



Product Disclosure Statement

bcu Retirement Savings Account
(Current as at 8 December 2011)

Your region, your money

Bananacoast Community Credit Union Ltd ABN 50 087 649 750 AFSL No. 241077



YOUR PRODUCT DISCLOSURE STATEMENT

This Product Disclosure Statement (PDS) is current as at 8 December 2011 and has been produced to provide you with information about Bananacoast Community Credit Union's (bcu) Retirement Savings Accounts.

The information enclosed is designed to help you make an informed decision about this product and its suitability for you.

bcu advises members to read this PDS and its terms and conditions carefully as it is important that you understand the products and services on offer from bcu before opening an account. This will ensure that you select the most appropriate option for your needs.

If your employer is not a financial services licensee (or an authorised representative of a licensee), they must not give you advice on a Retirement Savings Account (RSA).

bcu recommend that you always obtain financial and taxation advice from a licensed adviser before making an investment or any decision about an RSA.

Please retain a copy of this PDS for future reference.

Information and Terms and Conditions about any of bcu products and services are available from any of our branches, our website (www.bcu.com.au) or by phoning 1300 228 228.

Bananacoast Community Credit Union Ltd (bcu)

ABN	50 087 649 750
AFS License Number	241077
Registered Office Address	Level 2, 144-148 West High Street Coffs Harbour NSW 2450
Website	www.bcu.com.au
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This brochure outlines the main features of the bcu Retirement Savings Account. The bcu Retirement Savings Account is issued by the Bananacoast Community Credit Union Ltd, an approved Retirement Savings Account institution.

Your bcu Retirement Savings Account

Retirement and superannuation were once subjects easily understood by most Australians.

With the continuous changes to superannuation over the last 10 years and the associated complexity, many people are confused and have been discouraged from investing in superannuation for their retirement.

Bananacoast Community Credit Union's (bcu) Retirement Savings Account (RSA) puts the simplicity back into superannuation and retirement savings.

The bcu Retirement Savings Account is a superannuation investment facility designed especially to help you meet your financial needs in retirement.

It is a superannuation account enjoying the same concessions as superannuation funds, as well as providing the reassurance that your investment is backed by the strength of bcu.

Importantly, it is simple, straightforward and easily understood. Your bcu Retirement Savings Account operates in the same way as a savings/investment account with withdrawal restrictions relating to superannuation laws. With no administration costs, it will enable you to maximise your retirement savings dollars whilst enjoying the peace of mind of knowing the capital you invest is guaranteed by the assets of bcu. A bcu Retirement Savings Account also provides the facility of an approved rollover account with the additional feature of providing RSA holders with an account based pension option.

Your RSA will help you achieve your goal of a financially secure retirement.

Benefits of a bcu Retirement Savings Account

The bcu Retirement Savings Account is a special account designed to help you save for your retirement.

A bcu Retirement Savings Account offers you a simple alternative to a traditional superannuation fund. You still get all the tax advantages of saving in superannuation, plus the security of knowing your investment is with bcu.

bcu Retirement Savings Accounts are especially suited to those who have small amounts of superannuation like part-time or casual employees or those in the early stages of saving for retirement.

They also suit those nearing retirement who want to minimise investment risk.

Benefits and features

CAPITAL GUARANTEED

A capital guaranteed investment means your savings are protected from negative investment earnings.

EASY TO OPEN

You can open an account at any bcu branch, or you can complete the enclosed application form and send it to us or drop it into any bcu branch.

GREAT CONVENIENCE

You can deposit as little as \$1 at a time at any bcu branch, by cheque, mail to PO Box 6328, Park Beach Plaza, Coffs Harbour NSW 2450 or through Electronic Funds Transfer (EFT), please consult bcu for payment details.

COST EFFICIENT

There are no fees on deposits and no entry or management fees.

PORTABLE

If you change jobs, you are free to keep contributing to your RSA. You can also use your bcu Retirement Savings Account

to consolidate small superannuation holdings you have lying around from other jobs.

How to open a bcu Retirement Savings Account

Anyone can apply for a bcu Retirement Savings Account. Just complete the attached application form and return it to bcu. You will, however, need to be a full member.

Once your application has been accepted, you can contribute to your bcu Retirement Savings Account.

Your employer can also make superannuation guarantee, award-related or voluntary contributions.

If you are self-employed, you may apply to open a bcu Retirement Savings Account.

You can also open a bcu Retirement Savings Account and rollover or transfer superannuation funds to it.

When you open a bcu Retirement Savings Account, you will be given an RSA number. You should always refer to this number when contacting bcu in regards to your bcu Retirement Savings Account to help us respond promptly to your requirements.

Note that, on 21 days notice, your RSA benefit can be transferred to another RSA or superannuation fund.

Who can contribute?

To be eligible to contribute, or have contributions made for you, to a bcu Retirement Savings Account you must be under 65 years of age and the contributions must be either made by your employer or you.

Your employer's contributions may be made in satisfaction of the statutory superannuation guarantee requirements, an industrial agreement or on a voluntary basis.

Contributions may also be made to your bcu Retirement Savings Account if you have reached 65 years but not 75 years of age, provided that:

- the contributions are compulsory contributions (superannuation guarantee or award-related); or
- you have worked at least 40 hours over a consecutive 30-day period during the financial year.

Once you have attained 75 years of age, only compulsory (award-related) contributions may be made by your employer to your bcu Retirement Savings Account.

Your employer's contributions to your bcu Retirement Savings Account are tax deductible for your employer (subject to certain limits) and therefore are subject to a contribution tax of 15% on entry to the RSA. The maximum deductible contribution limits, also known as 'concessional contributions' from 1 July 2011 are:

Age	Maximum concessional contributions
18-49 years	\$25,000
50 years and over	\$50,000*

**Until 30 June 2012 if you are 50 years of age or over, your concessional contribution cap is \$50,000p.a. Note: any excessive concessional contributions will be taxed at 31.5%.*

Where your employer is contributing to your bcu Retirement Savings Account on your behalf, you will not be personally eligible for a tax deduction on those contributions as it will be deducted from the contribution.

Where personal non concessional contributions are made to your bcu Retirement Savings Account, the contribution tax, referred to earlier, will not apply to these contributions.

Concessional contributions

If you are self-employed (no employer support) or substantially self-employed (members who derive less than 10% of their total assessable income from employed sources), you may be eligible to claim a tax deduction for contributions made to your bcu Retirement Savings Account. This deduction is subject to certain limits.

Age	Maximum concessional contributions
18-49 years	\$25,000
50 years and over	\$50,000*

* Until 30 June 2012 if you are 50 years of age or over, your concessional contribution cap is \$50,000p.a. Note: any excessive concessional contributions will be taxed at 31.5%.

- The contributions tax of 15% will only apply to those contributions claimed as a tax deduction. You must give bcu written notice of your intention to claim a tax deduction before the earlier of:
 - The day you lodge your income tax return for the income year in which the contribution was made
 - The end of the income year after the income year in which you made the contributions
 - Before you withdraw the contributions, commence an Account Based Pension or exit the fund.

Non concessional contributions

These are contributions not claimed as a tax deduction. Individuals, self-employed or otherwise will be limited to a maximum of \$150,000 of non concessional contributions (NCCs) per year, with the ability to bring forward two years' worth of contributions for those under age 65. For example, a person under 65 on 1 July 2011 will be able to make a \$450,000 contribution in the 2011-2012 financial year, provided they make no further NCCs until 2014-2015.

Once a person turns 65, they must satisfy the work test* in order to make or receive a contribution. Individuals aged 63 and 64 who contribute \$450,000 in a financial year will not be required to meet the work test for the two years after they make the contribution.

*You have worked at least 40 hours over a consecutive 30-day period during the financial year in which the contributions were made. Please note the work test must be completed before a contribution is made.

Retirement savings for your spouse

If your spouse is under 65 years of age, you can contribute towards your spouse's retirement by making non-concessional contributions to his or her bcu Retirement Savings Account as long as you do not exceed the limits already mentioned.

Rebate on contributions for your spouse

Depending upon your spouse's assessable income, plus reportable fringe benefits and reportable employer superannuation contributions, you may be able to claim a tax rebate on the non-concessional contributions you make to his or her bcu Retirement Savings Account.

If your spouse's income (assessable income plus reportable fringe benefits and reportable employer superannuation contributions,) is less than \$13,800, you can claim a rebate of 18% of your contribution up to a maximum contribution of \$3,000 per annum. This represents a tax rebate of \$540.

If your spouse's income is greater than \$10,800 and less than \$13,800, the tax rebate is 18% of the contribution up to a maximum contribution of \$3,000 per annum with this limit reducing by \$1 for every \$1 your spouse earns over \$10,800. The Australian Taxation Office defines spouse for the purpose of the rebate to mean your legal spouse (except where that person lives separately from you on a permanent basis), or de facto husband, wife or another person (whether of the

same sex or a different sex) with whom the person is in a relationship that is registered under a law of a State or Territory.

Australian Government's co-contribution scheme

The co-contribution is a scheme where the Australian Government makes additional contributions for low-income earners who make personal contributions into their super. The maximum co-contribution of \$1,000 is available for those earning an "assessable income" plus "reportable fringe benefits" and "reportable employer superannuation contributions" of not more than \$31,920. For every dollar of a person's assessable income" plus "reportable fringe benefits" and "reportable employer superannuation contributions over \$31,920, the maximum co-contribution is reduced by 3.333 cents.

It phases out completely at the upper income threshold of \$61,920 for the 2011/12 financial year.

Who is eligible for the co-contribution?

To be eligible, you must have made a non-concessional superannuation contribution; and

- be an individual who has earned at least 10% of their "assessable income" plus "reportable fringe benefits" and "reportable employer superannuation contributions" from employment.
- have "assessable income" plus "reportable fringe benefits" and "reportable employer superannuation contributions" in the income year less than the upper income threshold (ie \$61,920 for 2011-2012); and
- not be the holder of an eligible temporary resident visa; and
- be less than 71 years old at the end of the income year; and
- lodge a tax return.

Pooling your super over your working life

There are no entry fees applying to any transfers into your bcu Retirement Savings Account and interest will be credited at the full rate from the day of transfer. Not only will this save you multiple administration charges that may apply if you have more than one superannuation account, it will also be easier for you to manage your growing retirement benefit throughout your working life and into retirement. You may also benefit from higher rates of interest applying to your bcu Retirement Savings Account.

If you wish to transfer other Retirement Savings Accounts and/or superannuation accounts into your bcu Retirement Savings Account, you must complete a transfer authority included in this PDS. You will need to complete a separate form for each RSA or superannuation fund account you wish to transfer into your bcu Retirement Savings Account. Additional transfer authority forms are available from any bcu Branch.

Interest rates

Interest is calculated daily on your bcu Retirement Savings Account balance and is credited annually at 30 June.

For bcu Retirement Savings Account interest rates, please refer to our current Interest Rate Schedule available with this PDS, or on request by calling 1300 228 228, logging on to www.bcu.com.au or visiting a bcu branch.

The investment objective of bcu is to ensure that the assets of bcu Retirement Savings Account holders are protected, whilst offering sound investment returns over the long term. Your investment is backed by the assets of Bananacoast Community Credit Union Ltd (bcu).

Interest rates applying to your bcu Retirement Savings Account may vary upwards or downwards from time to time in line with the general movements in interest rates in the community. Current interest rates applying to bcu Retirement Savings Accounts are not an indication of future rates of interest that may apply.

Higher rates of interest as your bcu Retirement Savings Account grows

The bcu Retirement Savings Account offers a tiered interest rate arrangement. As the balance in your RSA grows, bcu will recognise your savings efforts by providing higher rates of interest on your bcu Retirement Savings Account.

You will enjoy the higher rate of interest on the full balance of your bcu Retirement Savings Account from the day your balance increases to the higher band.

RSAs are a low-risk investment

Your bcu Retirement Savings Account provides you with the peace of mind that comes from knowing that your retirement savings are not exposed to the possibility of loss of the capital invested that may be associated with other forms of superannuation investment.

The returns on your bcu Retirement Savings Account reflect the low investment risk associated with this form of retirement savings. Due to this low-risk approach, there could be other superannuation arrangements available that may provide a greater return on your superannuation savings over the longer term.

bcu will be pleased to offer assistance in this regard by referring you to a qualified financial planner to discuss the best superannuation or financial arrangements for you.

Risks of investing in our RSA

All investments have some level of risk. While the bcu RSA is a low-risk investment, there are some risks you should consider before investing.

A capital guaranteed investment on its own may not provide sufficient returns ahead of your retirement. Other types of growth investments (such as shares) have greater volatility and less security in the short term but have potential to generate better returns over the long term.

When considering this investment, it is important to understand that:

- returns are not guaranteed;
- previous returns don't predict future performance;
- laws affecting superannuation may change.

Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial planner.

To find out more

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a superannuation calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs are included in the returns on your investment.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Establishment Fee The fee to open your account	Nil	Not Applicable
Contribution fee The fee on each amount contributed to your account - either by you, your spouse or your employer	Nil	Not Applicable
Withdrawal fee The fee on each amount you withdraw or transfer from your account, in whole or part	\$40	Charged to your bcu Retirement Savings Account when it is withdrawn or transferred, in whole or in part
Termination fee The fee to close your account	\$40	Charged when your account is closed.

The costs described in this table are inclusive of GST less input tax credits if applicable.

Contributions tax

Concessional contributions (which include employer contributions and those made by the self-employed where a tax deduction is claimed) are taxed at 15% by the Australian Government.

Member benefit protection

The statutory benefit protection guidelines for account balances under \$1,000 mean that our administration costs cannot exceed the amount of the investment earnings credited to your RSA for any 12-month period. However, as we do not charge administration costs, you will only have to pay the \$40 withdrawal fee if you withdraw or transfer your RSA.

Beneficiaries of your bcu Retirement Savings Account

Should you die while a holder of a bcu Retirement Savings Account, your account balance will be paid to your executor or legal personal representative. 'Legal personal representative' means an executor or administrator of the estate of a deceased bcu Retirement Savings Account holder or the trustee of an estate of a bcu Retirement Savings Account Holder under legal disability.

It is, therefore, recommended that as a bcu Retirement Savings Account holder, you should consider having a will and updating it with any changes that may occur in your personal circumstances in the future.

RSA Application Form

BANANACOAST COMMUNITY CREDIT UNION LTD

This application form is contained in the bcu Retirement Savings Account (RSA) Product Disclosure Statement (PDS). bcu is obliged to provide you with this PDS which contains a summary of the important features of the bcu Retirement Savings Account and will help you understand the product and whether it is suitable to your needs. Applications for a bcu Retirement Savings Account can only be made on this application form dated 1 January 2011.

Section 1: Personal details

TITLE	SURNAME	
<input type="text"/>	<input type="text"/>	
GIVEN NAMES		
<input type="text"/>		
CURRENT MAILING ADDRESS		
<input type="text"/>		
<input type="text"/>		
MEMBERSHIP NO.		
<input type="text"/>		
DATE OF BIRTH	SEX	DAYTIME TELEPHONE NUMBER
<input type="text"/>	<input type="text"/>	<input type="text"/>
OCCUPATION		
<input type="text"/>		
<input type="checkbox"/> Employed	<input type="checkbox"/> Self-employed	
<input type="checkbox"/> Unemployed	<input type="checkbox"/> Retired	
DATE JOINED EMPLOYER		
<input type="text"/>		

Section 2: Spouse contribution

I, (NAME OF TAXPAYER/CONTRIBUTING SPOUSE)

declare that my spouse is (NAME OF RSA HOLDER)

of (ADDRESS OF RSA HOLDER)

I declare that at the time of making this eligible spouse contribution of (AMOUNT OF CONTRIBUTION)

\$

that we live together on a bona fide domestic basis as husband and wife.

SIGNATURE OF CONTRIBUTING SPOUSE

DATE

Section 3: Tax file number notification

The collection of tax file numbers is authorised by tax laws, the *Retirement Savings Account Act 1997* and the *Privacy Act 1988*. The law requires the Bananacoast Community Credit Union (the 'credit union') to ask for your tax file number. Completing and returning this form enables the credit union to use your tax file number for the purposes contained in the *Retirement Savings Accounts Act 1997* and for the purposes of paying superannuation benefits.

The purposes that are currently authorised include:

- taxing superannuation benefits at concessional rates;
- locating amounts in the credit union's records where insufficient information is available;
- passing your tax file number to the Australian Taxation Office but not to any other person or body where you receive a benefit or have unclaimed RSA money; and
- allowing the credit union to provide your tax file number to another RSA provider or the trustee of a superannuation fund receiving any benefits you may transfer. The credit union will not provide your tax file number in those circumstances if you tell your RSA provider in writing that you don't want them to pass it on. You are not required to provide your tax file number. Declining to quote your tax file number is not an offence.

If you do not give the credit union your tax file number, either now or later, then:

- Tax may be taken out of a superannuation benefit at a higher rate.
- Additional TFN tax will be imposed on your concessional contributions (ie employer SG, or contributions you intend to claim as a tax deduction) at a rate of 46.5% (including the 15% contributions tax). If additional tax has been deducted from your concessional contributions, you can quote your TFN to your fund within the next following three financial years for a refund. If you leave the fund without providing your TFN, you may not be entitled to this refund;
- Any trustee or RSA provider holding superannuation benefits for you now or in the future may not be able to locate or amalgamate those benefits for you, or may not be able to identify them in order to pay you any of those benefits;
- The lawful purposes for which your tax file number can be used, and the consequences of not quoting your tax file number, may change in the future as a result of legislative change.

I AGREE TO PROVIDE MY TAX FILE NUMBER

YES NO

NAME (IN FULL)

TAX FILE NUMBER

SIGNATURE

DATE

This notification forms a part of the application form for the Bananacoast Retirement Savings Account (RSA) with the Bananacoast Community Credit Union Ltd.



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Section 4: Declaration and signature

I declare that I have received and read the Product Disclosure Statement dated 8 December 2011, that this application form was detached from that brochure and that the details given in the application are true and correct.

I apply for a bcu Retirement Savings Account and agree to be bound by the terms and conditions as varied from time to time.

I acknowledge that the Bananacoast Community Credit Union Ltd will deduct any applicable taxes, charges and duties from my bcu Retirement Savings Account.

I am eligible to contribute to the bcu Retirement Savings Account and will only make further contributions if, at the time of those contributions, I am still eligible to contribute.

I acknowledge that the interest rate applying to the bcu Retirement Savings Account will vary from time to time.

PRIVACY CONSENT:

I acknowledge that the Bananacoast Community Credit Union Ltd may give to or obtain information about me in the manner and for the purposes that conform with the *Privacy Act 1988 (Commonwealth)* and *Code of Banking Practice*.

I acknowledge that under the *Code of Banking Practice*, the Bananacoast Community Credit Union Ltd may disclose information about me to a related entity which provides financial services related or ancillary to those provided by the Bananacoast Community Credit Union Ltd unless I instruct the Bananacoast Community Credit Union Ltd not to do so. Such an instruction must be given by me in writing to the Bananacoast Community Credit Union Ltd.

SIGNATURE

DATE

 / /

Declaration of deductibility for concessional contribution

For completion by self-employed, or substantially self-employed, members on making a contribution to their account.¹

RSA HOLDER

RSA NUMBER

I hereby declare my intention to claim a tax deduction on all or part of the amount contributed as follows:

AMOUNT OF CONTRIBUTION

 \$

AMOUNT TO BE CLAIMED AS A TAX DEDUCTION

 \$

Please read notes below

RSA HOLDER SIGNATURE

DATE

 / /

NOTES:

1. *Self-employed, or substantially self-employed persons must derive no more than 10% of their total "assessable income" plus "reportable fringe benefits" and "reportable employer superannuation contributions" from employment as an employee. The maximum amount that can be claimed is \$25,000. For persons 50 or over, your concessional contribution cap is \$50,000p.a. until 30 June 2012. Any excessive concessional contributions will be taxed at 31.5 %.*
2. *If you are ineligible to claim a deduction, eg employed, or do not intend to claim a deduction (in whole or in part) show NIL.*

Bananacoast Community Credit Union Ltd use only:

MEMBERSHIP NO.

bcu RETIREMENT SAVINGS ACCOUNT NO.

Has identification verification been achieved as per bcu identification policy YES/NO

I confirm that:

- The member has been given a bcu Retirement Savings Account Product Disclosure Statement.
- Tax File Number has been provided. YES/NO
- The member has signed the declaration.
- P & R has been updated and an RSA task sent to RSA co-ordinator
- That no financial product advice was provided to the member at the time of opening account. YES/NO

SIGNATURE OF AUTHORISED bcu EMPLOYEE

DATE

 / /

NAME OF AUTHORISED bcu EMPLOYEE



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Section 5: Transfer authority

TO

CURRENT SUPERANNUATION FUND/RSA INSTITUTION

CURRENT SUPERANNUATION FUND/RSA INSTITUTION ADDRESS

CURRENT SUPERANNUATION FUND TELEPHONE NUMBER
(IF KNOWN)

CURRENT SUPERANNUATION FUND MEMBER
NUMBER/ACCOUNT NUMBER

CURRENT SUPERANNUATION FUND SPN (IF APPLICABLE)

DATE LAST EMPLOYER CONTRIBUTION

CURRENT SUPERANNUATION FUND ABN (IF KNOWN)

Dear Sir/Madam

I, (FULL NAME OF MEMBER / ACCOUNT-HOLDER)

of (ADDRESS OF MEMBER / ACCOUNT-HOLDER)

1. Request that you transfer the full value of my current fund (or account or policy), as detailed above, to my Retirement Savings Account with the Bananacoast Community Credit Union Ltd shown below
2. Authorised you to provide all relevant information and forward a cheque* (and any relevant documentation**) for the transfer to the Bananacoast Community Credit Union Ltd

* Please make the cheque payable to: Bananacoast Community Credit Union Ltd Retirement Savings Account

**Please include a copy of this Transfer Authority

New bcu Retirement Savings Account details

MEMBER NAME

MEMBER RSA NUMBER

I authorise Bananacoast Community Credit Union Ltd to act on my behalf in this matter and consent to it accepting the transfer.

SIGNATURE

DATE

- 1) The Bananacoast Community Credit Union Ltd is a RSA Institution in terms of the Retirement Savings Accounts Act 1997 and as such has the right to provide Retirement Savings Accounts under the Act;
- 2) The Bananacoast RSA offered by the Bananacoast Community Credit Union Ltd is a Retirement Savings Account, as defined in the Retirement Savings Accounts Act 1997;
- 3) The Bananacoast RSA can accept contributions as provided for in the Retirement Savings Account Act 1997;
- 4) The Bananacoast RSA can accept rollovers and transfers as provided in the Retirement Savings Accounts Act 1997 and the Superannuation Industry (Supervision) Act 1993 and the Regulations made under those Acts;
- 5) The requirements of the Bananacoast RSA for preservation of benefits satisfy the preservation standards set out in the Retirement Savings Accounts Regulations.
The minimum level of preservation under those Regulations is, in some cases, exceeded by the terms and conditions of the Retirement Savings Account.



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Providing your tax file number (TFN)

It is not an offence not to provide your TFN to your super fund. However, if you don't, an additional TFN tax will be imposed on your concessional contributions (ie employer contributions, or contributions you intend to claim as a tax deduction) at a rate of 46.5% (including the 15% contributions tax).

If additional tax has been deducted from your concessional contributions, you can quote your TFN to your fund within the next following three financial years for a refund. If you leave the fund without providing your TFN, you may not be entitled to this refund.

We may have to withhold more tax than we would otherwise have to on your superannuation lump sum benefits if you do not provide your TFN.

We cannot accept personal contributions (non-concessional contributions) and therefore you may not qualify for the government co-contribution.

In the future when we need to pay benefits to you, it may be more difficult for us to locate or amalgamate all the superannuation benefits you are entitled to.

The consequences of not providing your TFN may change in future as a result of further legislative changes.

To avoid paying TFN tax, please make sure your bcu RSA has your TFN recorded.

Taxation on contributions and earnings

The following is a brief summary of the way in which RSAs and superannuation are currently taxed:

- Contributions - as indicated earlier, the following payments to your bcu Retirement Savings Account are generally taxed at 15%:
 - Employer contributions and those contributions made by self-employed people for which a tax deduction has been claimed. This tax is deducted on receipt of these contributions.
 - Rollovers - transfers from most other complying superannuation funds or other RSAs which are not taxed.
- Interest - interest earnings on your bcu Retirement Savings Account are taxed at 15% which is generally lower than the tax on other forms of savings. Interest credited to your bcu Retirement Savings Account will be net of this tax.

Taxation on cashing out

The tax rules for cashing out your superannuation will depend on your age and the make-up of the individual components. The rates below apply to the taxed element of your benefits, ie where you have previously paid the contributions tax

UNDER 55 YEARS OF AGE

- The whole taxable component will be taxed at 20%
- The tax-free component will be tax-free.

BETWEEN 55-59 YEARS OF AGE

- The taxable component will be tax-free up to a low-rate threshold of \$165,000
- Amounts above \$165,000 will be taxed at a flat rate of 15%
- The tax-free component will be tax-free.

Please note: The components of your withdrawal will generally be required to be taken in the same proportion as the components in your account at the time of the withdrawal. Medicare levy may also apply

60 YEARS AND OVER

- All benefits are tax-free.

Benefits

The benefit usually payable under your bcu Retirement Savings Account will be your 'account balance'. Your account balance includes all contributions made to your bcu Retirement Savings Account (your own personal contributions and those made by your employer on your behalf), transfers rolled-over from other RSAs or superannuation funds, and interest credited less any taxes, government charges, and administration charges (if any).

Preservation

Under the laws applying to superannuation and RSAs, your accumulated benefits cannot be paid to you in cash until you satisfy a condition of release. This is referred to as 'preservation' of your entitlements. The object of preservation is to ensure that your bcu Retirement Savings Account benefits are used for their intended purpose - to provide for your financial security in your retirement.

Until such time as a condition of release is satisfied, your preserved and restricted non-preserved benefits must generally remain within the superannuation system. Your bcu Retirement Savings Account annual statement will clearly show how much of your entitlement is a preserved component, a restricted non-preserved component or an unrestricted non-preserved component.

Preservation and conditions of release

Superannuation and RSAs are a long-term investment. The Australian Government has placed restrictions on when a person can have access to benefits. Generally, you cannot access benefits until you reach 65 years of age or have retired and reached the preservation age.

In summary, subject to the preservation guidelines, your bcu Retirement Savings Account entitlements are payable in the following circumstances:

- you have reached your preservation age and have retired. (Your preservation age depends on your date of birth. See the table below).

Date of birth	Preservation Age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
1 July 1964 to 30 June 1965	60

- attaining 65 years of age (whether or not you remain working); or
- death; or
- permanent incapacity; or
- If you experience 'severe financial hardship'. (Payment in this circumstance is subject to the relevant laws applying to RSAs.); or

- you meet the criteria for release of benefits on compassionate grounds; or
- an arrangement under which you were gainfully employed has come to an end on or after reaching 60 years of age; or
- you hold an eligible temporary resident visa and have permanently departed Australia; or
- you become terminally ill (as defined in superannuation legislation); or
- you attain your preservation age, but do not retire from the workforce, and purchase a non-commutable account based pension.

When you satisfy a condition of release, some or all of your benefits may become unrestricted non-preserved benefits. You can withdraw any unrestricted non-preserved amounts in cash at any time. You can transfer (roll-over) the balance of your bcu Retirement Savings Account to other RSAs or certain superannuation funds, an approved deposit fund or a deferred annuity at any time.

Transition to retirement

Government rules introduced in July 2005 provide more options in making the transition from work to retirement. If you have reached your preservation age, you will be able to draw on your superannuation without having to retire permanently from the workforce. For example, you could continue working part-time and use part of your superannuation to supplement your income, instead of leaving the workforce altogether.

Under these rules, if you are still working, you will have to receive your superannuation as a particular type of pension. These pensions, known as 'complying' pensions and 'allocated' pensions, will generally not be commutable. Broadly speaking, this means you won't be able to stop the pension and cash it out as a lump sum.

If you select a 'non-commutable' account based pension (commonly known as a transition to retirement pension), you will be allowed to take a lump sum once you retire or reach 65 years of age. Or you can stop the pension and put your benefits back into your superannuation fund; for example, if you decide to go back to full-time work.

This facility is currently unavailable through the bcu RSA.

Retirement

On your retirement from the workforce on, or after, attaining your preservation age, the full account balance of your bcu Retirement Savings Account is payable should you choose. Importantly, your bcu Retirement Savings Account provides the option whereby your retirement benefit can be paid to you as a lump sum or in the form of an account based pension or in a combination of a lump sum and account based pension. This account based pension facility may provide you with valuable taxation benefits.

Ceasing service

If you cease service with a participating bcu Retirement Savings Account employer, your entitlement will be the accumulated account balance in your bcu Retirement Savings Account.

When ceasing service, the following options are available:

- Your entitlement can remain in your bcu Retirement Savings Account. You will earn the full interest rate. The benefit protection guidelines outlined earlier will apply.

- You may transfer your benefits to another RSA or superannuation fund.
- You may be able to withdraw any non-preserved amounts (including non-preserved benefits rolled into your bcu Retirement Savings Account from another RSA or superannuation fund) as a cash benefit.

Account based pension facility

An account based pension is a regular retirement income benefit payable from your bcu Retirement Savings Account. Once you commence to draw a pension benefit from your RSA, tax is no longer paid on the interest earnings credited to your RSA.

You can vary the amount of the income payments from year to year to suit your circumstances subject to an aged based minimum of the account balance to be drawn in any one year. An account based pension may not provide an income stream for the rest of your life as it is dependent upon the amount of money in your RSA and the rate of return that money earns.

Further information on the features of the bcu Retirement Savings Account pension facility can be obtained by phoning 1300 228 228 or through a financial planner.

The minimum opening balance of the bcu Account Based Pension is \$100,000

Cooling off period

If your employer has opened your bcu Retirement Savings Account on your behalf, you have 14 days from the date of receipt of your welcome letter, or the end of the fifth day on which your account is opened, during which time you have the right to close your bcu Retirement Savings Account.

In this circumstance, you can transfer the balance in your bcu Retirement Savings Account to another RSA or superannuation fund of your choice. If you close your bcu Retirement Savings Account within this period, no fees will be deducted; however taxes and government charges may be deducted.

Unclaimed money / lost member register

If, at any time, you become eligible for payment of your benefit and we cannot contact you, the balance of your RSA (less any applicable taxes or charges) will be paid to the Commissioner of Taxation.

Enquiries and complaints

If you have any enquiries about your bcu Retirement Savings Account, you should contact bcu by phoning 1300 228 228 during office hours or faxing (02) 6568 3011, or in writing to:

Bananacoast Community Credit Union (bcu)
PO Box 6328
Park Beach Plaza
Coffs Harbour NSW 2450

bcu has an internal procedure for handling complaints.

If you have a complaint, you should write to:
The Dispute Resolution Officer
Bananacoast Community Credit Union (bcu)
PO Box 1563
Coffs Harbour NSW 2450

The Dispute Resolution Officer will address your concerns and pursue a quick resolution. bcu aims to resolve any complaints within 90 days of receipt.

Superannuation Complaints Tribunal

If you are not satisfied with our handling of your complaint or the decision, you may contact the Superannuation Complaints Tribunal. This tribunal is an independent body set up by the Australian Government to assist RSA holders and their estates to resolve certain types of complaints with an RSA institution (or RSA provider).

The tribunal may be able to assist you to resolve your complaint, but only if you and the RSA institution have made a genuine effort to resolve the dispute through the institution's own complaint process.

The address is:

The Superannuation Complaints Tribunal
Locked Mail Bag 3060
GPO Melbourne Vic 3001
Telephone 1300 884 114

Keeping you informed

To help you keep track of your retirement savings, you will receive a detailed annual statement of your bcu Retirement Savings Account as at 30 June. You may also check your balance with bcu.

You can also check your balance, get a list of transactions, download a benefit quote or update your contact details by logging into www.bcu.com.au, Personal and then Superannuation. You will be supplied log in details shortly after you open the RSA. If you have difficulty logging in please phone 1300 228 228 or follow the prompts on the website. Please allow four (4) working days for contributions to appear on listings.

Applications

All applications to open a bcu Retirement Savings Account must be made on the application form attached to this brochure.

We will confirm the opening of an RSA to you in writing. We may change the terms and conditions of the RSA and we will give you 30 days' notice in writing before any changes take effect. All notices and statements will be sent to the last address you gave to us.

Electronic Communication

Except where the EFT Code of Conduct otherwise permits and subject to the requirements of any applicable law, we may use electronic means to communicate with you instead of written

communications, for example, to provide you with statements, notices, transaction confirmations or receipts electronically. Where you agree to this:

- you will not receive paper copies of relevant information;
- you agree to check regularly to see if you have received any electronic communication from us;
- you will be responsible for maintaining and checking your electronic equipment; and
- you will be responsible for printing or saving important information and we strongly recommend that you do so.

Subject to the requirements of any applicable law, where you carry out a transaction through iBank on our website and we make a transaction record or receipt (which you save or print) available to you on our website immediately on completion of the transaction, we will not provide you with a paper transaction or receipt.

Financial Claims Scheme

Depositors with the Credit Union may be entitled to receive a payment from the Financial Claims Scheme, subject to a limit per depositor.

For further information about the Financial Claims Scheme

- visit the APRA website at <http://www.apra.gov.au>
- phone the APRA hotline on 1300 13 10 60.

Interest rates

The bcu Retirement Savings Account offers a standard variable interest rate which is tiered. The higher the balance, the more interest you earn. The rate of interest applies to the whole balance of your RSA and is paid net of any fees payable by you. The latest interest rates on offer are available by calling 1300 228 228 or any bcu branch.

The interest rates quoted in this PDS are the net rate of interest after allowing for the deduction of government earnings tax at the rate of 15% of earnings. The interest rate performance should not be taken as an indication of future performance. Interest is calculated on the daily balance and is paid annually on 30 June. Interest rates are variable at bcu's discretion.

Interest is calculated by multiplying the daily balance of the account by the daily interest rate (ie the annual interest rate divided by the number of days in the year).

The average annual effective rate of return earned for the standard rate component in recent periods are as follows:

Interest Rate	\$1 <\$2,000	\$2,000 <\$10,000	\$10,000 <\$50,000	\$50,000 <\$100,000	\$100,000 and over
2006-2007	4.391%	4.603%	5.028%	5.028%	5.028%
2007-2008	4.518%	4.814%	5.332%	5.367%	5.403%
2008-2009	3.629%	3.861%	4.258%	4.471%	4.683%
2009-2010	2.574%	2.894%	3.115%	3.334%	3.564%
2010-2011	3.060%	3.400%	3.754%	4.009%	4.306%

- *This is the net rate of interest after allowing for the deduction of government earnings tax at the rate of 15% of earnings. Please note that past performance should not be taken as indicative of future performance*



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ABN: 50 087 649 750 AFSL: 241077

VERSION: bcu_PDS RSA 8 December 2011