



LABOUR POLICY AFFECT ON FRANKING CREDITS

SELF MANAGED SUPER FUNDS

Dividend wasted SMSF -Pension

	\$	
Dad	800,000	Pension Phase
Mum	800,000	Pension Phase
Total funds	1,600,000	
Sundry Income	35,200	
Dividends	28,800	
Total income	64,000	
Tax thereon – 0% (Exempt)	0	
Franking offsets	12,343	Wasted

Dividend wasted SMSF – Accumulation

Dad	800,000	Accumulation Phase
Mum	800,000	Accumulation Phase
Total funds	1,600,000	
Sundry Income	35,200	
Dividends	28,800	
Total income	64,000	
Tax thereon – 15%	9,600	
Franking offsets	12,343	
Franking offsets	2,743	Wasted

When in accumulation phase:

Contributions required to use up franking credit	18,287
--	--------

Assumptions

Australia Franked share investment	45%	\$700,000
Yield (exc. franking credits)	4%	\$64,000
Company tax rate	30%	
100% franking applies	30/70	

Notes:

No refund policy for franking credits affects only SMSF'S and not Industry Funds