



Hunter United
Super Fund
Retirement Savings Account (RSA)

Product Disclosure Statement (PDS)

1 March 2015

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Read this

This PDS provides a summary of the key information you need to make a decision. It also includes links to important information that is part of this PDS marked with a **i**. **You should read all of this information before making a decision to invest in this product.**

The information in this document is general information only and doesn't take into account your personal financial situation or needs. You may wish to consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

1. About the Hunter United Super Fund

Our Retirement Savings Account

The Hunter United Super Fund is a complying retirement savings account (RSA) that offers a tax advantaged way to save for your retirement. It is a low risk; low return, 100% cash based fund that charges low fees.

The Hunter United Super Fund operates in a similar way to a savings account but has the tax advantages, contribution and withdrawal restrictions of a superannuation fund.

The Hunter United Super Fund can receive contributions from individuals, employers on your behalf, spouses or self employed persons. Your benefits are reflected in your account balance and include contributions made to your account, plus any other super or RSA funds you roll-in, interest credited less any taxes, government charges and fees payable.

The Hunter United Super Fund is a capital guaranteed investment meaning your retirement savings are protected from negative earnings.

Finally, your retirement savings can be withdrawn and reinvested elsewhere without incurring high exit costs (see section 10).

About Hunter United

Hunter United commenced life in 1963 as the BHP (Newcastle) Employees' Credit Union and has progressively grown into a community based financial institution serving the Hunter Valley.

Hunter United operates a complying retirement savings account (RSA) under its Australian Financial Services Licence (AFSL 238316).

Hunter United has seven branches across the region including Broadmeadow, Charlestown, Glendale, Jesmond, Marketown East, Green Hills (East Maitland) and Mayfield. Hunter United offers banking, insurance and retirement savings services.

We specialise in providing value for money financial services to our customers including savings, loans, credit cards and investment products*.

Unlike listed companies, Hunter United is not driven by big profits for shareholders - it is our job to deliver great service and benefits to our customers. That's how we can offer very competitive rates to our borrowers and investors and keep fees low.

Hunter United is a responsible and conservative lender. More than 70% of our assets as at 30 June 2014, are in the form of loans to customers with the vast majority (93%) of these loans being secured by registered first mortgage over residential properties. 76.2% of these mortgage loans have a loan to valuation ratio of <80%. Loans with higher loan to valuation ratio's are typically mortgage insured (i.e. the risk of these loans not being repaid is insured by a third party).

Our liquid investments are all held in cash type investments with Australian banks and other Authorised Deposit-Taking Institutions (ADI's). These investments, by their nature, are short term and can be converted into cash within 48hours. We do not invest in speculative or high-risk investments.

Hunter United operates in accordance with the Banking Act (1959), the Corporations Act (2001) and the Retirement Savings Accounts Act (1997), is an authorised deposit-taking institution (ADI) and is supervised by the Australian Prudential Regulatory

i See www.humanservices.gov.au for more information on Centrelink's Means Testing and the implications of lump sum withdrawals

For more information about the terms and conditions that apply to the guarantee see www.guaranteescheme.gov.au



Authority (APRA). We meet and exceed the Australian prudential standards set for banks, building societies and credit unions. **Customer deposit balances at Hunter United up to \$250,000, are guaranteed by the Australian Federal Government.**

**Products issued by Hunter United Employees' Credit Union Ltd. You should obtain and consider the relevant PDS prior to deciding whether or not to acquire the product.*

2. How our Super Fund works

You are encouraged to make contributions to your Hunter United Super Fund during your working life in preparation for your eventual retirement. Your Hunter United Super Fund will also be credited with interest earned and any relevant fees will be debited to your account. You will receive an annual statement detailing any transactions and your account balance (fund benefit). For added convenience, Hunter United customers can view their Hunter United Super Fund balance via our secure internet banking service.

Your Hunter United Super Fund is capital guaranteed and is therefore protected against negative investment earnings. Optional insurance covers are also available to eligible Hunter United Super Fund holders (see section 12).

The Hunter United Super Fund is “portable” which means even if you change jobs you can continue to contribute to your account.

You can also use the Hunter United Super Fund to consolidate any other superannuation holdings you have from previous jobs (and potentially save on multiple administration fees). To transfer other superannuation accounts into your Hunter United Super Fund please complete the transfer authority form included in this PDS.

Your Hunter United Super Fund benefits can be accessed upon retirement or on satisfying certain release conditions (see section 4). Hunter United offers a complying account based pension (Hunter United Pension Fund) which on retirement can receive your accumulated superannuation and convert it into a tax effective income stream (see section 13).

Should you die while being a Hunter United Super Fund holder, your account balance will be paid to your Estate to be dealt with in a manner prescribed by your will or in accordance with the Succession Act (2006). It is therefore strongly recommended that you maintain a current and valid will.

Hunter United reserves the right to rollover your Hunter United Super Fund to the Fund's Eligible Rollover Fund (ERF) if there have been no contributions or rollover amounts credited to your account in the last 4 years or your balance is less than \$1,000. The transfer to the ERF would only take place after the expiration of the 4 year period.

Hunter United also reserves the right to transfer benefits to an ERF in any other circumstances that it considers appropriate (for example, if you are classified as a Lost Customer).

You may be classified as a Lost Customer if we have not received any contributions from you within the prior 12 months and written correspondence that we have sent has been returned unclaimed, or if we have not received any contributions from you within the prior five years and we are unable to contact you to confirm your address.

Lost Customers must be transferred to the Australian Taxation Office in some circumstances including if your balance is less than \$2000 (or such other amount

When you open a Hunter United Super Fund you will be given an account number. Please quote this number in your contact with us to ensure we can promptly respond to your requirements.



Your will should reference your Hunter United Super Fund



specified in Government legislation from time to time) or, regardless of the size of your balance, the owner of the account cannot be identified.

The ERF for Hunter United Super Fund is:

AMP Eligible Rollover Fund
Locked Bag 5330
Parramatta NSW 2124

Being transferred to an ERF may affect your benefits because:

- You will cease to be a customer of the Hunter United Super Fund and any insurance cover you hold will cease; and
- You will become a member of the ERF Fund and be subject to its governing rules. The ERF Fund has different fees, costs and investments (however member protection rules apply to all members in the ERF). It does not provide insurance cover.

If the Hunter United Super Fund can provide the ERF Fund with current contact details, the ERF Fund will provide you with its current Product Disclosure Statement.

Finally, you can switch all or part of your accumulated benefits from your Hunter United Super Fund into another complying superannuation or RSA account without incurring high exit fees.

3. Making Contributions

The Hunter United Super Fund can receive contributions from individuals, employers on your behalf, spouses and self employed persons.

From a taxation perspective, there are basically two kinds of superannuation contributions – concessional and non-concessional.

Concessional contributions, such as the contributions made by your employer on your behalf, are tax deductible for your employer and are therefore subject to a government contribution tax of 15% on entry to the fund. The limits for concessional contributions for an individual are detailed below:

Age at end of Financial Year	Maximum concessional contributions from 1 July 2014
18 - 49 years	\$30, 000
50 years and over	\$35, 000

Note: Any concessional contributions that exceed the concessional contribution caps will be added to your assessable income and taxed at your marginal tax rate.

From 1 July 2013, the SG age limit of 70 has been removed and employers are required to contribute for eligible mature aged employees.

The superannuation guarantee (SG) contribution rate has increased from 9.25% to 9.50% from 1 July 2014.

Individuals with income greater than \$300,000 pa will be subject to a higher rate of contributions tax in respect of concessional contributions made by themselves or on their behalf. Refer to section 11 for further details.

Non-concessional contributions, such as personal contributions, cannot be claimed as a tax deduction and therefore do not attract the government contribution tax on entry to the fund.

 Please refer to www.ato.gov.au/super for updates to thresholds

Non-concessional contributions are limited to \$180,000 per year. People under 65 years old may be able to make non-concessional contributions of up to three times their non-concessional contributions cap over a three-year period. This is known as the 'bring-forward' option.

Non-concessional contributions	18 – 64 yrs	\$450,000 over a three year period, using the “bring forward” rule
	65 yrs and over	\$180,000 p.a.

Once a person turns 65, they must satisfy the work test* in order to make or receive a non-concessional contribution. Individuals aged 63 and 64 who utilise the “bring forward” rule to contribute up to \$540,000 in a financial year will not be required to meet the work test for the two years after they make the contribution.

**Work Test - You must have worked at least 40 hours over a consecutive 30 day period during the financial year in which contributions are made. Hunter United will request that you provide a written declaration of this.*

Contribution Eligibility for Individuals

Eligible contributions are controlled by the Australian Government's retirement policy.

To be eligible to contribute, or have contributions made on your behalf, the contributions must be made either by yourself, your spouse, your employer or the Australian Taxation Office.

Your employer's contributions may be made in satisfaction of superannuation guarantee (SG) requirements, an industrial agreement or on a voluntary basis. A mandated employer contribution is one which is made to satisfy a law or an industrial agreement.

If you have reached 65 years of age you need to satisfy the work test (noted above) to be able to make contributions (excluding mandated employer contributions which do not require the work test to be met).

Once you have attained 75 years of age, only mandated employer contributions may be made by your employer to your Hunter United Super Fund.

Contributions for your spouse

If your spouse is under 65 years of age, or has reached 65 but not yet 70 and has satisfied the work test (noted above), you can contribute towards your spouse's retirement by making contributions to his or her Hunter United Super Fund. These are treated as non-concessional contributions as discussed above.

Rebate on contributions for your spouse

Depending upon your spouse's assessable income, you may be able to claim a tax rebate on those contributions you make to his or her Hunter United Super Fund

If your spouse's income (including reportable fringe benefits and reportable employer super contributions) is less than \$10,800, you can claim a rebate of 18% of your contribution up to a maximum contribution of \$3,000 per annum. **This represents a tax rebate of \$540.**

If your spouse's income is greater than \$10,800 and less than \$13,800, the tax rebate is 18% of the contribution up to a maximum contribution of \$3,000 per annum with this limit reducing by \$1 for every \$1 your spouse earns over \$10,800.

The Australian Taxation Office defines spouse for the purpose of the rebate to mean your legal spouse (except where that person lives separately from you on a permanent basis unless due to medical reasons), or de facto husband or wife (this includes same sex relationships).

Low Income Super Contributions

Low Income Super Contributions will be paid by the Australian Government in respect of concessional contributions made up to and including the 2016-17 financial year. If your adjusted taxable income for a tax year does not exceed \$37,000, the Government will make a contribution to your superannuation fund equal to 15% of the concessional contributions made to your account in that financial year (up to a maximum contribution of \$500).

Government's Co-contribution Scheme

Under the co-contribution scheme the Australian Government makes additional contributions for low-income earners who make personal contributions into their super. For every \$1 of personal non-concessional contributions that you have made to your Hunter United Super Fund throughout the financial year, the Government will contribute \$0.50 (to a maximum contribution of \$500).

From 1 July 2014, the maximum co-contribution of \$500 is available for those earning \$34,488 p.a. or less. For every \$1 of a person's assessable income (including reportable fringe benefits and reportable employer superannuation contributions) over \$34,488, the maximum co-contribution is reduced by 3.333 cents. It phases out completely at the upper income threshold of \$49,488.

Individuals whose assessable income (including reportable fringe benefits and reportable employer superannuation contributions) is \$49,488 or greater are not entitled to a co-contribution.

The co-contribution scheme is subject to variations by the Australian Government from time to time.

To be eligible, you must have made a personal superannuation contribution; and

- be an individual who has earned at least 10% of their assessable income (including reportable fringe benefits and reportable employer superannuation contributions) from employment and/or self-employment;
- have assessable income (including reportable fringe benefits and reportable employer superannuation contributions) in the income year less than the upper income threshold of \$49,488;
- not be the holder of an eligible temporary resident visa;
- be less than 71 years old at the end of the income year; and
- lodge a tax return

Contributions by the self-employed

If you are fully self employed or substantially self-employed (i.e. you derive less than 10% of your total assessable income from employed sources), you are eligible to claim a tax deduction for contributions made to your Hunter United Super Fund. This deduction is subject to certain limits:

Age at end of Financial Year	Maximum concessional contributions from 1 July 2014
18 - 49 years	\$30,000
50 years and over	\$35,000

Note: Any concessional contributions that exceed the concessional contribution caps will be added to your assessable income and taxed at your marginal tax rate.

i See www.ato.gov.au/super for more information on super contributions and details of rates and thresholds for other financial years.

i Please refer to www.ato.gov.au/super for updates to thresholds

The contributions tax of 15% will only apply to those contributions claimed as a tax deduction. You must provide a written declaration to us of the amount of each contribution you make that you will be claiming as a tax deduction.

4. Accessing your Super

Superannuation is typically a long-term investment aimed at saving for your future retirement income needs. Importantly, the Australian Government's places restrictions on when you can access your benefits.

Under the laws applying to superannuation, your accumulated benefits cannot be paid to you until you satisfy a condition of release. This is often referred to as "preservation" of your superannuation entitlements. The objective of preservation is to ensure that your Hunter United Super Fund benefits are used for their intended purpose of providing you with financial security in retirement.

Until such time as a relevant condition of release is satisfied, your preserved and restricted non-preserved benefits must remain within the superannuation system.

Your Hunter United Super Fund annual statement will clearly show how much of your benefits have a preserved component, a restricted non-preserved component or an unrestricted non-preserved component.

In summary, subject to the preservation guidelines, your Hunter United Super Fund benefits are only payable in the following circumstances:

- You have reached preservation age and have retired (your preservation age depends on your date of birth. See table below).

Date of Birth	Preservation Age
Before 1 July 1960	55 yrs
1 July 1960 to 30 June 1961	56 yrs
1 July 1961 to 30 June 1962	57 yrs
1 July 1962 to 30 June 1963	58 yrs
1 July 1963 to 30 June 1964	59 yrs
From 1 July 1964	60 yrs

- You have attained 65 years of age (whether or not you remain working)
- Upon your death
- You have become permanently incapacitated
- If you experience "severe financial hardship" (limited payments in this circumstance are subject to relevant early release laws).
- You meet the criteria for release of benefits on compassionate grounds and have obtained approval from APRA
- An arrangement under which you were gainfully employed has come to an end on or after you reach 60 years of age
- You are the holder of an expired or cancelled temporary resident visa and you have permanently departed Australia

Generally speaking, you cannot access your superannuation benefits until you satisfy a condition of release e.g. reach preservation age and have retired from work.

- You become terminally ill (as defined in superannuation legislation)
- Upon termination of employment where your preserved benefits are less than \$200;

When you satisfy a condition of release, some or all of your benefits may become unrestricted non-preserved benefits. **You can withdraw any unrestricted non-preserved benefits at any time.**

Finally, you can transfer (roll-over) the balance of your Hunter United Super Fund to other superannuation and RSA funds, an approved deposit fund or a deferred annuity at any time.

5. Transition to Retirement

Current legislation allows for people who have reached preservation age to rollover some or all of their superannuation into a non-commutable income stream while continuing to work. This is commonly known as “transition to retirement”.

Example: You reduce from full time work to part-time work and use some of your superannuation to fund a non-commutable pension to supplement your income (instead of leaving the workforce altogether).

We cater for transition to retirement by offering an account based pension known as the Hunter United Pension Fund (see section 13). Under transition to retirement rules, your pension has a maximum drawdown limit of 10% of the account balance in any one financial year.

If you select a transition to retirement pension, you will be allowed to take a lump sum once you retire or reach 65 years of age. Alternatively, you can stop the pension and put your benefits back into your super fund; for example, if you decide to go back to full-time work.

We recommend you seek advice from a licenced financial adviser prior to deciding on transition to retirement.

6. Benefits of our Super Fund

The Hunter United Super Fund provides you with a secure, low cost and tax effective vehicle to save for your retirement because we offer:

- a capital guarantee - your investment is protected from negative returns;
- no entry fees;
- no management fees;
- low ongoing fees;
- low exit fees;
- internet access to your account balance;
- optional insurance cover
- transition to retirement;
- concessional taxation treatment (complying fund);
- your money is kept locally.

} See section 10 for more on our fees

i For more information on transition to retirement please go to www.ato.gov.au

7. Risks of investing in our Super Fund

All investments have some level of risk. While the Hunter United Super Fund 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 (such as shares) 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;
- previous returns don't predict future performance;
- laws affecting superannuation may change.

8. How we invest your money

The Hunter United Super Fund is a 100% cash capital guaranteed investment and does not invest in any other asset classes.

Your investment will attract a tiered and variable rate of interest in accordance with our investment return objective (see table below). The higher the balance, the more interest you earn. Interest is calculated daily on your account balance and is credited monthly. The rate of interest applies to the whole balance of your Hunter United Super Fund and is paid net of any tax or fees payable by you.

The Hunter United Super Fund does not specifically take into account labour standards, or environmental, social and ethical considerations into the selection, retention or realisation of investments as it wholly invests in cash. The funds are used predominantly to lend for residential mortgages in the Hunter region.

Investment details

Investment Return Objective*	Inflation rate for balances over \$50,000 (preserve purchasing power)
Mix Of Asset Classes	Cash 100%
Description	This fund is designed for investors who want a low risk: low return investment that safeguards their capital from investment losses while providing returns in line with inflation. There will be some fluctuations of returns from year to year.
Minimum Suggested Time Frame	1 year
Summary Risk Level	Low Risk: Low Return No risk of losing money.

* The investment objective is the compound average investment return we seek to achieve after taxes. It is designed to keep returns in line with the rate of inflation. For example, if the inflation rate is 4% then the objective return would be 4%.

9. Past Performance

The Hunter United Super Fund was formerly known as the Hunter United Super Ezy Retirement Savings Account.

The average annual effective rate of return paid by the Hunter United Super Fund is summarised below:

Account Balance	PAST PERFORMANCE (net of tax)										
	Annual effective rate of return (%)					Compound average of the annual effective rate of return (%)					Compound Average (%)
	2009 to 2010	2010 to 2011	2011 to 2012	2012 to 2013	2013 to 2014	2009 to 2010	2010 to 2011	2011 to 2012	2012 to 2013	2013 to 2014	1 July 2009 to 30 June 2014
\$1 - \$1,999	1.08	1.82	1.63	0.76	0.25	1.08	1.84	1.64	0.77	0.25	1.11
\$2000 - \$9,999	1.50	2.25	2.06	1.19	0.67	1.51	2.27	2.08	1.19	0.68	1.53
\$10,000 - \$19,999	1.94	2.67	2.48	1.61	1.10	1.95	2.71	2.51	1.62	1.10	1.96
\$20,000 - \$49,999	2.35	3.10	2.91	2.04	1.52	2.38	3.14	2.95	2.06	1.53	2.38
\$50,000 & above	2.78	3.52	3.33	2.46	1.95	2.81	3.58	3.38	2.49	1.97	2.81

For the current rate of return please see www.hunterunited.com.au

10. Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

Fees and other costs

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole.

Taxes and insurances are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Warning: Past performance should not be taken as indicative of future performance. The rate of return is not guaranteed.

TYPE OF FEE OR COST	Amount
Fees when your money moves in and out of the fund	
Establishment Fee The fee to open your investment	Zero 0.0% of your initial contribution and any additional amounts invested in the fund
Contribution Fee The fees on each amount contributed to your investment – either by you or your employer	Zero
Withdrawal fee The fee on each lump sum withdrawal you take out of your investment	A fee of \$50 will be charged against your account balance for each lump sum withdrawal
Termination fee The fee to close your investment	Zero Where a lump sum withdrawal is made as part of the closure the withdrawal fee will be charged.
Management costs	
The fees and costs for managing your investment	Zero
Service fees	
Administration fee	\$5.00 per month deducted from account balance (includes access to a linked Hunter United transaction account)
Family Law Act - Information Request (eligible person)	\$110 charged to the person requesting the information
Family Law Act – Splitting Account Fee (splitting order or agreement)	\$275 charged against your account when the split is affected

Fees and costs related to administration of your account are deducted directly from your account balance and the amounts will be shown on your account statement.

Benefit Protection Note: If the balance of your Hunter United Super Fund is below \$1,000, Hunter United Fees will be rebated to the extent that they exceed any interest earnings credited to your account.

Additional explanation of fees and other costs

There are no other fees and costs for the Hunter United Super Fund.

The Administration fee paid each month covers all processing and administration undertaken on your account.

Keep in mind that the level of fees and costs can change from time to time, Hunter United will always notify you in advance of any fee change. We also reserve the right to debit your account with any applicable government charges that may be introduced. We will notify you if we do this.

Example

Other funds use the same example as the one below so you can compare fees and costs.

Hunter United Super Fund		BALANCE OF \$50,000 WITH TOTAL WITHDRAWALS OF \$5,000 DURING YEAR
Contribution Fees	Zero	For every \$5000 you put in, you will not be charged any contribution fees.
PLUS Management Cost and Administration cost	0% + \$60 (\$5 per month)	Each year you will not be charged a management fee, you will only be charged \$60 in administration fees regardless of your balance
EQUALS Cost of fund		If you put in \$5000 during a year and your balance was \$50000, then for that year you will be charged fees of \$60
Establishment fee	Zero	Additional fees may apply if you elect to make lump sum withdrawals. If you choose to leave the fund early, you may also be charged a lump sum withdrawal fee of \$50.

11. How Super Funds are taxed

The Australian Government provides a range of incentives to encourage people to save for their retirement. Tax concessions and other government benefits generally make superannuation a favoured vehicle for saving for retirement.

The following is a brief summary of the way in which superannuation and RSA's are currently taxed:

Taxation on Contributions

Concessional contributions (which include employer contributions and self employed contributions where a tax deduction is claimed) are taxed at 15% by the Australian Government. The tax is deducted on receipt of these contributions.

From 1 July 2012, if your annual income for surcharge purposes exceeds \$300,000 you will pay a tax surcharge of 15% on your concessional contributions to the extent that when added to your other income, your concessional contributions exceed the \$300,000 income threshold. This will effectively mean that you will pay tax on your concessional contributions at the rate of 30% to the extent the \$300,000 cap is exceeded.

Please note there are also limits placed on the amount of concessional contributions that can be made (see section 3).

From 1 July 2013 if you make excess concessional contributions in a financial year these will be included in your assessable income in that year and taxed at your marginal rate, plus an interest charge, but you will be allowed a tax off-set in that income year for the excess contributions equal to 15% of those excess contributions.

Certain employer termination payments (ETP's) attract contribution tax as do roll-overs from untaxed public sector superannuation funds.

Non concessional contributions (which include individual contributions where a tax deduction is not claimed) are not taxed on entering the fund.

Generally, roll-overs from complying superannuation funds and RSA's are not taxed on entering the fund.

i For information about how tax applies to super and Super Fund contributions, investment earnings and withdrawals see www.ato.gov.au

Taxation on Fund Earnings

The Fund's earnings are concessional tax at 15%. Interest credited to your Hunter United Super Fund will be net of this tax.

Taxation on Withdrawing Superannuation

The tax applicable when withdrawing your superannuation will depend on your age and the make-up of the individual components.

Under 55 years of age

- The whole taxable component will be taxed at 21.5% (includes Medicare levy)
- The tax-free component will be tax-free

Between 55 – 59 years of age

- The taxable component will be tax-free up to a low-rate threshold of \$185,000*
- Amounts above \$185,000 will be taxed at a flat rate of 16.5% (includes Medicare levy)
- The tax-free component will be tax-free

60 years and over

- All benefits are tax-free

Please note: the components on withdrawal will generally be required to be taken in the same proportion as the components in your account at the time of withdrawal.

**The low rate threshold is \$185,000 from 1 July 2014 and is indexed annually in increments of \$5,000.*

Important Note on Tax File Numbers (TFN):

If you fail to provide your TFN an additional TFN tax will be imposed on your employer contributions at the top marginal rate plus the medicare levy (including the 15% contributions tax). To avoid this tax you must provide a Tax file number declaration form when you open your Hunter United Super Fund.

For information on completing the Tax file number declaration form go to www.ato.gov.au



12. Insurance Options

Hunter United offers optional insurance cover to all eligible Hunter United Super Fund holders. This offer is only available when you open a Hunter United Super Fund and has been secured on a group cover basis.

The type of insurance cover provided depends upon your age and the number of hours that you usually work each week in your normal occupation.

Death and total & permanent disability cover is provided if you are an employee or self-employed person aged between 15 and 65 years and you usually work 15 hours per week or more in your normal occupation over any 13 week period.

If you do not require insurance cover, you must indicate accordingly on the specific provision on the Hunter United Super Fund Application form. Otherwise one unit of insurance cover will be provided and insurance premiums will commence being deducted from the account balance.

Important Notice

This insurance does not form part of your Hunter United Super Fund investment. **The primary purpose of this insurance cover is to provide a benefit in the event of your death or total and permanent disablement.**

If you terminate your Hunter United Super Fund at any time, insurance cover will cease and your premiums will not be returned.

You may obtain a copy of the master policy by telephoning Hunter United on **(02) 4941 3888**.

Life Insurance

When you open a Hunter United Super Fund, you are provided with the choice of including life insurance cover. Life insurance cover can assist in providing financial protection for your family in the event of your death or total disablement prior to your normal retirement.

The life insurance is provided by TAL Life Limited ABN 70 050 109 450 AFSL 237 848 under a group insurance policy issued to Hunter United.

The Hunter United Super Fund cover provides an agreed lump sum on your death or total & permanent disablement. In the event of a claim, the proceeds of this insurance cover would be paid into your Hunter United Super Fund.

Death and Disability Cover

Your individual insurance package can be made up of:

- Death Only or
- Death and Total and Permanent Disablement (TPD)

If you decide you would like to have insurance cover you will need to complete a Personal Statement form providing evidence of your health.

Please remember that your cover is provided under a group policy between the Credit Union and the Insurer.

Eligibility for insurance cover

To be eligible for Death and TPD insurance cover you must:

- open a Hunter United Super Fund;
- be an Australian Resident; and
- be accepted by TAL Life Limited (“the insurer”).

Once insurance cover has been accepted, you are covered 24 hours a day, 7 days a week anywhere in the world, provided that sufficient contributions are made to pay the premiums for the cover.

Cost of Cover

Premiums are payable on a weekly basis and are deducted from your Hunter United Super Fund at the end of each month and remitted to the insurer.

Premiums are based on a ‘unit of cover’. The premium for each unit of death and TPD cover is \$1.53 per week and 92 cents per week for a unit of death cover.

Coverage will commence at date of acceptance from the insurer. Premium rates are not guaranteed and you will be notified of any change in premium rates three months in advance of the change.

Where there are insufficient funds in your Hunter United Fund we will write to you and give you the opportunity to make further contributions to cover the premiums.

Should you become totally and permanently disabled (as defined on the following page) the Hunter United Super Fund will pay your account balance plus the TPD insurance amount. After this time the policy will come to an end and no further benefits will be payable.

TPD Benefit Definition

The TPD benefit of a Hunter United Super Fund means any of the following definitions:

Standard Definition:

You have suffered total and irrecoverable loss of the;

- use of two limbs or,
- sight of both eyes or,
- sight of one eye and the loss of the use of one whole hand, or
- whole foot, or

OR

- You have been absent from employment due to illness or injury for a continuous period of 6 months and in the insurer's opinion you have become so disabled that you will never be able to perform your own occupation or any other occupation for which you are reasonably suited by education, training or experience.

Activities of Daily Living Definition:

You become so disabled by bodily injury or illness that you will never be able to perform at least two of the following activities of daily living:

- Dressing – the ability to put on and take off clothing without assistance
- Bathing – the ability to wash or shower without assistance
- Toileting – the ability to use the toilet including getting on and off without assistance
- Mobility – the ability to get in and out of bed and a chair without assistance
- Feeding – the ability to get food from a plate into the mouth without assistance.
Where 'assistance' means the assistance of another person.

Home Duties Definition:

Where you are wholly engaged in full-time unpaid domestic duties in your own residence, the definition of TPD shall be as follows:

As a result of injury or illness you are under the care of a Medical Practitioner and have:

- been unable to perform your normal domestic duties; and
- been unable to leave home unaided; and
- not been engaged in any gainful employment for a continuous period of six (6) months, at the end of which period, after consideration of the relevant evidence, the insurer determines that you are disabled so as to never be likely to again be able to perform normal domestic duties, nor any other occupation.

Waiting period

You must be totally disabled for a period of 6 months before a TPD benefit can become payable. The waiting period must commence while the policy is in force and end prior to you reaching the age of 65.

When will your TPD cover cease?

Your TPD insurance cover will cease to apply on the earliest of:

- the date you reach age 65; or
- 60 days after you cease to be a Hunter United Super Fund holder; or
- your cancellation of the insurance cover; or

- your receipt of a TPD benefit; or
- upon your death.

The following table sets out the amount of insurance cover provided at each age for one unit:

RSA's Insurance Cover Tables					
Premium \$1.53pw Death & TPD or \$0.92pw Death only					
Age Next Birthday	One Unit of Cover	Age Next Birthday	One Unit of Cover	Age Next Birthday	One Unit of Cover
16	46800	33	46800	50	7800
17	46800	34	46800	51	7020
18	46800	35	46800	52	6240
19	46800	36	36400	53	5460
20	46800	37	33280	54	4680
21	46800	38	30160	55	4160
22	46800	39	27040	56	3640
23	46800	40	23920	57	3120
24	46800	41	21840	58	2600
25	46800	42	19760	59	2340
26	46800	43	17680	60	2080
27	46800	44	15600	61	1820
28	46800	45	14040	62	1560
29	46800	46	12480	63	1352
30	46800	47	10920	64	1144
31	46800	48	9880	65	0
32	46800	49	8840		

The insured benefit for TPD cover will be reduced for members who are within 5 years of their normal retirement date (age 65) to the following proportion:

Age next birthday at review date	Proportion of insured benefit payable on TPD
To age 61	100%
To age 62	80%
To age 63	60%
To age 64	40%
To age 65	20%
Over age 65	Nil

Interim accidental cover

Applications for Death and TPD Benefits automatically entitle you to temporary cover for Death and TPD by Accident Benefits while the application is being considered at no additional premium.

Interim Accident Cover will commence from the date the insurer receives your written application for cover until the earlier of:

- (a) the insurer receives your written request to withdraw your application;**
- (b) you are advised that the insurer has cancelled the Interim Accidental Cover;**
- (c) the insurer declines to accept the cover;**
- (d) the insurer accepts the application of cover conditionally or unconditionally; or**
- (e) 90 days pass from the date the fully completed personal statement is received.**

The amount of the benefit payable under the interim accident cover will be the lesser of the amount being applied for and \$750,000 less any other benefits otherwise payable under the insurance policy.

Additional Information - How to apply

Insurance applications can only be effected after completion of a current Membership Application Form, found at the back of this PDS, and a Personal Statement (please phone 02 4941 3814 to obtain one of these forms).

Duty of disclosure

If you do not disclose, or you misrepresent any relevant information, in your insurance application or at any time subsequently, the insurer may void the policy, vary the amount of benefits or premiums or refuse payment of a claim.

Cover while working overseas

If you are an Australian resident working overseas, coverage may be provided for up to 3 years; however, cover will be subject to certain conditions.

Cancellations

You may cancel your insurance at any time by giving notice in writing, and sending it to:

Administrator

Hunter United Super Fund

PO Box 851

NEWCASTLE NSW 2300

Such cancellations will be effective from the next premium due date and there is no entitlement to a rebate of premiums.

World wide cover

Providing your policy is in force, cover shall be provided anywhere in the world, twenty-four (24) hours per day subject to certain conditions.

Leave without pay

If you are on maternity/paternity leave, on leave without pay, undertaking study on a full time basis or on other extended leave but not for health reasons, you are still covered for up to 12 months. However, cover will be subject to certain conditions.

Continuation option

If you cease to be a Hunter United Super Fund holder you may purchase an individual death only insurance policy from the insurer without providing further evidence of health, subject to the following conditions:

- you are not aged 60 or over at the time you cease to be an Insured Person;
- you are not leaving employment for reasons of ill health;
- your application for the New Policy is completed and returned to the insurer together with the premium required within sixty (60) days of ceasing to be an Insured Person;
- the New Policy will be subject to the same value of cover last agreed by the insurer for you under this Policy;
- the New Policy meets our minimum premium requirements and the person is older than our minimum required age for the purchase of such a policy;
- the New Policy is based on the terms and conditions which apply to a policy of that type at the time;
- the New Policy will be subject to any special conditions, premium loadings or endorsements applicable to you under this policy; and
- the New Policy will not provide cover for TPD.

Exclusions

No benefit shall be payable where the direct or indirect cause of the claim is for any of the following:

- (a) suicide occurring in the first 13 months after the date that the cover commences or is reinstated after having lapsed for any reason; or
- (b) any deliberately self-inflicted injury which occurs at any time; and
- (c) any such exclusion as we may apply to an individual Insured Person as a condition of acceptance of cover.

Claim applications

Claims applications must be forwarded to Hunter United as soon as practicable after the event giving rise to the claim occurs.

The insurer may request any information they may reasonably require for the purposes of the claim.

13. Pension Option

As you approach retirement you will need to consider what to do with your accumulated superannuation.

The Australian Government provides a range of incentives for people to be self sufficient in retirement. Tax concessions and other government benefits generally make account based pensions one of the best vehicles for investing and receiving a retirement income stream. Unlike superannuation, pension fund earnings are not taxed thereby delivering higher net returns to you.

Another key feature of account based pensions is that they do not tie up your capital. In addition to your regular draw down you can make lump sum withdrawals, if required, although this may have implications for your Centrelink entitlements. Finally, your money can be withdrawn and reinvested elsewhere.

 See www.humanservices.gov.au for more information on Centrelink's Means Testing and the implications of lump sum withdrawals

Hunter United offers a complying account based pension (refer to Hunter United Pension Fund PDS). **Account based pensions are designed to convert your accumulated superannuation into a tax effective income stream – your own pension.** This income is automatically paid periodically direct into your nominated account. The amount drawn down can vary from year to year to suit your circumstances, subject to a minimum annual draw down amount in any one year.

For more information on the Hunter United Pension Fund please call (02) 4941 3814.

14. How to open an account

Step 1. Read this PDS, including the important information referred to in this PDS.

Step 2. Complete the Application form included with this PDS or available from www.hunterunited.com.au.

Step 3. Complete the Transfer Authority form included with this PDS to provide instructions to have your superannuation (or part of) transferred to the Hunter United Super Fund.

Important Note: Consider consolidating your other superannuation into the Hunter United Super Fund. **The Hunter United Super Fund is an approved rollover account, has no entry fees, low exit fee and is ideal for consolidation purposes.**

If you have personally applied to join the Hunter United Super Fund and after joining the Fund you change your mind about joining, you may write to Hunter United and request a refund. The request must be received within a period of fourteen (14) days (the “cooling-off period”) from the earlier date of:

- **When Hunter United provides you with confirmation of your membership; or**
- **The end of the fifth (5th) day after the date on which your account is opened.**

If any of the contributions you made to the Hunter United Super Fund were preserved benefits transferred from another superannuation fund or approved deposit fund, then those contributions will not be repaid to you, but may instead be transferred to another superannuation fund or rollover product of your choice (provided that it complies with Government legislation).

15. Privacy

A copy of our Privacy Policy outlining how we handle your personal information is maintained on our website and can be accessed at www.hunterunited.com.au/privacy-policy.html

16. Complaints

Our aim is to provide a quality service that meets your needs. Where you feel there is room for improvement or you have a concern or an issue that needs to be addressed - please let us know. We welcome the opportunity to improve our services. Please find our Contact Details in Section 17.

We will confirm receipt of your complaint within 2 days. Hunter United has 90 days to respond to your complaint, by law. If you are not satisfied with our handling of your complaint, then you may be able to take your complaint to the Superannuation Complaints Tribunal (SCT).

You may contact the SCT by calling 1300 884 114 or in writing at: Locked Bag 3060
Melbourne Vic 3001

Email: info@sct.gov.au

Fax: (03) 8635 5588

17. Contact details

If you have any questions or would like more information, please contact Hunter United:

phone: (02) **4941 3888**

fax: (02) 4941 3868

email: enquiry@hunterunited.com.au

address: PO Box 851 Newcastle, NSW 2300

web: www.hunterunited.com.au

Hunter United currently utilises the services of Financial Synergy Pty Ltd to provide certain administrative support services to assist in the provision of the Hunter Untied Super Fund.

 For further information see
www.hunterunited.com.au or
go to www.sct.gov.au

www.hunterunited.com.au

Hunter United

Ph: (02) **4941 3888**

Head Office: 130 Lambton Rd Broadmeadow NSW 2292

The Hunter United Super Fund is issued by Hunter United

Employees' Credit Union Ltd

ABN 68 087 650 182 AFSL 238316

Insurance is provided by TAL Life Limited ('TAL')

ABN 70 050 109 450 AFSL 237848