

Hunter United Pension Fund Retirement Savings Account (RSA)

*Supplementary Product Disclosure Statement (PDS)
Account Based Pension*

Issued 25th October 2017



Hunter United
Customer Owned Banking

Update to Hunter United Pension Fund Retirement Savings Account (RSA) Product Disclosure Statement (PDS) – Account Based Pension dated 1 March 2015.

Change to Section 1 About the Hunter United Pension Fund page 3 – Transition to Retirement

Transition to retirement rules, allow you, if you have reached your preservation age, to be able to reduce your working hours without reducing your income. You can do this by topping up your part-time income with a regular ‘income stream’ from your super savings.

Under these rules, you can only access your super benefits as a ‘non-commutable’ income stream. A non-commutable income stream is one that cannot be converted into a lump sum. This generally means you cannot take your benefits as a lump sum cash payment while you are still working. You must take your super benefits as regular payments.

Employers still need to make compulsory super guarantee contributions for all their eligible employees, including people on transition to retirement.

When considering the tax aspects of retirement, transition to retirement or superannuation income streams, we recommend you seek financial advice to find out what is best for you.

Finally, your money can be withdrawn and reinvested elsewhere without incurring high exit costs (see section 7 Fees and charges)

Change to Section 2 How our Pension Fund works page 5 last paragraph under Receiving and Accessing your Pension

Annual statements will be issued. The balance of your Hunter United Pension Fund can also be viewed via our secure RSA Online System.

Replaces Section 6 Past Performance page 7 & 8 of the PDS 9. Past Performance

The average annual effective rate of return paid by the Hunter United Pension Fund is summarised below in table 1.1:

Table 1.1

Past Performance						
	Annual effective Rate of return (%)					5 year Compound Average return %
	2012 to 2013	2013 to 2014	2014 to 2015	2015 to 2016	2016 to 2017	2012 to 2017
Allocated Pension Example \$100k	3.626	2.792	2.646	2.229	2.000	2.657

Replaces Section 7 Fees and other costs – specifically the Administration Fee in the table on page 9 of the PDS

Administration fee - \$10.00 per month deducted from account balance (includes access to a linked Hunter United transaction account)

Change to Section 8 How pension funds are taxed pages 10 and 11

The Australian Government provides a range of incentives to encourage 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. Taxation concessions include:

- Earnings from assets supporting a transition to retirement income stream (TRIS) will not be eligible for an exempt current pension income (ECPI) where the member has not satisfied a condition or release with a ‘nil’ cashing restriction and will be taxed at 15%. This applies to all TRIS regardless of the date the TRIS commenced
- No tax is payable when you transfer your superannuation into a pension fund (except from untaxed super funds). The pension fund’s earnings are not taxed thereby delivering higher net returns to account based pension holders.
- For persons over the age of 60, the income payments received are tax free and do not need to be declared as assessable income. Lump sum withdrawals are concessionally taxed provided there is a valid tax file number provided (see table 1.2).

**The low rate threshold commences at \$200,000 from 1 July 2017*

Note: You must provide a Tax file number declaration form when you open your Hunter United Pension Fund.

Table 1.2

Component	Lump Sum Tax Treatment
Tax - free	Nil
Taxable - for persons aged 60 or more	You will pay no tax on any withdrawals
Taxable - for persons aged under 60 but over the preservation age	\$200,000 (indexed) of your taxable component is tax - free; the balance is taxable at a maximum of 17% (including Medicare levy).
Taxable – if you are below the preservation age	The whole taxable component is taxed at a maximum of 22% (including Medicare levy)

Replaces Section 10 Privacy page 11 of the PDS

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

Replaces Section 12 Contact details page 12. of the PDS

If you have any questions or would like more information, please contact Hunter United:
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Hunter United currently utilises the services of Financial Synergy an IRESS Limited Company to provide certain administrative support services to assist in the provision of the Hunter United Pension Fund Retirement Savings Account.