

Summary - Table for Appropriate Structure

	<i>Sole Investor</i>	<i>Partnership</i>	<i>Private Company</i>	<i>Unit Trust</i>	<i>Discretionary Trust</i>	<i>Superannuation Fund</i>
Administered by	Individual	Partners	Directors	Trustee	Trustee	Trustee
Responsible to	N/a	Partners	Shareholders	Unit holders	Appointer	Members
Cost to establish and run	Low	Fairly low	Higher	Higher	Higher	Higher
Protection of assets from outside risks/claims	No	No	Only if owned by discretionary trust	Only if owned by discretionary trust	Yes	Yes
Maximum tax rate	Up to 45% plus Medicare levy	Up to 45% plus Medicare or 30% if Partner is a Company	30% if profit retained	Up to 45% or if unit holder is company 30%	Up to 45% or 30% if able to distribute to a company beneficiary	15% if a complying fund (45% if non-complying)
Potential for slitting income	No	Between partners	Between shareholders	Between unit holders	Between beneficiaries	No, but reduces members tax
Streaming of income	No	limited	No	Dependent on trust deed	Yes, subject to trust deed	No
Taxable capital gains	Paid by individual	paid by partners	Paid by company	Paid by unit holder	Paid by beneficiaries	Paid by trustee
Access to CGT discount for assets held greater than 12 months	Yes	Yes	No	Yes	Yes	Yes
Other realised capital profits	Not taxed	Not taxed	Taxed as an unfranked dividend to shareholder	May be taxed as capital gain	Not taxed	15% in a complying
Can losses be distributed?	Yes	Yes	No	No	No	No
Tax-free 'tithing'	No	No	No	Via family trust unit holder	Yes, subject to trust deed	No
Interest-free loan to relatives	Not taxed as income	Not taxed as income	May be taxed as deemed dividend	Not taxed as income	Not taxed as income	Not permitted
Flexibility	Poor	Fairly poor	Fair	Good	Very good	Fairly poor
Admission for new parties	New structure is required	Usually permitted	Usually permitted	Usually permitted	May be difficult for non family members	Usually permitted
Changing ownership	N/a	Partnership interest	Shares	Units	By appointer	N/a

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