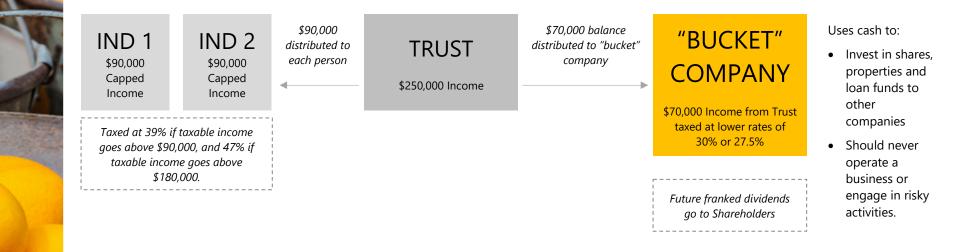
WHY USE A "BUCKET COMPANY"?

A "bucket company" allows you to "cap" the tax on profits distributed by a trust to 30% or 27.5%. This is much less than the individual top marginal rate of 47%!

Assume a trust earns \$250,000 in profits from business or investment.

- OPTION 1. Distribute profits 50 / 50 to Individuals 1 and 2. Total tax (inc. Medicare Levy) payable = \$72,434 (29%)
- OPTION 2. Distribute \$90,000 each to Individuals 1 & 2 and distribute balance of \$70,000 to a "bucket" company at a 27.5% tax rate. Total tax payable = \$62,284 (25%)

Value of strategy is \$10,150 in tax saved!



CONTACT US TODAY FOR ASSISTANCE TO REDUCE YOUR TAX!

The information in this document is of a general nature and does not consider your individual needs and objectives. Please do not act on any information in this document before seeking advice from one our qualified Accountants and licensed Financial Planner. Last Updated March 2023