

Savings & Investment Accounts Information Statement



Police
Credit Union
Better Banking

As at 01 January 2019

Savings & Investment Accounts Information

In this part of the document are the terms and conditions applying to, and other information about, the following Police Credit Union (PCU) Savings & Investment Accounts:

- Redi Access Account (S1) - including the deposit facility attached to Line of Credit Accounts
- Christmas Club Account (S2)
- Master Club Account (S3)
- Beans Savings Account (S4)
- Focus Saver Account (S5)
- Budget Account (S7)
- iSavings Account (S12)
- Mortgage Offset Account (S14)
- My Limit Prepaid Visa (S29)
- Better Offset Account (S37)
- Super MyWay Account (S65)
- Term Deposit accounts

This document must be read in conjunction with our:

- Financial Services Guide (FSG),
- General Service Fees Sheet, and
- Interest Rate Sheet.

Together they make up the product information for our Savings & Investment Accounts.

Accessing the funds in your account

Funds in our Standard Savings Accounts can be accessed in various ways. Details of the access methods that can be linked to each type of Standard Savings Account are set out below in 'Main account features and terms'.

If Visa Debit access is linked, funds are available throughout Australia 24 hours a day, 7 days a week via ATM and EFTPOS facilities, and your funds can even be accessed worldwide.

Detailed information about the access methods are disclosed in a separate Information Statement for Access Products, which is available upon request.

Main account features and terms

Redi Access Account (S1)

The perfect account for your day to day financial needs. By linking various access methods to this account you can have access to your funds 24 hours a day. The main features and benefits of the account are:

- Interest is calculated monthly and paid annually on 31 May.
- Interest rates are stepped – see 'How interest is calculated and paid'.
- You can link any of the following access methods to the account:
 - Cheque Books
 - Visa Debit card
 - Internet Banking
 - Tele-service and/or IVY Phone Banking
 - Direct debits
 - Periodical payments
 - BPAY®
 - Payroll deductions and other direct credits can be made to the account.
- An Overdraft can be attached to the account (subject to

application and approval).

If you arrange a Line of Credit Account with us, the terms, conditions and features that apply to the deposit facility that forms part of that account will be the same as those that apply to a Redi Access Account (excluding how interest is calculated and paid).

Christmas Club Account (S2)

This is an account into which funds can be deposited or transferred so money is available for Christmas. This account provides the means to budget for Christmas spending and avoid the need to use credit facilities to pay for Christmas expenses. The main features and benefits of the account are:

- Interest is calculated daily and paid annually on 31 October.
- Interest rates are tiered – see 'How interest is calculated and paid'.
- You can access funds from 1 November to 31 January without a fee.
- You can link any of the following access methods to the account:
 - Internet Banking
 - Tele-service and/or IVY Phone Banking
 - BPAY®
- Payroll deductions and other direct credits can be made to the account.

Master Club Account (S3)

This is an account which pays interest on the savings you set aside for everyday purposes. It is designed to suit members aged 60 and over, or those in receipt of a Pension.

The main features and benefits of the account are:

- Interest is calculated daily and paid monthly on the last day of each month.
- Interest rates are stepped – see 'How interest is calculated and paid'.
- You can link any of the following access methods to the account:
 - Cheque books
 - Visa Debit card
 - Internet Banking
 - Tele-service and/or IVY Phone Banking
 - Direct debits
 - Periodical payments
 - BPAY®
- Pension or superannuation payments can be credited directly to the account.
- An Overdraft can be attached to the account (subject to application and approval).

Beans Savings Account (S4)

The perfect account to start your savings goals. It encourages saving by rewarding members who are able to make regular deposits and no withdrawals. The main features and benefits of the account are:

- Only available to members who are under the age of 18.
- Interest is calculated daily and paid monthly on the last day of each month.
- You can link any of the following access methods to the account (access restrictions may apply):
 - Internet Banking
 - Tele-service and/or IVY Phone Banking
 - Direct debits
 - Periodical payments
 - BPAY®
- Payroll deductions and other direct credits can be made to the account.
- A bonus rate of interest is paid per month provided there has been a minimum \$10.00 deposited during the month and no withdrawals made.

Focus Saver Account (S5)

This is designed to reward the disciplined saver by rewarding members who are able to make regular deposits and no withdrawals. The main features and benefits of the account are:

- Interest is calculated monthly and paid on the last day of the month.
- Interest rates are tiered – see 'How interest is calculated and paid'.
- A bonus rate of interest is paid per month provided there has been a minimum \$200.00 deposited during the month, no withdrawals made and a minimum balance of \$200.00 is maintained.
- No bonus interest is paid in the first month the account is opened.
- You can link any of the following access methods to the account:
 - Internet Banking
 - Tele-service and/or IVY Phone Banking
 - Direct debits
 - BPAY®
- Payroll deductions and other direct credits can be made to the account.
- Cumulative balance of all Focus Saver Accounts (incl. sub-accounts) is not to exceed \$1,000,000.00.

Budget Account (S7)

This is designed to be an account into which funds are regularly deposited and from which bills can be paid. It enables you to set aside funds for future commitments. The main features and benefits of the account are:

- Interest is calculated monthly and paid annually on 31 May.
- Interest rates are stepped - see 'How interest is calculated and paid'.
- You can link any of the following access methods to the account:
 - Cheque books
 - Visa Debit card
 - Internet Banking
 - Tele-service and/or IVY Phone Banking
 - Direct debits
 - Periodical payments
 - BPAY®
- Payroll deductions and other direct credits can be made to

the account to assist with budgeting.

iSavings Account (S12)

This is the perfect account to help you save. The account pays you a high rate of interest to help you achieve your savings goals and only has a limited number of access options to discourage withdrawals. The main features and benefits of the account are:

- Interest is calculated daily and paid monthly.
- Interest rates are tiered – see 'How interest is calculated and paid'.
- You can link any of the following access methods to the account:
 - Internet Banking
 - Tele-service and/or IVY Phone Banking
 - Direct debits
 - BPAY®
- Payroll deductions and other direct credits can be made to the account.

Mortgage Offset Account (S14)

This can be linked to eligible PCU home loan accounts as specified by PCU from time to time. A Mortgage Offset account can only be linked to one loan but a loan account can have up to eight Mortgage Offset accounts linked in total. A Mortgage Offset account can only be opened in exactly the same name as the linked loan account. A Mortgage Offset account must be closed when the eligible loan account to which the offset is attached is paid out and closed. In the event that the Mortgage Offset account is not closed, PCU will close the Mortgage Offset account and transfer the funds to an alternative savings account, in the same name(s) as the previously eligible mortgage. The main features and benefits of the account are:

- No interest is paid on the Mortgage Offset account – see 'How interest is calculated and paid'.
- 100% offset to any funds in a linked eligible PCU home loan.
- Funds available at call.
- You can link any of the following access methods to the account:
 - Internet Banking
 - Tele-service and/or IVY Phone Banking
 - Direct debits
 - BPAY®
- Payroll deductions and other direct credits can be made to the account.
- No minimum balance or deposit applies.

My Limit Prepaid Visa (S29)

This account is perfect for transacting with your own funds over-the-counter, online, over-the-phone, or even overseas. Ideal for budgeting or those looking for a separate account to use for transacting online.

The main features and benefits of the account are:

- No interest is paid on credit balances
- You can link any of the following access methods to the account:
 - Prepaid Visa Card
 - Internet Banking
 - Tele-service and/or IVY Phone Banking
 - Direct debits
 - BPAY®
- Salary, pension or superannuation payments can be credited directly to the account.
- The Transaction Fee Rebate outlined in the 'General Service Fees Schedule' does not apply to this account.

Better Offset Account (S37)

This can be linked to eligible PCU home loan accounts as specified by PCU from time to time. A Mortgage Offset account can only be linked to one loan and the loan account can be linked to one Mortgage Offset account only. A Mortgage Offset account can only be opened in exactly the same name as the linked loan account. A Mortgage Offset account must be closed when the eligible loan account to which the offset is attached is paid out and closed. In the event that the Mortgage Offset account is not closed, PCU will close the Mortgage Offset account and transfer the funds held in that Mortgage Offset account, and all access instruments, to an alternative savings account, in the same name(s) as the previously eligible mortgage.

The main features and benefits of the account are:

- No interest is paid on the Mortgage Offset account – see 'How interest is calculated and paid'.
- 100% offset to any funds in a linked eligible PCU home loan. Offset balance is limited to \$20,000.
- Fee free transactions
- Funds available at call.

You can link any of the following access methods to the account:

- Visa Debit Card Access
- Internet Banking
- Tele-service and/or IVY Phone Banking
- Direct debits, Direct Credits
- BPAY®
- Payroll deductions and other direct credits can be made to the account.
- No minimum balance or deposit applies.

Super MyWay Account (S65)

If you want more control and direction over your superannuation, the Super MyWay savings account is the perfect account for you. The account is designed for operators of Self Managed Superannuation Funds (SMSF) and provides a high variable rate, at call access and no account or transaction fees. A Super MyWay savings account can only be opened for a Self Managed Superannuation Fund.

The main features and benefits of the account are:

- Interest is calculated daily and paid monthly
- Interest rates are tiered – see 'How interest is calculated and paid'.
- Payroll deductions and other direct credits can be made to the account
- You can link any of the following access methods to the account:
 - Internet Banking
 - Tele-service and/or IVY Phone Banking
 - Direct debits
 - BPAY®

Funds are available at call

The funds in any of our Standard Savings Accounts can be withdrawn at any time.

How interest is calculated and paid

If interest rates are stepped, interest is calculated on that part of the relevant balance that falls within a particular range of amounts at the rate applying to that range. The higher the range the higher the interest rate.

Details of the amount ranges applying to each of our Standard Savings Accounts with stepped interest rates, and of the interest rates applying to them, are in our Interest Rate Sheet, which is available upon request.

No interest is paid on Line of Credit Accounts.

If the interest rate is tiered, interest is calculated on the whole of the relevant balance at the rate applying to the particular range of amounts into which the balance falls. The higher the range the higher the interest rate.

Details of the amount ranges applying to each of our Standard Savings Accounts with tiered interest rates, and of the interest rates applying if the account balance falls within them, are in our Interest Rate Sheet, which is available upon request.

If interest is calculated monthly, it is calculated by multiplying the minimum account balance for the month by the applicable interest rate/s and dividing the result by 12.

If interest is calculated daily, it is calculated by multiplying the account balance at the end of the day by the applicable interest rate/s and dividing the result by the number of days in the calendar year.

Interest is paid by crediting it to the account.

No interest is paid on the Mortgage Offset account even if the balance in the account is greater than a linked loan account.

If the Mortgage Offset account is linked to a home loan we divide your loan account into 2 parts to calculate the interest charges. The first part is equal to the balance in each linked Mortgage Offset account and the second part is the remaining balance of your loan account.

The offset benefit is available every day you have a positive balance in your Mortgage Offset account. The offset benefit is the reduced amount of interest paid on your loan balance and is calculated as:

Reduced rate = Balance * Loan Rate - (Offset balance * Loan Rate)

1. Take the balance of the Mortgage Offset account (or the balance in the account equal to the loan balance if the loan balance is less).
2. Multiply the offset amount by the interest rate applicable to the linked loan account and divide by number of days in the year.
3. Multiply the total loan balance by the applicable interest rate and divide by the number of days in the year.
4. Subtract the amount in step 2 from the amount in step 3.

Example

Assume a loan balance of \$100,000, a Mortgage Offset account balance of \$10,000, an interest rate of 7.00% and the standard 365 days in the year:

1. \$10,000
2. $\$10,000 * 7.00\% / 365 = \1.91
3. $\$100,000 * 7.00\% / 365 = \19.17
4. $\$19.17 - \$1.91 = \$17.26$
5. Reduced rate = \$17.26

Fees and charges

No entry fees, exit fees or account keeping fees apply to our Standard Savings Accounts, but some fees and charges are payable - details are in our General Service Fees Sheet, which is available upon request.

Statements

All transactions on your account will be detailed in your statement, which will be provided at least six monthly.

Overdrawn accounts

Standard Savings Accounts should not be overdrawn. It is your responsibility to keep your account in credit. If your account is overdrawn, you must pay us the overdrawn amount immediately.

Fees and interest may be charged to you on the amount

overdrawn – details are in our General Service Fees Sheet and our Interest Rate Sheet, which are available upon request.

Term Deposit Information

In this part of the document are the terms and conditions applying to, and other information about, our Term Deposit Accounts.

Main account features & terms

Providing very competitive returns, a Police Credit Union (PCU) Term Deposit Account is the perfect vehicle for achieving your savings goals.

You deposit your money for an agreed term and we pay you a fixed interest rate for that term. Interest is paid at higher rates than those that apply to our Standard Savings Accounts.

Terms of any period from 60 days to 4 years are available, enabling you to choose the term and return to suit your individual needs. A minimum investment of \$5,000 will usually get you started and put you well on your way towards your savings goal, but we may require a higher minimum investment in some cases.

How interest is calculated & paid

The annual interest rate that applies to a Term Deposit Account is fixed for the term of the deposit, but there may be a reduction in the interest paid on any amount withdrawn early (see 'Early Withdrawals').

The rate that applies depends upon the amount you invest and the term you select and also upon how often interest is to be paid. Details of the annual interest rates applying to our Term Deposit Accounts are in our Interest Rate Sheet, which is available upon request.

Interest is calculated daily by multiplying the account balance at the end of the day by the applicable annual interest rate and dividing the result by the number of days in the calendar year.

Unless otherwise agreed when your account is opened, interest is paid at the end of the term if the term is one year or less, or annually if the term is more than one year. Interest will be paid monthly or quarterly if we agree to that when your account is opened. Interest can be credited to a PCU savings account or paid by cheque, as you direct.

Fees & Charges

No entry fees, exit fees or account keeping fees apply to our Term Deposit Accounts, but some fees and charges are payable - details are in our General Service Fees Sheet, which is available upon request.

Early Withdrawals

If you give us 7 days prior notice you may withdraw the amount invested, or any part of it, before the end of the agreed term. If you do so, the interest that would otherwise be payable on the amount withdrawn early will be reduced by 50%.

After any early redemption of funds, the balance of the remaining investment will be subject to the current rate applicable to that tier.

A deduction may be made from the amount you withdraw to take into account that reduction and any interest already paid. 24 hours notice is required of any withdrawal of \$2,000.00 or more that you require in cash.

When your Term Deposit matures

You will be notified in writing when the term of your Term Deposit Account is about to end. Unless you give us instructions to the contrary before the maturity date, on that date we will renew the Term Deposit for the same term again at the interest rate we are offering for that amount and term at that time. If the same type of investment or term is no longer available, we will reinvest the amount of your deposit in the

type and term of investment that we offer at that time that in our opinion most closely resembles your Term Deposit.

Statements

All transactions on your account will be detailed in your statement, which will be provided at least six monthly.

Privacy

PCU complies with the Privacy Act 1988 and the Australian Privacy Principles. More information is in our Privacy Statement, which is available upon request.

Combination of accounts

We may combine the balances of two or more of your accounts. This means that the credit balance in one account can be used to pay anything you owe us in relation to another account. We do not have to notify you in advance of doing this, but we will promptly notify you if we have done it.

Taxation

As interest is income, tax may be payable on the interest earned on funds deposited to any PCU account. It is not compulsory for you to disclose your tax file number to us or to claim an exemption, but if you don't we are required by law to deduct withholding tax at the highest marginal tax rate (plus the Medicare levy) from your interest payments and remit it to the Australian Taxation Office.

Customer Owned Banking Code of Practice

The Customer Owned Banking Code of Practice applies to the provision of our Standard Savings Accounts.

Changes to Terms and Conditions

We may change the interest rate applying to your account, the fees and charges that you must pay, or the other terms and conditions applying to your account.

Subject to any laws that may require us to give you more notice or notice in a particular way, with which we will comply, we will notify you of any changes as follows:

- If we introduce a new fee or charge, or vary the method by which interest is calculated or the frequency with which it is credited, we'll give you notice at least 20 days before the variation takes effect.
- If we increase an existing fee or charge we'll give you notice at least 20 days before the variation takes effect.
- If we reduce the interest rate, or make any other change that will result in your return decreasing or your obligations increasing, we will give you notice not later than on the day the change takes effect.
- If we make any other change we will give you notice within 3 months after the change takes effect or when we next correspond with you, whichever is earlier.
- We will notify you of the introduction or variation of any Government charge payable directly or indirectly by you, unless it is publicised by the Government, a Government agency, or a representative body.
- We will give you written notice if we introduce a new fee or charge, or vary the method by which interest is calculated or the frequency with which it is credited.
- You agree that we may give you notice of all other changes by written notice, by an advertisement in a newspaper generally available in South Australia or Northern Territory, by a notice in your account statement or by a notice in our newsletter.

Dispute Resolution

For information about what to do if you have a concern or complaint, please refer to the 'Dispute Resolution' section in our FSG, which is available upon request.

Further Information

For further information about any of the products referred to in this Information Statement, simply visit your local branch, call 1300 131 844, or logon to policecu.com.au.

When you join the Credit Union, you will be given a copy of 'Things you must know about your Credit Union', which details additional important information about PCU. Further copies are available upon request.

Financial Claims Scheme

- the account holder may be entitled to payment under the Financial Claims Scheme; and
- access to the scheme is subject to a limit for each depositor; and
- information about the scheme can be obtained from the APRA website at www.fcs.gov.au and the APRA hotline on 1300 55 88 49

How to Contact Us

Our contact details are provided in our FSG, which is available upon request.