



# Product Disclosure Statement

# First Home Saver Account

effective August 2011

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:

1. Who can have a First Home Saver Account
2. How the First Home Saver Account works
3. How the Government helps you save
4. How Credit Union SA helps you save
5. What happens if your situation changes
6. Using your savings for your first home
7. The Fees
8. How to open an account
9. 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 AFSL/ACL 241066  
400 King William Street Adelaide SA 5000

## 1. 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 section 8.

### 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.

## 2. How the First Home Saver Account works

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

You can only withdraw your savings for four purposes:

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

### 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 \$85,000 - 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 you are eligible to pay the money into a genuine mortgage or you turn 65.

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

### 3. 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 \$5,500 in a financial year will get the Government contribution, anything over this amount will not.

For example, if you put \$5,500 into your account in one financial year, the Government will contribute \$935 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.

### 4. How Credit Union SA helps you save

#### 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. Interest is variable and may change from time to time.

#### 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).

### 5. What happens if your situation changes

You should consider the following situations before choosing this account.

#### You decide not to buy a first home

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 want to buy your first home before you have put, or are deemed to have put, \$1,000 into your account in 4 separate financial years (they do not need to be in a row).**

- You cannot use the savings in your account if you are buying your first home on your own.
- You can use the savings in your account if you are buying your home with someone else who has put \$1,000 into their account in 4 separate financial years (see section 6).

**You have bought your first home but you haven't put \$1,000 into your account in 4 separate financial years (they do not have to be in a row).**

If this happens, you can choose to:

- use the savings in your account to pay towards a genuine mortgage over your first home after you are deemed to have put \$1,000 into your account in 4 separate financial years (see 'Withdrawing your savings' under section 6 for further details). To do so, you must notify us within 30 days of acquiring your first home,
- move your savings into super, or
- withdraw your savings as a lump sum if you are aged 60 or over.

#### You don't have any money to put into your account

You do not need to put money into your account every year. You can choose to:

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

**You haven't put \$1,000 a year into your account in 4 separate financial years (they do not need to be in a row) and you want to close your account**

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 move overseas

You can keep your account open, and continue to put money into your account – but, you won't receive any Government contributions if you are overseas for an entire financial year.

#### You start living in a home you own\*

If you start living in a home that you own, you will no longer be eligible to have an account. You must tell Credit Union SA and close your account within 30 days, or penalties from the Tax Office will apply.

When you close your account you can either:

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

\* This section does not apply where you have bought your first home, but haven't put \$1,000 into your account in 4 separate financial years, and intend to use the savings in your account to pay towards a genuine mortgage.

## You experience hardship

After moving your savings into super you may apply to access your super under the early release provisions. These include severe financial hardship, permanent disability or on specified compassionate grounds.

## 6. Using your savings for your first home

Withdrawing your savings

- You can withdraw your savings to buy your first home after you have put at least \$1,000 a year into your account in 4 separate financial years (they do not need to be in a row).
- If you are buying your first home with other people that have First Home Saver Accounts you can withdraw the savings from each account if just one of you has put \$1,000 into your account in 4 separate financial years.
- You can withdraw your savings to pay towards a genuine mortgage over your first home after you are deemed to have put \$1,000 into your account in 4 separate financial years (they do not need to be in a row). Once you have bought your first home, you may not deposit any further money into your account, however each subsequent financial year, including the financial year of purchase, counts towards the 4 year requirement (even though you haven't put \$1,000 into your account in that year).

### When you're ready to use your savings for your first home or to pay towards a genuine mortgage over your first home (as the case may be)

1. Apply to Credit Union SA to withdraw all of the money from your First Home Saver Account.

To check that you meet the withdrawal rules go to [www.ato.gov.au](http://www.ato.gov.au)

2. Close your First Home Saver Account.

Generally, you will not be able to open another First Home Saver Account.

You must live in your first home for at least 6 months:

- within 12 months of settlement, or
- on completion of building construction.

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

## 7. 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.

## 8. 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.

### You can transfer your savings to another First Home Saver Account provider

If you do, we will transfer the savings in your account to your new provider. Credit Union SA will close your old account after your savings have been transferred.

## 9. 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).

## 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)