?

3.00%

Annual Increases in Annuity Payments ?

Specified ▼

% Annual Increase

2.00%

[Save](#) [Cancel](#)

ANNUITY TRANSACTIONS ?

[View Data](#) [View Graph](#)

■ Future Value Payment

■ Present Value Payment

Annuities: Payments

Year of Plan	Future Value Payment	Present Value Payment
Year 15	\$4,345	\$3,000
Year 16	\$4,432	\$3,000
Year 17	\$4,520	\$3,000
Year 18	\$4,608	\$3,000
Year 19	\$4,697	\$3,000
Year 20	\$4,787	\$3,000
Year 21	\$4,878	\$3,000
Year 22	\$4,970	\$3,000
Year 23	\$5,063	\$3,000
Year 24	\$5,157	\$3,000
Year 25	\$5,252	\$3,000
Year 26	\$5,348	\$3,000
Year 27	\$5,445	\$3,000
Year 28	\$5,543	\$3,000
Year 29	\$5,642	\$3,000
Year 30	\$5,742	\$3,000

In this example, the income is taxed as Income and there is a **10% Tax Credit**, not **Refundable**.

[Back](#) **ANNUITY OR DEFINED BENEFIT FUND : MARY'S 20-YEAR ANNUITY**

Annuity | **Tax & Tax Credits**

Method of Taxation

Taxed as Income ?

Tax Credits (% of Drawdown)

10.00% ?

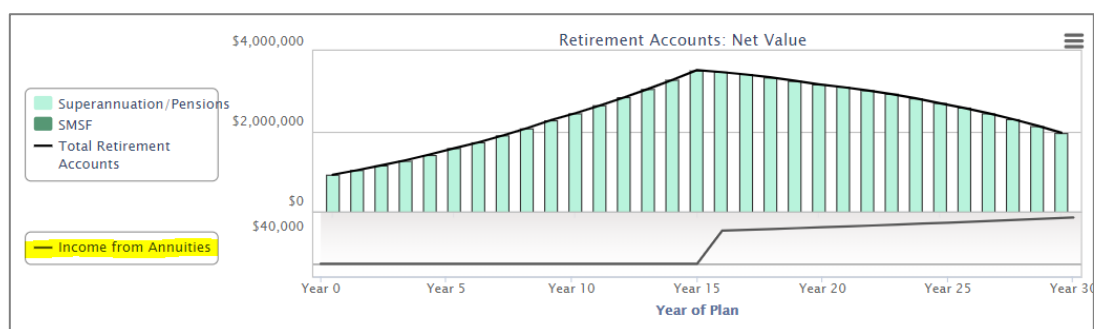
Tax Credits Refundable? ☐

[Save](#) [Cancel](#)

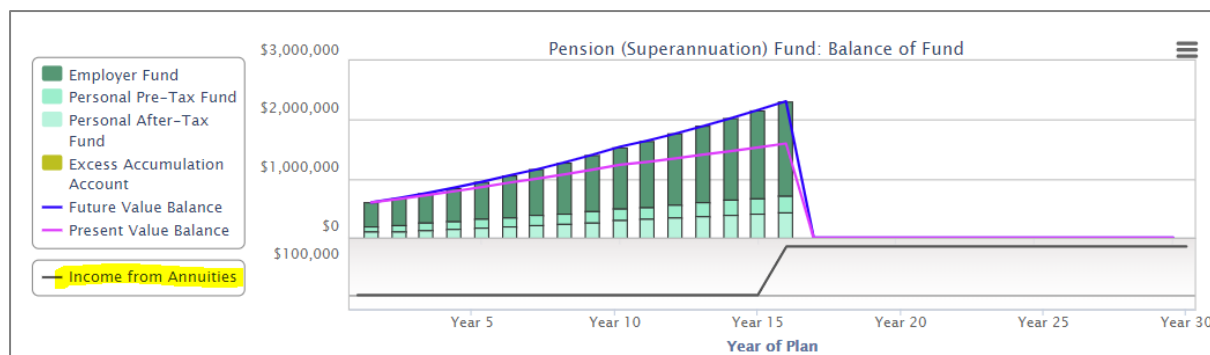
Valuation of Annuities – including Superannuation Rollover to Annuity

Once an Annuity is purchased, the annuity has no resale value. Therefore the value of the annuity is listed as \$0.

To compensate for this \$0 valuation, the income from an annuity is displayed as a sub-graph. This is an example of one superannuation account and one annuity which was purchased at the start of retirement.



Where a **Superannuation Fund** is converted to a **Rollover to Annuity**, the following is displayed.



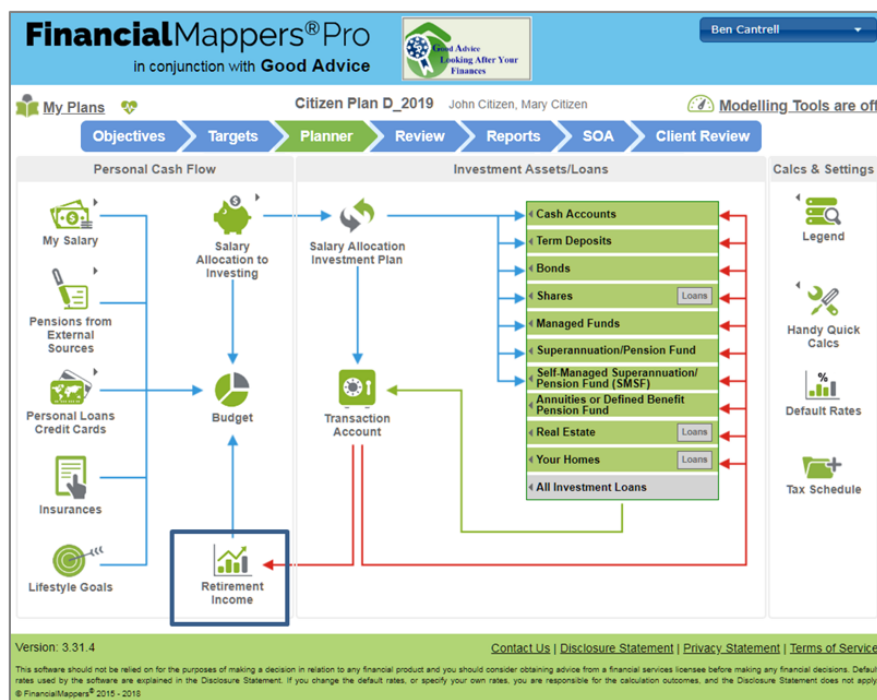
Return on Investment – Annuity

The program calculates the Return on Investment in the first year of the ownership. In the background, calculations are made to calculate a Book Value. This Book Value is dependent on the method of increase of payments – no increase, specified increase, or inflation-linked. The Book Value will maintain the same Return on Investment for the life of the annuity.

This Book Value used to be displayed, but as it was causing confusion, the program has dispensed with displaying the Book Value.

Retirement Income

All the **Drawdown** values are deposited into the **Transaction Account** at the Start of Year.



The **Retirement Income** is nominated. Note a warning is given if the amount is over \$200,000. You will find this type of warning when entries seem excessive, say in Investment Returns or Interest Rates on Loans.

[Back](#)
DRAWDOWN FOR RETIREMENT INCOME

Activate Drawdown Allocation ☒

John Citizen Mary Citizen

Age at Start of Retirement Drawdown [Edit](#)

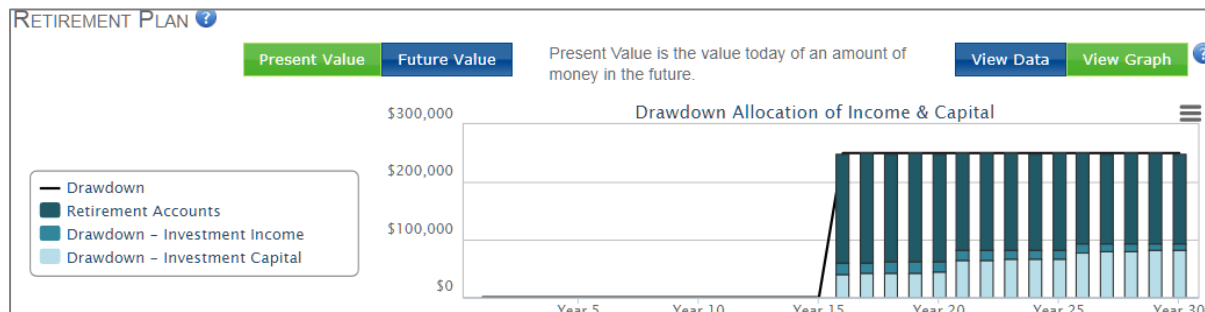
DRAWDOWN ALLOCATION

	Present Value Amount	Year in Retirement	No. of Years
1st Time Period	<input type="text" value="\$250,000"/>	Year 1	<input type="text" value="15 Years"/>
This value seems very high			
<input type="button" value="Add"/> <input type="button" value="Remove"/>	Total 15 years		

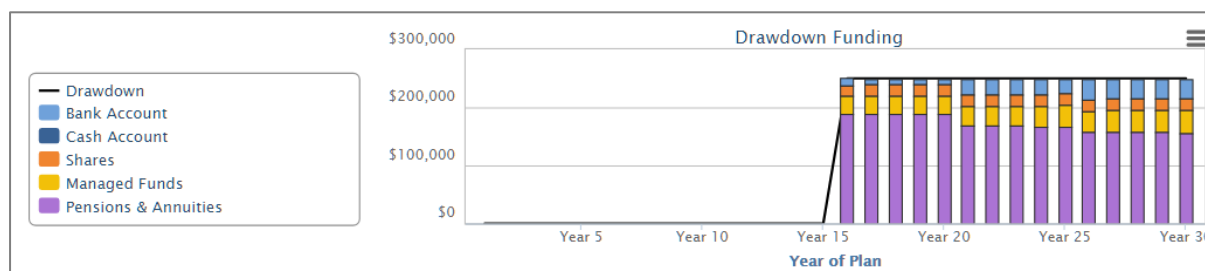
Drawdown

Financial Mappers Pro Masterclass

The **Retirement Plan**, shows the value of the **Retirement Accounts** separate to Investment Income and Investment Capital. Values may be either PV or FV.



The second graph displays which type of account funded the Drawdown.



A Data View for each 5-year period is also available.

RETIREMENT PHASE ?

Present Value **Future Value** Present Value is the value today of an amount of money in the future. [View Data](#) [View Graph](#) ?

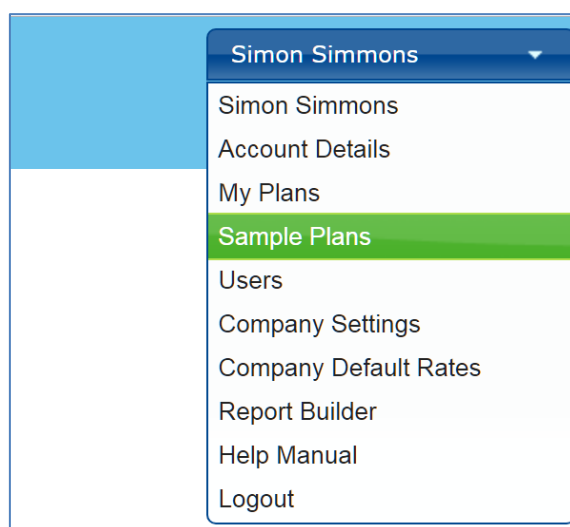
Retirement Phase	Year 1 2034	Year 2 2035	Year 3 2036	Year 4 2037	Year 5 2038
Age John, Mary	Age 65, 65	Age 66, 66	Age 67, 67	Age 68, 68	Age 69, 69
Retirement Plan					
Drawdown	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Capital & Investment Allocation					
Retirement Accounts	\$189,207	\$189,029	\$188,864	\$188,680	\$188,506
Drawdown - Investments (Income)	\$20,091	\$19,588	\$19,061	\$18,511	\$17,937
Drawdown - Investments (Capital)	\$40,702	\$41,384	\$42,074	\$42,809	\$43,557
Funding for Retirement Plan					
Bank Account	\$11,159	\$10,712	\$10,216	\$9,738	\$9,215
<input type="checkbox"/> Emergency Cash	\$0	\$0	\$0	\$0	\$0
<input checked="" type="checkbox"/> Partner B Shares	\$19,742	\$19,772	\$19,807	\$19,834	\$19,865
<input checked="" type="checkbox"/> Our Managed Funds	\$13,904	\$13,950	\$14,000	\$14,044	\$14,091
<input checked="" type="checkbox"/> Property Trust	\$15,987	\$16,537	\$17,113	\$17,705	\$18,324
<input checked="" type="checkbox"/> Partner A Super (John)	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
<input checked="" type="checkbox"/> Partner B Super (Mary)	\$49,371	\$49,213	\$49,068	\$48,904	\$48,751
<input checked="" type="checkbox"/> Partner A's Old Super (John)	\$1,836	\$1,831	\$1,825	\$1,819	\$1,813
<input checked="" type="checkbox"/> John's Military Pension	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000

Sample Plans

Sample plans can be helpful to quickly use for demonstration purposes with a client. In this case, you may want to demonstrate simple strategies you like to employ without getting too deeply into the specifics of your client's account.

If your client is a **Pro^{CONNECT}** they can use this Sample Plan as an aid to understanding how the account functions.

In the drop-down menu below the adviser's name, choose **Sample Plans**.



Here you can select the Sample Plan, **SMSF (Aust)**.

Here is a list of Sample Plans for you to choose from.

By clicking the copy button you will copy the plan into your My Plans list. The Plan will then be selected for you to preview and edit.

Description	Type ?	Copy ?
Practice Plan	Lifetime (Savings & Retirement)	Download PDF Tutorial
Savings (Investment) Plan	Savings (Investment) only	Download PDF Tutorial
Retirement Plan	Retirement only	Download PDF Tutorial
Lifetime Plan	Lifetime (Savings & Retirement)	Download PDF Tutorial
Debt Reduction Plan	Savings (Investment) only	Download PDF Tutorial
SMSF (Aust)	Lifetime (Savings & Retirement)	Download PDF Tutorial
Joint SMSF (Aust)	Lifetime (Savings & Retirement)	Download PDF Tutorial
Our Joint Plan	Lifetime (Savings & Retirement)	Download PDF Tutorial

When you click on the **COPY** icon, you should select the client, to which you want to add the plan.

Conversational SmartPanels

Examples of the three **Retirement Account SmartPanels** are:
Superannuation

Annuities

Annuities

This plan has 2 annuities. Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Annuities are usually purchased in retirement to fund a regular income stream. Defined Benefit Pensions operate in a similar fashion and use the same calculations, but the cost is funded by your employer.

Following are the funds included in this plan.

Annuity: *Annuities 1*

Annuities 1 is an annuity commenced by Mary in Year 6 with a value of \$200,000. It is provided as a defined benefit pension from an external source.

The fund is a lifetime annuity.

The first payment in the plan is estimated to be \$10,000. This reflects an investment return of 5.00%. The annual payments increase at the rate of inflation.

Annuity: *Annuity 2*

Annuity 2 is an annuity purchased by Brad in Year 6 with a value of \$500,000.

The fund is an annuity fixed for 10 Years.

The first payment in the plan is estimated to be \$25,000. This reflects an investment return of 5.00%. The annual payments increase at the rate of 4.00%.

Superannuation

Superannuation/Pension Funds

This plan has 2 superannuation/pension funds that are employer sponsored and are defined contribution funds. Note all values are listed in "Today's Dollar Value" (PV), unless listed as (FV), the inflation-indexed value.

Super/Pension/KiwiSaver Fund: *Bob's Super*

Bob's Super is a fund for Bob. Employer contributions are paid to this superannuation account.

At the start of the plan, the total value of the fund is \$400,000. The account balances are:

- Employer funded contributions: \$400,000
- Personal pre-tax contributions: \$0
- Personal after-tax contributions: \$0

The following contributions are made from the bank account.

- Pre-tax contributions:
 - Years 1 to 10: \$5,000

The following investment profiles are selected:

Start Year	Investment Profile	% pa Return
Year 1	Balanced	7.00%
Year 15	Conservative	7.00%

At the start of your drawdown at Age 65, the balance of this super/pension/KiwiSaver fund is \$890,120.

The drawdown amount has been calculated to be drawn down over 25 Years.

At the end of the plan, this super/pension/KiwiSaver fund is worth \$424,549 (which is \$890,521 in FV).

SMSF

SMSF: Our SMSF

Our SMSF is a self-managed superannuation fund for John & Betty. Employer contributions are paid to this superannuation account.

At the start of the plan, the total value of the fund (net of loans) is \$1,500,000. The account balances are:

- Employer funded contributions: \$752,984
- Personal pre-tax contributions: \$587,719
- Personal after-tax contributions: \$159,297

The funds are held in the following accounts:

- Cash Account: \$400,000
- Shares & Managed Funds: \$600,000
- Properties (net of loans): \$500,000
 - Total Value: \$600,000
 - Loans: \$100,000

In the investment plan, the following percentage of salary savings (after loan expenses) is allocated to the fund:

- After-tax contributions (John):
 - Years 1 to 10: 5.00%
- After-tax contributions (Betty):
 - Years 1 to 10: 5.00%

The following contributions are made from the bank account.

- Pre-tax contributions (John):
 - Years 1 to 10: \$1,000
- After-tax contributions (John):
 - Years 1 to 10: \$5,000
- After-tax contributions (Betty):
 - Years 1 to 10: \$1,000

The Spouse Contribution has been activated. This may entitle your spouse to contributions paid by you, where the contributions and your partner's income meet the requirement for that allocation of after-tax contributions.

According to the plan, you may be entitled to a government co-payment.

At the start of the drawdown for John at Age 65, the balance exceeds the Transfer Balance Cap. This results in \$1,562,397 in the Transfer Balance Account and \$173,074 in the Excess Accumulation Account.

The funds in the Excess Accumulation Account are drawn down as follows:

- Year 20: \$50,000
- Year 30: \$50,000

The drawdown amount for the funds held in the Transfer Balance Account has been calculated to be drawn down over 30 Years.

At the start of the drawdown for Betty at Age 65, the portion of the balance of this SMSF allocated to Betty is \$1,125,915.

The drawdown amount has been calculated to be drawn down over 30 Years.

Additional drawdown amounts are planned as follows:

- Year 16: \$10,000

At the end of the plan, this SMSF is worth \$1,607,185 (which is \$3,371,180 in FV).

Contact

Glenis Phillips B Ed, SF FIN
Designer of Financial Mappers
Author of Map Your Finances
Founding Director of Plencore Wealth Ltd

glenis.phillips@financialmappers.com.au

Direct Line: 07 3216 4132

Mobile: 0411 086 532

Financial Mappers Pro Masterclass

As the designer of Financial Mappers, Glenis is the most suitable person to answer all your questions about Financial Mappers.

PLENCORE WEALTH LTD

ABN: 49 601 251 192

Plencore Online Pty Ltd

(wholly owned subsidiary of Plencore Wealth Ltd)

ABN: 79 601 265 598

PO Box 133, Hamilton, Brisbane, QLD, Australia, 4007.

Unit 135/37 Harbour Road, Hamilton, Brisbane, Qld., Australia 4007

P: 1300 162 945

E: admin@financialmappers.com.au

F: FinancialMappers

T: @FinMappers

Y: Financial Mappers

W: www.financialmappers.com.au