

Product Disclosure Statement



bcu Retirement Savings Account
(Current as at 1 November 2019)

**CURRENTLY NOT AVAILABLE
TO NEW ACCOUNTS**



Police & Nurses Limited ABN 69 087 651 876
AFSL No. 240701 Australian Credit Licence No. 240701

The information in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. Before making an investment decision, you should read this document carefully to assess whether the product is appropriate for you and consider talking to an advisor before making a decision.



Your product disclosure statement



This product disclosure statement (PDS) has been produced to provide you with information about our Retirement Savings Account (RSA).

The information enclosed is designed to help you make an informed decision about this product and its suitability for you. Any information in this PDS that is not materially adverse is subject to change from time to time. We will provide a written notice on our website for any of these changes. An electronic copy of a notice is available on request without charge by calling us on **1300 228 228**.

bcu recommends 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.

Further information about the RSA is available from any of our stores, our website (**bcu.com.au**) or by phoning **1300 228 228**.

bcu, a division of Police & Nurses Limited (bcu)

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This PDS outlines the main features of the bcu Retirement Savings Account (RSA). The bcu RSA is issued by Police & Nurses Limited ABN 69 087 651 876, an approved Retirement Savings Account institution.

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Your bcu RSA

The bcu RSA is a special product designed to help you save for your retirement. It is an accumulation-style account which operates as a long term investment. Deposits made are superannuation contributions which become 'preserved' as further explained in this PDS.

A bcu RSA offers 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 RSAs 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 RSA at any bcu store, or complete the application form online.

Convenient

You can deposit as little as \$1 at a time at any bcu store, by mailed cheque, 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 can continue to have your new employer make contributions to your RSA. You can also use your bcu RSA to consolidate superannuation holdings you have from other jobs.

Accessing your funds

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 RSA 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 RSA 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.

You can withdraw any unrestricted non-preserved amounts in cash at any time.

You can transfer (roll-over) the balance of your bcu RSA to other RSAs or superannuation funds, an approved deposit fund or a deferred annuity at any time. Contact bcu for details on how to do this.

Preservation and conditions of release

Generally, you cannot access preserved benefits and restricted non-preserved benefits until you reach 65 years of age or have retired and reached the preservation age.

The preservation age is set by the Commonwealth Government and is currently as follows:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

The differences in preservation types are as follows:

Preserved benefits:

All contributions made by you or on your behalf, and all investment earnings, are preserved benefits. Preserved benefits may be paid to you only if a condition of release has been met.

Restricted non-preserved benefits:

If you had an arrangement with an employer to contribute superannuation for you prior to 1 July 1999, you may have a restricted non-preserved amount. Restricted non-preserved benefits can't be paid until you meet a condition of release specific to these benefits, such as when you cease employment with the employer who contributed on your behalf.

Unrestricted non-preserved benefits:

These benefits can be paid to you at any time on your request. They include benefits for which you have previously satisfied a condition of release but where you have decided to keep the money in your account.

The following conditions of release may convert some of your benefits to unrestricted non-preserved benefits, allowing you to access them. Unless you are a temporary resident, generally you're able to access your super when you:

- have reached 65 years of age;
- have reached your preservation age and have retired from the workforce, with the intention of never returning to work;
- have reached age 60 and ceased a gainful employment arrangement;
- die and your benefit is paid to your beneficiaries (refer to "Death Benefits" section in PDS);
- become permanently incapacitated;
- become terminally ill; or
- attain your preservation age, but do not retire from the workforce, and purchase a non-commutable account based pension.

Your benefits may also be accessed in other limited circumstances including financial hardship. Contact bcu for further information about a hardship application. You may also be able to apply for early release on compassionate grounds through the ATO.

Retirement

On your retirement from the workforce on, or after, attaining your Commonwealth preservation age, the full balance of your bcu RSA is payable should you choose. Importantly, your bcu RSA 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 may provide you with valuable taxation benefits. See the "Taxation" section below for further information.

Information about the preservation age and other conditions of release can be found on the Australian Taxation Office's website (ato.gov.au).

You should obtain professional advice about the taxation of your RSA benefits before taking any action to access funds.

Contributions

How to contribute funds

Funds can be paid to your bcu RSA by:

- rollover or transfer from your other superannuation funds or RSAs;
- deposit at any bcu store, by mailed cheque or by EFT;
- payments directly from your employer, including superannuation guarantee (SG), award or industrial agreement-related, and salary sacrifice; and
- eligible spouse contributions.

Please contact bcu for further payment details.

Limits on contributions

The law limits the types of contributions that we can accept to your RSA if you are 65 years of age or older.

If you are under age 65, all types of contributions can be accepted to your account. A connection with work is not required.

If you are at least 65 but under 75 years of age we can only accept:

- mandated employer contributions (superannuation guarantee, award or industrial agreement-related); and
- personal contributions if you have worked at least 40 hours over a consecutive 30-day period during the financial year in which the contributions are made.

You may be able to rely on the work test exemption which allows you or your spouse to make contributions to your account in the year after you cease to meet the work test (as long as your total superannuation balances across all your accounts in the system are below \$300,000).

Once you reach 75 years of age, we can only accept mandated employer contributions made by your employer and downsizer contributions.

Contribution limits for taxation benefits

The law also limits the money that can be contributed to your RSA and any other superannuation product in a financial year without tax penalties. These depend on whether the contribution is classified as:

- a concessional contribution; or
- a non-concessional contribution.

Concessional contributions

Concessional contributions are generally contributions on which a tax deduction is claimed. These include employer contributions (including superannuation guarantee and salary sacrifice) and personal contributions you claim as a tax deduction.

A maximum limit of \$25,000 applies on concessional contributions that can be made in the 2019/20 financial year. If the total amount of your concessional contributions on all your RSA and superannuation products exceeds the concessional contributions cap you will be subject to additional tax on the excessive contributions.

For more information, see the "Taxation" section below.

Concessional contributions include the following:

- personal contributions that you are allowed to claim as an income tax deduction; and
- employer contributions such as:
 - superannuation guarantee (SG) contributions; and
 - salary sacrifice contributions – where you ask your employer to deduct extra money from your pay before tax is taken out and to pay this into your account.

Contributions by employers

Generally, if you are under 65, employed and earning more than \$450 a month, your employer must make SG contributions on your behalf to a superannuation fund or RSA of your choice. The current rate of contributions is 9.5% of your ordinary time earnings. Some employers may be required to pay more than this for employees covered by an award or other workplace arrangement.

Employer contributions are subject to contributions tax at 15%. Where your income and concessional contributions exceed \$250,000 per annum, an additional 'Division 293' tax of 15% applies.

Salary sacrifice contributions

A salary sacrifice contribution is where you arrange through your employer to have a part of your income paid directly to your bcu RSA account before any tax has been applied.

Like SG contributions, salary sacrifice contributions are subject to contributions tax. Salary sacrifice arrangements may give a tax advantage for some people by reducing their taxable income. You should obtain professional advice about whether salary sacrificing is appropriate for your circumstances.

Further details about the current tax rates on concessional contributions and the concessional contributions cap can be found on the Australian Taxation Office's website ([ato.gov.au](https://www.ato.gov.au)).

Non-concessional contributions

Non-concessional contributions are generally contributions not claimed as a tax deduction, including personal contributions (for which you are not going to claim a tax deduction) and spouse contributions.

Non-concessional contributions also include:

- government co-contributions;
- downsizer contributions; and
- concessional contributions that have exceeded the concessional contributions cap.

No tax is payable on non-concessional contributions up to a cap of \$100,000 on all your RSA and superannuation products. This cap applies for the 2019/20 financial year. Non-concessional contributions that exceed the cap will be subject to tax at the highest marginal rate plus the Medicare levy (47%). For more information, see the "Taxation" section below.

We cannot accept a single non-concessional contribution to your RSA that exceeds the applicable non-concessional contributions cap. We also cannot accept a non-concessional contribution if we do not have your Tax File Number. See further information in the "Providing your tax file number (TFN)" section below.

Further details about the current tax rates on non-concessional contributions and the non-concessional contributions cap can be found on the Australian Taxation Office's website ([ato.gov.au](https://www.ato.gov.au)).

Spouse contributions

If you are under 70 years of age, your spouse can contribute towards your retirement by making non-concessional contributions to your bcu RSA.

Your spouse may be entitled to claim a tax rebate for the contributions.

Your spouse may make contributions to your account as long as:

- you are under the age of 65; or
- if you are aged between 65 and 69, you meet the work test (worked at least 10 hours each week in the current financial year) or are relying on the work test exemption; and
- the contribution is paid from an account in the name of your spouse or a joint account where your spouse is an account holder.

Examples of your spouse include:

- your spouse by marriage;
- a person with whom you are in a relationship that is registered under State or Territory laws; or
- another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

Australian Government's Co-contribution scheme and Low Income Superannuation Tax Offset

The government co-contribution scheme provides qualifying low to medium income earners with co-contributions for non-concessional contributions made in the financial year. The amount of co-contributions depends on the account holder's income and amount of non-concessional contributions made.

You may be eligible for the Government co-contribution if you:

- make a non-concessional contribution (that is within the cap) to your account by 30 June and you do not claim a tax deduction for it;
- earn 10% or more of your total income from carrying on a business, eligible employment, or both;
- have a total assessable income (meaning income plus reportable fringe benefits plus reportable employer superannuation contributions) under the co-contributions upper threshold (\$53,564 for the 2019/20 financial year);
- are not be a temporary resident at any time during the income year in which the contribution is made (certain exceptions may apply);
- are under 71 years of age at the end of the income year;
- have provided your Tax File Number to us;
- will lodge a tax return with the ATO for the income year; and
- have a total superannuation balance across all your superannuation and RSA accounts of less than \$1.6 million on 30 June of the year before the year in which the contribution was made.

The government also provides a tax offset for low income earners. This effectively rebates the contributions tax payable on concessional contributions made in the financial year.

If you earn less than \$37,000 in a financial year, you can receive a refund from the Government of up to \$500 of the 15% contributions tax you paid on your concessional (before-tax) contributions.

You don't need to apply to be eligible for this offset. At the end of each financial year, the ATO will then determine if you are eligible to receive the tax offset based on your tax return. The amount of the offset will be made as a payment directly into your bcu RSA.

For further information about co-contributions and the low income superannuation tax offset visit ato.gov.au.

Downsizer contributions

If you have signed a contract of sale after 1 July 2018 for the sale of your principal residence, you may be able to make a non-concessional contribution of up to \$300,000 from the proceeds of the sale.

You must have held the home for at least 10 years. This does not include investment properties, holiday homes, caravans or other mobile homes. A downsizer contribution can only be made from the sale of one home.

If your home that was sold was only owned by one spouse, the spouse that did not have an ownership interest may also make a downsizer contribution (so that you can contribute \$300,000 each into your accounts).

Transfers from other funds

You can transfer (roll-over) amounts from other superannuation funds into your bcu RSA account. By only having one super account with bcu, you can potentially save unnecessary fees, plus you'll only have one account to manage.

You should check with your old fund whether fees apply or benefits (such as insurance) will be lost if you transfer your benefits to your bcu RSA account.

Interest

Interest calculation and payments

We pay a variable interest rate on your bcu RSA. We may vary the interest rates at any time. For bcu RSA interest rates, please call **1300 228 228**, visit bcu.com.au or visit a bcu store.

Interest is calculated daily on your bcu RSA balance and is credited annually on June 30.

Higher rates of interest as your bcu RSA grows

The bcu RSA 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 RSA.

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

Taxation of interest

Tax is payable on interest earned (currently at a rate of 15%) and will be deducted from the RSA.

Risks of investing in an 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 investments 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;
- rates of return may not keep pace with inflation;
- laws affecting superannuation may change.

Fees

The fees you may be charged are set out below. We may vary, remove or add new fees at any time. Any increase in fees will be notified at least 30 days' in advance of the change.

Type of fee or cost	Amount	How and when paid
Withdrawal fee The fee on each amount you withdraw or transfer from your bcu RSA, in whole or part	\$45	Charged to your bcu RSA when it is withdrawn or transferred, in whole or in part
Termination fee The fee to close your bcu RSA	\$45	Charged when your bcu RSA is closed

Account-based pension

An account-based pension is a regular retirement income benefit payable from your bcu RSA. 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 (see below). 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.

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

Once you start a pension, a minimum amount is required to be paid each year, being calculated as a percentage of your account balance based on your age (see the table below). There is no maximum amount other than the balance of your super account.

Age of beneficiary	Percentage factor
Under 65	4
65–74	5
75–79	6
80–84	7
85–89	9
90–94	11
95 or more	14

You should obtain professional advice when considering converting your bcu RSA to an account-based pension.

To apply for a bcu Account-Based Pension, please phone **1300 228 228**.

Note: Once payment of an allocated pension from an RSA commences, no further contributions or rollovers can be made to that RSA. Another RSA may be opened for this purpose.

Taxation

Taxation on cashing out

The tax rules for cashing out your RSA will depend on your age and the make-up of the individual components. Generally no tax is payable on money taken out after you reach the age of 60.

The information in this section is general in nature and gives a broad overview of the current taxation rules. As tax is complex and individual circumstances may differ, you should obtain professional advice about the taxation of your RSA benefits before taking any action to make contributions or access funds.

Tax on contributions

Concessional contributions

Generally, concessional contributions are taxed at 15%. The contributions tax is deducted when taxable contributions are received into your account.

Individuals with an annual income greater than \$250,000 will be subject to a higher rate of contributions tax of 30% (this is known as the Division 293 tax).

Excess concessional contributions are taxed at your marginal tax rate plus an excess charge. We can release the excess contributions from your account upon presentation of a release authority from the ATO. You will need to arrange this with the ATO and complete a form which is available on the ATO website. You can elect to release up to 85% of the excess concessional contributions.

If your total superannuation balance across all your superannuation and RSA accounts is less than \$500,000 on 30 June of the previous financial year, you may be entitled to contribute more than the concessional contributions cap and make additional concessional contributions for any unused amounts. Unused amounts can be carried forward for a maximum of five years.

Non-concessional contributions

Non-concessional contributions are not subject to contributions tax, therefore no tax will be deducted from these (subject to the application of caps – see below).

If you are under age 65, you can utilise the 'bring-forward rule' by making contributions in one year which are up to three years' worth of the non-concessional contributions cap (provided you haven't already done so in the previous two financial years). That is, you can make a contribution of up to \$300,000 in a single year however, you will not be able to contribute further until the expiry of two subsequent financial years. These rules are complex and you should obtain your own taxation advice about the bring-forward rule before deciding if it is right for you.

There is no tax payable for contributions made within the non-concessional contributions cap. However, once you exceed the non-concessional contributions cap, 49% tax may be payable by you. If you exceed your non-concessional contributions cap, you have 60 days to elect with the ATO how that amount is treated. You can elect to release it from your account, or leave it in your account and be assessed for excess non-concessional contributions tax.

However, we will not accept a single non-concessional contribution to your RSA that exceeds the applicable non-concessional contributions cap.

Tax on account transfers

When you transfer or rollover money from another superannuation fund or RSA product to your bcu RSA, there is no tax payable unless the amount transferred contains an untaxed component. An untaxed component will be subject to tax at the 15% contribution tax rate mentioned above.

Tax offset on eligible spouse contributions

If you are classified by the ATO as a low-income or non-working spouse and your spouse makes contributions to your account, your spouse may qualify for a tax offset of up to 18% on up to \$3,000 in contributions per financial year. The maximum offset for a year of income is \$540.

The tax offset available to your spouse decreases as your income exceeds \$37,000 per annum and cuts off when your income reaches \$40,000 per annum or more. This doesn't mean that your spouse can no longer contribute to your super account, it just means that they won't receive a tax offset for doing so.

Spouse contributions are not subject to the 15% contributions tax and they are tax-free on withdrawal. The amount that your spouse contributes to your account will count towards your spouse's non-concessional (after-tax) contributions cap.

Downsizer contributions

The downsizer contribution is considered to be a one-off non-concessional contribution and it will not count towards your non-concessional contribution cap. The downsizer contribution can be made even if you have a total superannuation balance of more than \$1.6 million. The downsizer contribution is not tax deductible and will be taken into account when determining your eligibility for the Age Pension.

Tax deduction for personal contributions

The Government allows all individuals under the age of 65, and those aged 65 to 74 who meet the work test or work test exemption (worked 10 hours each week in the current or previous financial year), to claim a tax deduction for personal contributions made up to the concessional contributions cap.

If you want to claim a tax deduction for personal contributions, you must complete the ATO's Notice of Intent to Claim a Tax Deduction on Personal Contributions Form and provide a copy to us. Visit the ATO website for more information. Time limits apply for claiming a deduction.

Taxation on lump sum withdrawals

You may receive a lump sum payment from your bcu RSA if you meet a condition of release. If you receive a lump sum as a cash payment, the amount of tax payable is dependent on the components included in your benefit payment and your age at the date of payment.

All benefit payments made to people aged 60 and over are tax free. Payments made to a customer who is terminally ill are also tax free.

If you are withdrawing your benefit under the age of 60, the tax payable depends on the components of your benefit for taxation purposes. Benefits may have a tax-free component and a taxable component. Tax is not payable on the portion of the lump sum payment made from the tax-free component of your benefit.

Taxation of pensions

If you decide to access your benefit as part of our account-based pension, a number of tax benefits may be available to you, including:

- if you are aged 60 or over the income you receive from your pension is tax-free; and
- investment earnings on the account-based pension account are tax free.

If you are aged under 60, pension payments from your super account will be taxed at your marginal tax rate.

Superannuation transfer balance cap

There is a \$1.6 million limit (known as the transfer balance cap) on the total amount that an individual can transfer into an account-based pension.

Pension accounts with a balance of greater than \$1.6 million must withdraw the excess balance or revert the excess balance into an accumulation account such as a bcu RSA.

Taxation of death benefits

Lump sum death benefits paid to a dependant (as defined in the tax legislation) are exempt from tax. A 'dependant' for tax purposes includes a spouse, any children under the age of 18, any person with whom the deceased had an interdependency relationship and anyone financially dependent upon the deceased.

Benefits paid to 'non-dependants' will generally be taxed at the non-dependant's marginal tax rate or 15%, whichever is lower (plus the Medicare Levy) on the taxed element of the benefit. Any untaxed element of the benefit will be taxed at their marginal tax rate or 30%, whichever is lower (plus the Medicare levy).

Portability

If you change jobs, you can continue to have your new employer make contributions to your RSA. You can also use your bcu RSA to consolidate superannuation accounts you have from other jobs.

You can request the transfer of your benefit at any time. No minimum withdrawal is required. Before requesting a transfer of benefits, you can ask us for any information you need for the purpose of understanding your entitlements, including fees and costs that may be incurred and the effect of the transfer on your benefits.

Splitting of benefits

In the event of a marriage breakdown, your account may be split between you and your ex-spouse (including a qualifying de-facto spouse) under the Family Law Act 1975. This can be done under a superannuation agreement or Court order.

A family law split may result in your ex-spouse being entitled to all or part of your account and the transfer of their entitlements to a new account with bcu or an account with another superannuation fund over which you will not have any rights or be able to make decisions.

Where an eligible person informs us that they need information to properly negotiate a superannuation agreement or Court order, we may be required to provide the information and cannot tell you about the enquiry.

Death benefits — what happens when you die

The amount paid if you die will be your account balance at the time of your death. Please note that your bcu RSA does not offer life insurance.

Nomination of beneficiaries

You can nominate a beneficiary to receive your account balance upon your death. There are three options available to you when nominating beneficiaries in the event of your death.

They are:

- a non-binding death benefit nomination;
- a binding death benefit nomination; or
- a reversionary beneficiary nomination (if you have an account-based pension).

You must complete the relevant form in order for your nomination to be valid. Please contact bcu for further information about these forms.

You may nominate your estate or one or more dependants.

A dependant includes:

- your spouse, which may include a legally married or de-facto spouse of the same or opposite sex;
- your child, which may include a step-child or a legally adopted child;
- a person with whom you are considered to be in an interdependency relationship; or
- any other person, who in bcu's opinion, is or was, at the date of your death wholly or partially financially dependent upon you.

You are considered to have an interdependency relationship with a person if:

- you have a close personal relationship with that person;
- you live together with that person;
- either of you provides the other with financial support; and
- either of you provides the other with domestic support and personal care.

Note: that a different definition of dependant applies for tax purposes as explained in the "Taxation" section of this PDS.

As different taxation and social security implications may arise depending on who you nominate as a beneficiary (and whether they receive the death benefit as a pension or lump sum), we recommend you obtain further information and consult a qualified professional about this.

If you do not have any dependants or a legal personal representative, bcu, at its discretion will pay your benefit to other persons allowed by law.

Non-binding nomination

If you make a non-binding nomination, it is at bcu's discretion how your benefit is paid in the event of your death, however bcu will take your nomination into account and may pay the balance of your account as a lump sum to any of your dependants or to your estate.

You can make or change a non-binding nomination at any time by completing the "RSA Death Benefit Nomination — Lump Sum Benefits Only" form available at bcu.com.au/manage-my-rsa and returning it to bcu.

Binding nomination

If you make a valid binding nomination, bcu must pay your benefit in the event of your death to the dependant(s) or your legal personal representative who you have nominated. The nomination must still be in effect at the time of your death. A valid binding nomination expires after three years.

You can make or change a non-binding nomination at any time by completing the "RSA Death Benefit Nomination — Lump Sum Benefits Only" form available at bcu.com.au/manage-my-rsa and returning it to bcu.

If your form is not correctly completed, we will treat your nomination as a non-binding nomination. We will advise you if this happens. Your nomination will be treated as non-binding until a fully completed and signed form is received by bcu.

In order for a binding death benefit nomination to be valid, the following criteria must be satisfied:

- the person(s) nominated are your dependants and/or your legal personal representative and the nomination specifies the proportion of the benefit to be paid to each person totalling 100%; and
- the nomination has been signed on the same day by you and two witnesses, being persons over the age of 18 who are not mentioned in the nomination.

You should review your nomination if your circumstances change and you can change your nomination at any time. Please note that the validity and effectiveness of a binding nomination is only fully assessed in the event of death.

Reversionary beneficiary nomination

If you are receiving an account-based pension, you can choose to have your spouse as your reversionary pensioner in the event of your death. This means that when you die, we will continue to pay your pension benefit as a pension, to the person you have nominated. Payments will continue until your account balance reaches zero or until their death. In the event that there is a remaining balance payable when your reversionary beneficiary dies, bcu will decide how the balance should be paid. You must nominate your reversionary pensioner before your pension commences and nominations cannot be changed once your pension begins.

No nomination

If you don't nominate a beneficiary, or your reversionary beneficiary nomination or binding nomination is invalid, the balance of your account will be paid to your estate, your dependants or a combination of both at the discretion of bcu.

If you don't have any dependants or a legal personal representative, bcu will pay your benefit to other persons as allowed by law.

Inactive low balance accounts

bcu is required by law to pay to the ATO the benefits of uncontactable or lost members (if reasonable attempts to contact those members have been unsuccessful within the time periods specified in the legislation). You should ensure that your contact details are always up-to-date.

bcu must also identify "inactive low-balance accounts" and transfer these accounts to the ATO as part of the unclaimed money process. We will consider your bcu RSA to be an "inactive low-balance account" if:

- a) your account balance is less than \$6,000;
- b) you have not met a condition of release; and
- c) in the past 16 months a contribution has not been made, or a rollover has not been received, to your account.

Other information

Providing your tax file number (TFN)

We are authorised to collect your TFN under the Retirement Savings Account Act 1997, which will only be used for lawful purposes.

These purposes may change in the future as a result of legislative change. We may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request us in writing that your TFN not be disclosed.

It is not an offence not to quote your TFN. However giving your TFN to us will have the following advantages (which may not otherwise apply):

- we can accept all types of contributions to your RSA;
- other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your RSA benefits; and
- it will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

In particular, if you do not provide us with your TFN:

- additional tax may be imposed on your concessional contributions;
- we may have to withhold more tax than we would otherwise have to on your superannuation lump sum benefits;
- we cannot accept non-concessional contributions (including spouse contributions), and therefore you may not qualify for the government co-contribution.

Cooling off period

If, after you have applied to become a bcu RSA holder you change your mind about joining, you may write to bcu and request a refund.

The request must be received by bcu within a period of 14 days (the "cooling off period") from the earlier date of:

- receipt of your welcome letter confirming your RSA opening; or
- the end of the fifth day after your product is opened.

In this circumstance, we will repay the money you paid us to acquire the bcu RSA as long as you meet a condition of release. If you don't meet a condition of release you can transfer the balance in your bcu RSA to another RSA or superannuation fund of your choice. If you close your bcu RSA within this period, no fees will be deducted; however taxes and government charges may be deducted.

Enquiries and complaints

If you have any enquiries about your bcu RSA, you should contact bcu by phoning 1300 228 228 during office hours or faxing (02) 6690 3772, or in writing to:

bcu
PO Box 1563
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
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.

Australian Financial Complaints Authority (AFCA)

If you are not satisfied with our handling of your complaint or the decision, you may contact the Australian Financial Complaints Authority (AFCA). AFCA 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).

AFCA may be able to assist you to resolve your complaint, but only if you have first attempted to resolve the dispute through bcu's internal complaint process. To make a complaint to AFCA, call **1800 931 678** or submit AFCA's online form at **afca.org.au**.

The address is:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Keeping you informed

To help you keep track of your retirement savings, you will receive a detailed annual statement of your bcu RSA as at 30 June. You may also check your balance by contacting bcu.

You can also get a list of transactions, download a benefit quote or update your contact details by logging into **bcu.com.au**. 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.

Privacy

We comply with privacy law in operating bcu RSAs. Please refer to the privacy policy on our website at bcu.com.au for more information or call us on **1300 228 228**.

How to open a bcu RSA (Currently not available to new accounts)

Anyone, including people who are self-employed, can apply for a bcu RSA.

All applications to open a bcu RSA must be made on the application form attached to this PDS and also available from bcu or bcu.com.au.

We will confirm the opening of a RSA to you in writing. We may change the terms and conditions of the bcu 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 provided to bcu.

You need to be a bcu member and complete the application form online or return the completed form to bcu. Once your application has been accepted, you can contribute to your bcu RSA.

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

Financial Claims Scheme

bcu is a division of Police & Nurses Limited. The Financial Claims Scheme provides a guarantee of funds deposited with an authorised deposit-taking institution (ADI) such as Police & Nurses Limited. In the event that an ADI becomes insolvent, customers may be eligible to claim the amount of their deposits with that ADI from the Scheme.

Payments under the Scheme are subject to a limit for each depositor (please note joint account holdings are considered to be held in equal shares). For more information regarding the Scheme, see the Financial Claims Scheme website at fcs.gov.au

Police & Nurses Limited

ABN

69 087 651 876

AFSL

240701

Police & Nurses Limited Registered Office

Level 6

556 Wellington Street

Perth WA 6000

1300 228 228

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