

Q: What if I live overseas?

A: Australians living overseas can open an account. However, an account holder will only be eligible for the Government contribution if they are an Australian resident for taxation purposes. This is also subject to Credit Union SA's normal Membership eligibility requirements.

Q: Do I need to sign a declaration?

A: Individuals will need to declare that they meet the eligibility criteria. Credit Union SA will not be required to confirm that the criteria has been met. However, we will need to ensure a valid declaration has been completed and a TFN has been provided. The ATO will conduct ex-post compliance activity to assess whether the eligibility criteria have been met.

Q: Who will advise the ATO so I can receive my Government contributions?

A: Credit Union SA will be required to provide the ATO with information on the opening of accounts.

Q: What if I change my mind about the account?

A: A 14 day cooling-off period will apply to FHSAs to provide individuals with an opportunity to reconsider their decision to open an account. This is a regulated product - please ensure this product meets your particular needs before opening this account.

Q: Does product switching apply?

A: Individuals will be able to change FHSA providers. Account providers will need to transfer an account balance to another provider within 30 days of a request from the account holder.

Q: What if I become ineligible for a FHSA?

A: Where an individual ceases to be eligible for an account, they will need to inform Credit Union SA within 30 days, transfer the balance into superannuation and close the account.

Q: Are there penalties involved?

A: Penalties will apply to individuals where they were not eligible to open an account or ceased to be eligible and failed to notify the provider within 30 days. In addition, penalties will apply to Credit Union SA if we open an account for an individual who has not confirmed their eligibility or has not quoted their TFN.

Q: What about the Government contribution?

A: The Government will make additional contributions of 17 per cent of the first \$5,000 (indexed) of individual contributions annually, which will be paid directly into the account.

Q: When will the Govt contributions be made?

A: Government contributions will be paid into accounts once the ATO has received information about individual contributions from Credit Union SA and the individual's tax return.

Q: Will Government contributions be taxed?

A: Government contributions made into FHSAs will not be taxed.

Q: How can I withdraw funds?

A: Withdrawals will be permitted for the purposes of purchasing or building a first home in Australia in which to live. The entire amount in an account will need to be withdrawn and the FHSA closed. Generally, amounts will only be allowed to be withdrawn where minimum contributions of \$1,000 have been made in each of at least four financial years. Account holders who reach the account balance cap before they have

satisfied the four-year requirement will be able to withdraw their funds to purchase or build a first home in which to live after having the account open in four financial years. Members who purchase a qualifying interest in a property can make an application to transfer the funds to their mortgage. This needs to be done within 30 days of obtaining an interest in the property. No further contributions can be made to the FHSA and the balance of the account will be transferred after the 4 year qualifying period expires. Refer to a Member Service Consultant and read the PDS for further details.

Q: Am I required to live in the home?

A: Yes. You must live in your first home for at least 6 months within 12 months of settlement, or on completion of building construction.

Q: How do I get my funds?

A: The account holder will need to apply to Credit Union SA to withdraw their funds and declare that the funds will be used for the purpose of purchasing or building a first home to live in. Credit Union SA will not be required to confirm this. The ATO will conduct compliance activity to assess whether the withdrawal and occupancy requirements have been met. Penalties will apply to individuals where they fail to meet the withdrawal or occupancy criteria.

Q: Can I use the funds for any other purpose?

A: Account holders will be able to contribute the full amount in the account to superannuation at any time. Amounts contributed to superannuation from an FHSA will be assessed against the superannuation non-concessional contributions cap. Individuals will not be eligible to receive the superannuation co-contribution on amounts contributed to superannuation from FHSAs. Amounts contributed to superannuation will be preserved until a condition of release has been met. These conditions of release include retirement, financial hardship, compassionate grounds or terminal illness. In the case of the death of an account holder, the account will form part of the deceased's estate (rather than requiring the balance to be contributed into superannuation). Once the account holder has reached age 60 they will be able to withdraw their account balance tax free for any purpose. They will not need to contribute the funds to superannuation to receive them tax free. As always, this is general advice only and members should speak to a financial expert to ensure their needs are met.

Q: Is there an age limit?

A: Once the account holder reaches age 65, Credit Union SA will be required to either pay the funds to the account holder or transfer them to superannuation within 30 days.

Q: What if I become bankrupt or my relationship breaks down?

A: In the event of the bankruptcy of an individual with an FHSA, the balance will be available to creditors. In the event of relationship breakdown, the account will form part of assets that may be split under a settlement. However, funds may only be paid to an FHSA or to superannuation (unless the recipient spouse is 60 years or over, in which case they may receive the payment directly).