



# Product Disclosure Statement

## bcu Retirement Savings Account

(Current as at September 30,  
2017)

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

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 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 Bananacoast Community Credit Union's (bcu) Retirement Savings Account (RSA).

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 in conjunction with the Product and Access Facility Terms and Conditions carefully as it is important that you understand the product before opening or deciding to continue to hold a bcu RSA.

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.

Information and terms and conditions about the RSA are available from any of our stores, our website ([www.bcu.com.au](http://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	69 Park Beach Road, Coffs Harbour, NSW, 2450
Website	<a href="http://www.bcu.com.au">www.bcu.com.au</a>
Phone	1300 228 228

*This brochure outlines the main features of the bcu Retirement Savings Account (RSA). The bcu RSA is issued by Bananacoast Community Credit Union Ltd ABN 50 087 649 750, 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.

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 small superannuation holdings you have from other jobs.

## How to open a bcu RSA

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

## 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, award or industrial agreement-related, and salary sacrifice;
- eligible spouse contributions.

Please contact bcu for 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 at least 65 but under 75 years of age we can only accept:

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

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

### 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;
- 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 (for instance if you are self-employed).

Concessional contributions are taxed at a low rate. 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.

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

## Non-concessional contributions

Non-concessional contributions are generally contributions not claimed as a tax deduction, including personal and spouse contributions.

No tax is payable on non-concessional contributions up to a cap on all your RSA and superannuation products. Non-concessional contributions that exceed the cap will be subject to tax at the highest marginal rate plus Medicare levy and the temporary budget repair levy.

We cannot accept a single non-concessional contribution to your RSA that exceeds the applicable non-concessional contributions cap.

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 ([www.ato.gov.au](http://www.ato.gov.au)).

## Retirement savings from your spouse

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.

## 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 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](http://www.bcu.com.au) or visiting 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 growth 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.

Type of fee or cost	Amount	How and when paid
<b>Withdrawal fee</b> The fee on each amount you withdraw or transfer from your bcu RSA, in whole or part	\$44	Charged to your bcu RSA when it is withdrawn or transferred, in whole or in part
<b>Termination fee</b> The fee to close your bcu RSA	\$44	Charged when your bcu RSA is closed.

## 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 certain superannuation funds, an approved deposit fund or a deferred annuity at any time. Contact bcu for details.

## 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.

There are other conditions of release that may convert some of your benefits to unrestricted non-preserved benefits, allowing you to access them.

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

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

## 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.

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

## Retirement

On your retirement from the workforce on, or after, attaining your 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 facility may provide you with valuable taxation benefits.

## Account-based pension facility

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. 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.



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. You must nominate your reversionary pensioner before your pension commences and nominations cannot be changed once your pension begins.

The law imposes a minimum pension payment as a percentage of your account balance. This varies according to your age.

Information about current minimum pension payment percentages and other features of the bcu RSA Account-based pension facility can be obtained by phoning 1300 228 228 or through a financial planner.

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

*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.*

## 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,
- 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) 6568 3011, or in writing to:

Bananacoast Community Credit Union (bcu)  
PO Box 6238, Coffs Harbour Plaza 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 6238,  
Coffs Harbour Plaza 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 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 [www.bcu.com.au](http://www.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.

## Applications

All applications to open a bcu RSA must be made on the application form available from bcu or [www.bcu.com.au](http://www.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.

## Financial Claims Scheme

Depositors with bcu 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

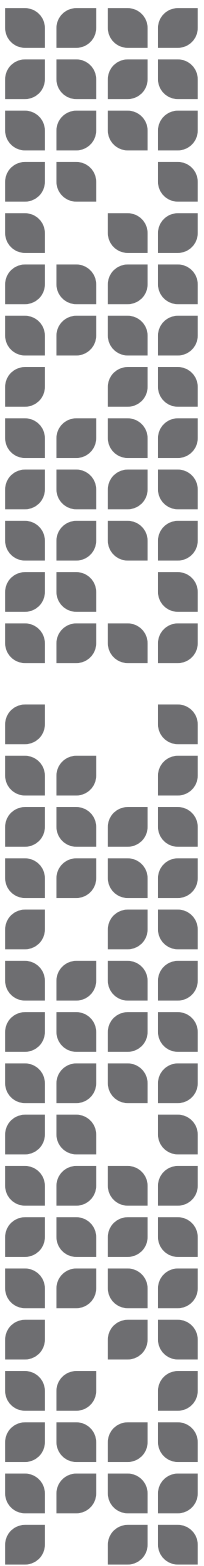
- visit the APRA website at [www.apra.gov.au](http://www.apra.gov.au)
- phone the APRA hotline on 1300 13 10 60.

## Australian Government's Co-contribution scheme and contributions tax rebate

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.

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

For further information about co-contribution and the contributions tax rebate visit [www.ato.gov.au](http://www.ato.gov.au).



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