

SERVICE TRUST

- 1. Type of Unit Trust**
- 2. Used by professionals who can't:**
 - ✓ **Share income with non-professionals; or**
 - ✓ **Income split with spouse or family**
- 3. Units normally owned by discretionary/family trust**
- 4. Service Trust provides services to partnership at cost plus mark-up (up to 20%)**
- 5. Mark-up:**
 - ✓ **Increases costs of partnership; and**
 - ✓ **Reduces taxable profit of partnership**
- 6. Mark-up/profit distributed to owners of units (i.e., family trusts)**
- 7. Profit distributed to multiple beneficiaries = income splitting**