

# Product Disclosure Statement

# First Home Saver Account

effective 2nd January 2009

The First Home Saver Account is a Government initiative to assist aspiring homebuyers to save for their first home.

This Product Disclosure Statement (PDS) contains information about the following:

- Who can have a First Home Saver Account
- How the First Home Saver Account works
- How the Government helps you save
- How Credit Union SA helps you save
- What happens if your situation changes
- Using your savings for your first home
- The Fees
- How to open an account
- Complaints and queries

This PDS is an important document for you to read before opening your First Home Savers Account. It will help you decide if this account meets your needs.

You should consider all of this information before making any decision about whether to open an account.

This information in the PDS is general in nature only and does not take into account your personal needs and objectives.

This PDS is issued by:

Credit Union SA Ltd

ABN 36 087 651 232 AFS Lic. 241066

400 King William Street Adelaide SA 5000

## Who can have a First Home Saver Account

### You should consider opening a First Home Saver Account if you:

- only want to use your savings to buy or build your first home in Australia to live in ('buy your first home'); and
- are able to save at least \$1,000 a year (\$20 a week) in four separate financial years - they do not need to be in a row.

A financial year is from 1 July to 30 June.

### To open an account, you must:

- be aged 18 or over and under 65;
- have a Tax File Number;
- have never owned a home in Australia that you have lived in; and
- have never opened a First Home Saver Account before.

You can open another First Home Saver Account if you are transferring your savings from one First Home Saver Account to another - see Fees section.

### If you are saving with others:

- Each person must open their own individual First Home Saver Account.
- You cannot open a joint account with someone else.

If you are unsure about your eligibility go to [www.ato.gov.au](http://www.ato.gov.au), or call Credit Union SA on 8202 7777.

## How the First Home Saver Account works

### How you can use the savings in a First Home Saver Account

You can withdraw your savings for three purposes:

- to buy your first home;
- as money you can add into your super; or
- as money you can withdraw as a lump sum if you are aged 60 or over.

### How to save with a First Home Saver Account

- You put money into your account the same way as you would make deposits into a normal Credit Union SA account. You can do this at anytime, and for as long as you need to save.
- You cannot salary sacrifice into your account.
- You do not need to put money in every year - but your account will only get Government contributions when you do.
- Once the total amount in your account reaches \$75,000 - including Government contributions and interest earnings you cannot put any more money into your account.
- You can keep your account open until you buy your first home or turn 65.

When you turn 65 you must close your account and withdraw all of your savings, or move it into super.

## How the Federal Government helps you save

The Federal Government boosts your savings with contributions and a low rate of tax on the income your investment earns.

### When you put money into your account the Government puts money in too

- When you put a dollar into your account, the Government will contribute 17 cents.
- Any money you put in up to a total of \$5,000 in a financial year will get the Government contribution, anything over this amount will not.  
For example, if you put \$5,000 into your account in one financial year, the Government will contribute \$850 to your savings.
- If you are saving with other people that have their own First Home Saver Accounts, each person will receive Government contributions on the money they put into their account.
- Government contributions are paid directly into your First Home Saver Account after you have lodged your tax return and Credit Union SA has told the Tax Office how much you have put in.

### You are not taxed:

- on the money you put into your account; or
- on the Government contributions; or
- when you withdraw your savings for your first home.

### There is a low rate of tax on the interest your savings earn

- Earnings on First Home Saver Accounts are taxed at 15% but this is paid to the Tax Office by Credit Union SA.
- The 15% tax will be deducted from your interest earnings and paid by Credit Union SA to the Australian Tax Office (ATO) on your behalf. (*This means you don't have to declare the interest earned on the First Home Saver Account in your tax return as the tax is already paid*).

## How Credit Union SA helps you save

### High flat rate of interest

Credit Union SA's First Home Saver Account earns a high flat rate of interest. The interest is calculated daily and paid monthly on the full balance of the account helping you achieve your goal of home ownership sooner. Visit [www.creditunionsa.com.au](http://www.creditunionsa.com.au) for the current interest rate.

### No fees

There are no fees and charges applicable to Credit Union SA's First Home Saver Account. The amount you save will only increase, with all depositing channels available.

### Watching your savings grow

If you were to save around \$100 per week for four years, your savings will grow to approximately \$27,000, including Government contributions and interest.

This example is based on the account earning 5% interest which may differ from the amount of interest Credit Union SA pays.

To find out how much you need to save use the calculator at [www.fido.gov.au/firsthomesaver](http://www.fido.gov.au/firsthomesaver).

## What happens if your situation changes

You should be aware of the following situations and consider how they may affect you prior to opening a First Home Saver Account.

### Eligibility to hold a First Home Saver Account

You cease to be eligible to have a First Home Saver Account if you:

- acquire a qualifying interest in a dwelling that is your main residence; or
- turn 65 years of age.

If this happens you can choose to:

- move your savings into super, or
- withdraw your savings as a lump sum if you are aged 60 or over.

### You are unable to make a contribution to your First Home Saver Account

It is beneficial for you to make contributions to your First Home Saver Account each year, but you do not have to. You can choose to:

- start saving again when you can;
- move your savings into superannuation; or
- withdraw your savings as a lump sum if you are aged 60 or over.

### You experience financial hardship

If you experience financial hardship you may transfer the funds from your First Home Saver Account to your Superannuation account.

You may then apply to access funds from your super fund under the early release provisions of severe financial hardship.

Refer to the ATO for further information.

### You do not acquire a qualifying interest in a dwelling after withdrawing your savings from your First Home Saver Account

You have six months to spend the funds in the course of buying or constructing your first home, and this can include:

- Paying a deposit for the purchase of an existing home.
- Paying a deposit or instalments for a home and land package.
- Paying for the purchase of vacant land on which your home will be built.
- Paying a deposit or instalments for the construction of a home on land you own.
- Meeting incidental costs you incur in acquiring the home such as legal expenses, council fees and stamp duty.

If the purchase does not eventuate, you must re-contribute the amount to a new First Home Saver Account within six months of closing the old one.

## You acquire a qualifying interest in a dwelling before you have contributed \$1,000 into your First Home Saver Account in four separate financial years

If this happens then you:

- Cannot use the savings in your First Home Saver Account if you are buying your first home on your own.
- Can use the savings in your First Home Saver Account if you are purchasing your home with someone else who has saved \$1,000 in their First Home Saver Account in four separate financial years.

## You move overseas

You may keep saving in your First Home Saver Account however, you will not be eligible to receive Government contributions if you live overseas for an entire financial year.

## Using your savings for your first home

### Buying your first home

When you have saved at least \$1,000 a year in four separate financial years and are ready to use your savings from your First Home Saver Account you should:

1. Apply to Credit Union SA to withdraw all the funds from your First Home Saver Account and close the account. To check that you meet the withdrawal criteria visit [www.ato.gov.au](http://www.ato.gov.au).
2. Make the payment towards buying or building your first home within six months of withdrawing the funds.

NOTE: If you are buying your first home with other First Home Saver Account holders, if just one of you has deposited \$1,000 into your First Home Saver Account in four separate financial years, all of you may withdraw the funds from your First Home Saver Account's.

***Credit Union SA waives the Home Loan Establishment Fee for Home Loans funded by the Credit Union SA First Home Saver Account holders.***

### Living in your first home

You need to live in your first home for at least six months as your main residence. The six month period must commence within twelve months after its acquisition or completion of its construction.

### The fees

There are no account keeping fees applicable to the Credit Union SA's First Home Saver Account.

Refer to the Fees & Charges brochure for fees that may be payable.

## How to Contact Us

For more information please contact the Credit Union SA Member Service Centre on (08) 8202 7777 1800 018 227 country SA, visit your local branch or [creditunionsa.com.au](http://creditunionsa.com.au)

## How to open an account

### To open a First Home Saver Account

You need to complete a First Home Saver Account application form. You may apply:

- by requesting an application form over the phone;
- at either of our Branches or Member Service Centre; or
- by downloading an application form from our website at [www.creditunionsa.com.au](http://www.creditunionsa.com.au).

### If you change your mind

There is a 14 day cooling-off period. This means you have 14 days to change your mind and have any contributions refunded to you.

- You will be required to advise Credit Union SA in writing, by mail or email, within 14 days of opening the account.
- Credit Union SA will refund your deposit minus any taxes the Credit Union may have paid to the ATO.

## Complaints and queries

### If you have a complaint about the First Home Saver Account

A Complaint and Dispute Resolution Guide is available to all Members in our branches, on our website and by request. The guide is used to inform Members on how to lodge a complaint, including who to contact and how Credit Union SA aims to deal with the complaint. Members who lodge a complaint will be offered this guide.

If your complaint relates to any of our accounts or payment facilities, please contact one of our friendly Member Service Consultants on 8202 7777.

If your complaint cannot be resolved by a Credit Union SA Consultant, you may request to use our Internal Dispute Resolution procedure. Your complaint will be referred to an appropriately trained Consultant within the Credit Union, who will register your complaint and advise you of our process to deal with your complaint.

In the event that you are not satisfied with our resolution of your complaint through our internal Dispute Resolution procedure, you are entitled to have your dispute considered, free of charge, by our External Dispute Resolution procedure. If you wish to use this procedure, please contact the Financial Ombudsman Service on 1300 780 808.

### First Home Saver Account enquiries

For information about how First Home Saver Accounts work, eligibility, fees and taxes, and links to savings calculators and other useful online tools, visit [www.ato.gov.au](http://www.ato.gov.au).