

Elizabeth Meiklejohn

From: Mark Muller | Active Medical Supplies <Mark@activemedicalsupplies.com.au>
Sent: Tuesday, 29 August 2017 9:50 AM
To: Elizabeth Meiklejohn
Cc: Mari Ashted; Edward Glasson
Subject: RE: GM & JJ Muller Superannuation Fund - CGT relief

Hello Elizabeth

Please apply capital gains tax relief to Southgate as mentioned.

Kind Regards

MARK MULLER

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From: Elizabeth Meiklejohn [mailto:ElizabethM@virtusuper.com.au]
Sent: Monday, 28 August 2017 11:34 AM
To: Mark Muller | Active Medical Supplies <Mark@activemedicalsupplies.com.au>
Cc: Mari Ashted <MariA@virtusuper.com.au>; Edward Glasson <EdwardG@mtaccountants.com.au>
Subject: GM & JJ Muller Superannuation Fund - CGT relief

Hi Mark

We have drafted the 2017 financial statements for your Superannuation Fund.

Before we finalise, you (the trustees) need to advise us if you would like to apply capital gains tax relief for the properties. This is a once off decision due to the new super changes. Below are some facts about the capital gains tax relief, however, as this is a complex decision I will give you a call.

23 Millenium

See attached report. This property is in a capital LOSS position.

Generally, a property which has unrealised capital losses will not be selected for CGT relief as there are no tax benefits.

Lots 1 & 2 35 Southgate

See attached report. Lot 1 & 2 are in a capital GAINS position.

1. If you decide to apply the Relief the following would apply:

The cost bases of the properties would become

Lot 1	\$2,200,000
Lot 2	\$800,000

There would be a future tax liability of **\$5,917** when the property is sold down the track, which is calculated as follows:

Unrealised capital gain: \$85,843

Tax Free %: 54.051% (% of the Fund in pension phase)

Capital Gains carried forward: $\$39,444 \times 15\% = \$5,917$

2. If you decide not to apply the CGT Relief the following would apply:

The cost bases of the properties would remain at

Lot 1	\$2,118,932.50
Lot 2	\$752,303.61

You will pay tax depending on your tax free percentage in the year that the property is sold.

Things to consider:

1. Will the tax free percentage of the Fund increase or decrease
 - a. The % will increase if you withdraw money out of the Fund
 - b. The % will decrease if you put more money into the Fund
2. Will the value of the property increase or decrease
3. When will the property be sold

I will give you a call tomorrow morning.

Kind regards

Elizabeth Meiklejohn SSA CA
Senior Associate



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