



Hunter United

Super Fund

Retirement Savings Account (RSA)

Product Disclosure Statement (PDS)


22 August 2023



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READ THIS

This PDS provides a summary of the key information about the Hunter United Super Fund to help you make an informed decision about opening an account. It also includes links to important information that is part of this PDS marked with a . 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 does not take into account your personal financial objectives, situation or needs. Taxation considerations are general and based on present tax laws, rulings and their interpretation as at the date this PDS was prepared. You should consider independent financial advice tailored to your personal circumstances before making any decision based on this information. This PDS can only be used by persons receiving it (electronically or otherwise) in Australia. Applications from outside Australia will not be accepted. The information in this PDS is current as at the date it was prepared. The information in this PDS is subject to change from time to time and may be updated. Updated information, if not materially adverse, can be obtained by going to our website www.imb.com.au or contacting us on 133 462. You can request a paper copy of this PDS at any time and this will be provided free of charge. Please see our Financial Services Guide on our website for information on our full range of products and services.

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, and 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 and 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.

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

About Hunter United

Hunter United commenced life in 1963 as the BHP (Newcastle Employees' Credit Union) and progressively grew into a community based financial institution serving the Hunter Valley. In 2020, Hunter United merged with IMB Bank providing members with an expanded range of products and services.

Hunter United as a division of IMB Ltd trading as IMB Bank (IMB) operates a complying account based pension and retirement savings account (RSA) under its Australian Financial Services Licence (AFSL 237391).

IMB Bank has fifty-two branches across New South Wales and Victoria, including four branches in the Hunter Region: Broadmeadow, Charlestown, Glendale, and Green Hills (East Maitland).

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

Unlike listed companies, IMB Bank 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.

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 generally be converted into cash within 48 hours. We do not invest in speculative or high-risk investments.

IMB Ltd trading as IMB Bank 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 Authority (APRA). **Customer deposit balances at IMB up to \$250,000 are guaranteed by the Australian Federal Government.** For more information about the terms and conditions that apply to the capital guarantee see www.fcs.gov.au.

**Products issued by Hunter United as a division of IMB Ltd trading as IMB Bank. You should obtain and consider the relevant terms and conditions 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 and taxes will be debited from your account. You will receive an annual statement detailing any transactions and your account balance (fund benefit). For added convenience, you can view your Hunter United Super Fund balance via our secure RSA Online service.

Your Hunter United Super Fund is capital guaranteed and is therefore protected against negative investment earnings.

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

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

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). However, you should first check with the other superannuation fund that you do not lose any entitlements, such as insurance cover. To transfer other superannuation accounts into your Hunter United Super Fund please complete our RSA Super Fund Transfer of Benefits form available on our website www.imb.com.au

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 whilst a member of the Hunter United Super Fund, your account balance plus any outstanding interest 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.

i *We recommend you talk to your solicitor about referencing your Hunter United Super Fund in your will.*

In certain circumstances prescribed under superannuation legislation, superannuation benefits must be reported and paid to the Australian Taxation Office (ATO).

These circumstances include:

- An account balance under \$6,000 held by an inactive member. You are 'inactive' if you do not have insurance cover through the fund and have not, in the past 16 consecutive months, made, or had a contribution made on your behalf, to your account or met a condition of release.
- An account balance under \$6,000 held by an uncontactable member. You are 'uncontactable' if we can't contact you by mail or email at the address(es) we hold for you AND you haven't been in contact with us or we have not received any contributions from you or on your behalf in the last 12 months.

The following member benefits may also be transferred to the ATO:

- Inactive or uncontactable members who cannot be properly identified;
- Former temporary resident members who have departed Australia without claiming their superannuation benefits within 6 months of departure and the ATO has issued a notice to the Fund requesting payment;
- Deceased members whose benefits cannot be paid following death; and
- A spouse who is entitled to a benefit split under the Family Law Act 1975 and cannot be paid.

In respect of an account balance under \$6,000 held by an inactive member, the ATO has 28 days after receiving the money from your super fund to reunite you with your money via an active superannuation account (meaning an account that has received a contribution or rollover from or on your behalf during the current or previous financial year), so long as the active account will hold a balance of greater than \$6,000 following the reunification.

Unclaimed monies can be claimed directly from the ATO. In the case of former temporary residents this can occur at any time after departing Australia, subject to the payment of applicable tax. If superannuation benefits are transferred to the ATO as unclaimed monies, they will not attract interest nor will the unclaimed amount retain any associated insurance cover.

The ATO has an unclaimed monies register that can be checked for you. For more information you can contact the ATO on 13 10 20 or go to www.ato.gov.au. If you become lost*, we are required to advise the ATO Lost Member Register. You can search the Lost Member Register by going to www.ato.gov.au.

**A Lost Member is defined as:*

A member who is uncontactable, a member who is an inactive member or a member who joined the fund from another super provider as a lost member.

3. Making Contributions

Contribution Eligibility

Eligible contributions to your Hunter United Super Fund account 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 are under age 75 all types of contributions can be accepted.

Once you have reached 75 years of age, no form of personal contributions can be accepted by or on your behalf. SG contributions made by your employer to your Hunter United Super Fund account can be accepted.

For those over age 55 wanting to make a downsizer contribution the specific eligibility criteria must be satisfied.

Types of Contributions

The Government places limits on the maximum amount that can be contributed to your superannuation each financial year. Tax penalties apply if more is contributed. It is your responsibility to ensure you do not contribute more to your super each year than the law allows.

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

Concessional Contributions

A concessional (before tax) contribution is a contribution made by you or on your behalf which is subject to contributions tax.

Concessional contributions to your super account include:

- Employer contributions;
- Any amount you salary sacrifice into super; and
- Personal contributions for which you claim a tax deduction.

Contributions by Employers

Employers are required to make super guarantee (SG) contributions for all employees over age 18 regardless of how many hours they work. Employees under age 18 who work more than 30 hours per week are also entitled to SG contributions. The current SG rate is 11.0% (from 1 July 2023) of ordinary time earnings.

Salary Sacrifice Contributions

A salary sacrifice contribution is where you arrange through your employer to have a part of your income paid directly to your super account before any tax has been applied. Salary sacrifice arrangements may give a tax advantage to some people by reducing their taxable income, however salary sacrifice contributions may count as eligible income when assessing your eligibility for rebates or welfare entitlements. You should obtain professional advice about whether salary sacrificing is appropriate for your circumstances.

Concessional Contributions Cap

The concessional contributions cap is \$27,500 per financial year. If you exceed this limit, additional tax may apply.

From 1 July 2018, you have been able to “carry forward” any unused amount of your concessional contributions cap on a rolling basis for five years, so long as your total superannuation balance at 30 June of the previous financial year is less than \$500,000. Amounts carried forward that have not been used after five years will expire. The first year in which unused concessional contributions that have been carried forward can be accessed is 2019–20. More information is available on the ATO website.

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

Non-Concessional Contributions

A non-concessional (after tax) contribution is a contribution that is made by you or on your behalf after tax has already been paid on the amount.

Non-concessional contributions include:

- Personal contributions for which you do not claim an income tax deduction;
- Spouse contributions;
- Government co-contributions;
- Downsizer contributions; and
- Concessional contributions that have exceeded the concessional contributions cap.

Personal Contributions

Personal contributions are contributions made from your after-tax salary.

Spouse Contributions

You may make a contribution to your spouse's super account from your after-tax salary, to help them top up their retirement savings, as long as your spouse is under 75.

Examples of your spouse include:

- Your husband or wife by marriage; or
- A person with whom you are in a relationship that is registered under certain state or territory laws; or
- Another person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple.

You may be able to claim a tax offset on some or all the contributions you make to your spouse's Hunter United Super Fund account.

Government Co-Contribution

The Government's super co-contribution scheme helps eligible low or middle-income earners boost their superannuation savings, when they make personal (after-tax) contributions into their super. For every \$1 of personal non-concessional contributions made into your super within a financial year, the Government will contribute \$0.50, up to a

maximum amount of \$500.

Your eligibility for the co-contribution will be assessed at the end of the financial year, once your tax return has been lodged and your superannuation contributions reported. If you are eligible the co-contribution payment will be made directly to your superannuation account by the Government,

See www.ato.gov.au/super for more information regarding the eligibility criteria.

Downsizer Contributions

All members aged 55 and over who meet the eligibility requirements are able to make a non-concessional contribution of up to \$300,000 from the proceeds from the sale of a principal residence, held for at least 10 years, into their superannuation account.

This measure only applies where the contract of sale is exchanged after 1 July 2018, and does not include investment properties, holiday homes, caravans or other mobile homes.

A downsizer contribution can only be made from the sale of one home. Once the house is sold and the downsizer contribution has been made, there is no requirement to purchase another home.

The downsizer contribution is considered to be a one-off non-concessional (after tax) contribution, but it will not count towards your non-concessional contribution cap. The downsizer contribution can also still be made even if you have a Total Superannuation Balance of more than \$1.6 million. The downsizer contribution is not tax deductible and will be taken into account when determining your eligibility for the Age Pension.

Members wishing to make a downsizer contribution must complete the Downsizer Contribution into Super Form available from the ATO's website and provide the completed form to us when making, or prior to making, the contribution.

Non-Concessional Contributions Cap

The non-concessional contributions cap is \$110,000 per annum.* If you exceed this limit, additional tax may apply.

** If your Total Superannuation Balance exceeds \$1.9 million, any non-concessional contributions will be treated as excess non-concessional contributions.*

If you are under 75 years of age, you may be able to participate in the “**Bring forward**” arrangement, which means you may be able to make non-concessional contributions of up to three times the annual non-

concessional contributions cap in a single year by bringing forward your non-concessional contributions cap for a two or three-year period. For example, you can make \$300,000 of non-concessional contributions in a single financial year, however you will not be able to make any further non-concessional contributions until the expiry of two subsequent financial years.

From 1 July 2023 to access these provisions you must not already be in an active bring-forward arrangement and

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

Rollovers into Your Account

You can transfer amounts from other superannuation funds into your Hunter United Super Fund account.

By only having one super account you can potentially save unnecessary fees, plus you'll only have one account to manage.

You should check with your old fund whether fees apply or benefits (such as insurance) will be lost if you transfer your super to this product. Your previous fund will usually be obliged to transfer your account balance within 3 business days of receiving all appropriate and completed documentation. Sometimes a transfer may take up to 30 business days.

4. Accessing Your Super

Superannuation is typically a long-term investment aimed at saving for your future retirement income needs. Importantly, the Government 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.

i 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.

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 attained 65 years of age (whether or not you remain working).
- You have reached preservation age and have retired (your preservation age depends on your date of birth. See table below).
- An arrangement under which you were gainfully employed has come to an end on or after you reach 60 years of age.
- Upon your death.
- You have become 'permanently incapacitated' or 'terminally ill' (as defined in superannuation legislation).
- You are experiencing 'severe financial hardship' (limited payments in this circumstance are subject to relevant early release laws).
- You meet the criteria for the release of benefits on compassionate grounds and have obtained approval from the Australian Taxation Office.
- You are the holder of an expired or cancelled temporary resident visa and you have permanently departed Australia (see below).
- Upon termination of employment where your preserved benefits are less than \$200.

| 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 |

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.

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

Temporary Residents

If you are the holder of a temporary resident visa your superannuation benefit may be classified as 'unclaimed money' that must be transferred to the ATO if not claimed within a prescribed period after you have permanently departed Australia.

If this happens, you can claim your super benefit directly from the ATO as a Departing Australia Superannuation Payment (DASP), subject to meeting the requirements.

Portability

You may request a transfer (roll-over) of the balance of your Hunter United Super Fund account to another superannuation fund, RSA fund, approved deposit fund or deferred annuity at any time.

If you request a partial withdrawal or transfer, you must ensure that the remaining balance of your account is at least \$1,000 in order for your account to remain open. A partial withdrawal or transfer request which would result in the balance of your account being less than \$1,000 will not be processed, unless you are electing to close your Hunter United Super Fund account.

Splitting of Super Benefits

In the event of a marriage breakdown, your superannuation benefit may be split between you and your ex-spouse (including a qualifying de-facto spouse) under Family Law legislation. This can be done under a superannuation agreement or a Family Court order.

A "flag" can also be imposed on your superannuation benefit. This will preclude you from cashing, transferring or rolling over benefits in your account while it is in place. A "flag" can be removed by agreement with your ex-spouse or by an order from the Family Court.

Splitting of benefits may result in your ex-spouse being entitled to all or part of your superannuation benefits and the transfer of their entitlements to a new account with the Hunter United Super Fund or an account with another superannuation fund or RSA Fund over which you will not have any rights or be able to make decisions.

Where an eligible person informs us that they need information to properly negotiate a superannuation agreement or to assist in connection with Family Law rules, we may be required to provide the information and cannot tell you about the enquiry.

These laws are complex and you and your ex-spouse should each seek independent legal advice in the event of a marriage or other relationship breakdown.

5. 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 withdrawal fees (see section 9 for more on our fees);
- internet access to your account balance;
- transition to retirement;
- concessional taxation treatment (complying fund);
- your money is kept locally.

6. 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 to provide adequately for your retirement. Other types of growth investments (such as shares) have greater volatility and less security in the short term but have the 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; and
- laws affecting superannuation may change.

7. 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 account 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, in the selection, retention or realisation of investments, as it wholly invests in cash. The funds under management 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 return objective is the compound average investment 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%.*

8. Past Performance

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

Please refer to our website – imb.com.au, for detailed information concerning the average annual effective rate of return paid by the Hunter United Super Fund.

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

9. 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

- i** *Taxes 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 in your investment.*

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

| TYPE OF FEE OR COST | AMOUNT |
|---------------------|--------|
|---------------------|--------|

Fees when your money moves in and out of the Fund

| | |
|---|--|
| Establishment Fee The fee to open your account | Zero |
| Contribution Fee The fee on each amount contributed to your account – either by you or your employer | Zero |
| Withdrawal Fee The fee on each lump sum withdrawal made from your account | A fee of \$50 will be charged against your account balance for each lump sum withdrawal |
| Termination Fee The fee to close your account | Zero, however, where a lump sum withdrawal is made as part of the closure of your account, the withdrawal fee will be charged. |

Management costs

| | |
|---|------|
| The fees and costs for managing your investment | Zero |
|---|------|

Service fees

| | |
|---|---|
| Administration Fee | \$10.00 per month deducted from your account balance (includes access to a linked IMB transaction account). |
| Family Law Act - Information Request Fee (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 actioned. |

Fees and costs related to the 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 account is below \$1,000, the Administration Fee will be rebated to your account to the extent that it exceeds 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.
- The level of fees and costs can change from time to time.
- Hunter United will always notify you in advance of any fee change to your Hunter United Super Fund account.
- 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 Fee | Zero | For every \$5,000 contributed to your account, you will not be charged any contribution fees. |
| PLUS Management Fee and Administration Fee | 0% + \$120 (\$10 per month) | Each year you will not be charged a Management Fee, you will only be charged \$120 in Administration Fees regardless of the balance of your account. |
| EQUALS Cost of fund | | If you contribute \$5,000 to your account during the year and the balance of your account is \$50,000, then for that year you will be charged fees of \$120. |
| An additional fee of \$50 may apply if you elect to make a lump sum withdrawal or terminate your account. | | |

10. How Super Funds Are Taxed

The 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 information in this section is general in nature and gives a broad overview of the current taxation of super. As tax is complex and individual circumstances may differ, you should seek independent advice from a suitably qualified professional in relation to the tax implications of your particular circumstances.

IMB will pay the tax applying to your account directly to the Australian Taxation Office. This tax is deducted from your Hunter United Super Fund account balance and is shown on your annual statement.

Tax on Contributions

Concessional contributions

Concessional (before tax) contributions are generally taxed at 15%. The tax is deducted when the taxable contributions are received into your account.

Division 293 tax is an additional tax applying to concessional superannuation contributions for high income earners. Where combined income and contributions exceed \$250,000 the Division 293 tax rate of 15% will apply in addition to the standard 15% contributions tax rate (total tax rate of 30%).

Please note that there is a limit placed on the amount of concessional contributions that can be

made each financial year. From 1 July 2023 the concessional contributions cap is \$27,500.

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. You will be allowed a tax offset in that income year for the excess contributions equal to 15% of those excess contributions.

Non-concessional contributions

Whilst there is a general non-concessional contribution cap of \$110,000 per financial year, your actual cap may be higher or lower depending on your personal circumstances. Contributions in excess of the non-concessional contributions cap can be taxed at 47%.

Tax deduction for personal contributions

The Government allows all individuals under the age of 75, to claim a tax deduction for personal contributions made to eligible superannuation funds up to the concessional contributions cap. Contributions tax at the rate of 15% will be deducted from any contribution claimed as a tax deduction.

If you want to claim a tax deduction for personal contributions, you must complete the ATO's Notice of Intent to Claim a Tax Deduction on Personal Contributions Form and provide a copy to us. Go to www.ato.gov.au for more information. We recommend

you seek professional tax advice if you are considering making personal contributions this way.

Tax on Rollovers

When you transfer or rollover money from another super fund or RSA account to your Hunter United Super Fund account there is no tax payable unless the amount being transferred contains an untaxed component. An untaxed component will be subject to tax at the 15% contribution tax rate mentioned above.

Low Income Super Tax Offset (LISTO)

A tax offset is available to superannuation funds based on the tax paid on concessional contributions made on behalf of low income earners. The offset means individuals with an adjusted taxable income up to \$37,000 per annum will receive a refund from the Government into their superannuation account of up to \$500 of the 15% contributions tax paid on their concessional contributions.

You don't need to apply to be eligible for the LISTO. At the end of each financial year, the ATO will receive your Tax Return and a statement from Hunter United listing all of the contributions that have been made to your Hunter United Super Fund account. The ATO will then determine if you are eligible to receive the tax offset, and the amount of the offset (based on your income and contribution history). If you are eligible the ATO will make a payment directly into your Hunter United Super Fund account.

Tax Offset on Eligible Spouse Contributions

Depending upon your spouse's assessable income, you may be able to claim a tax offset on those contributions you make to your spouse's Hunter United Super Fund account.

You may be eligible to claim the maximum tax offset of \$540 per annum if:

- You contribute to an eligible fund, such as this product, for your spouse, whether married or de-facto; and
- Your spouse's income is \$37,000 per annum or less.

The tax offset amount gradually reduces as your spouse's income exceeds \$37,000 per annum and completely phases out when your spouse's income

reaches \$40,000 per annum or more. This does not mean that you can no longer contribute to your spouse's account; it just means that you will not receive a tax offset for doing so.

You will also not be entitled to the tax offset if your spouse:

- Exceeds their non-concessional (after tax) contributions cap for the relevant year; or
- Has a Total Superannuation Balance equal to or exceeding the general Transfer Balance Cap immediately before the start of the financial year in which the contribution was made.

Spouse contributions are not subject to the 15% contributions tax and they are tax-free on withdrawal. The amount that you contribute to your spouse's account will count towards your spouse's non-concessional (after tax) contributions cap.

More information on this and other applicable eligibility rules is available on the ATO's website.

Tax on Fund Earnings

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

Tax on Lump Sum Withdrawals

The tax applicable when withdrawing a lump sum from your Hunter United Super Fund account will depend on your age and the make-up of the individual components of your account.

All benefit payments made from the tax free or taxed element to people aged 60 and over are tax free. Payments from the untaxed element may be taxed at your marginal tax rate (or 17%, whichever is lower) regardless of age. Benefit payments made to a member that is terminally ill (as defined in tax law) are also tax free.

In general, the tax payable on the taxable component of your Hunter United Super Fund account is as follows:

| Tax on taxable component (taxed element) of your lumpsum withdrawal | |
|---|--|
| Less than preservation age | Your marginal tax rate or 20% plus Medicare Levy*, whichever is lower. |
| Preservation age to 59 years | Tax-free for the first \$235,000** Balanced taxed at 15% plus Medicare Levy or your marginal tax rate, whichever is lower. |
| 60 years and over | Tax-free |

* The Medicare Levy is 2% of your taxable income.

** The low rate cap for the 2023/24 financial year is \$235,000. This cap may be indexed in future years in \$5,000 increments.

Note: If the lump sum withdrawal is greater than the Untaxed Plan Cap (\$1,705,000 for the 2023/24 financial year), any amount withdrawn over the Untaxed Plan Cap will be taxed at the top marginal tax rate, regardless of your age at the date of withdrawal.

Tax Rates for Temporary Residents

If your Hunter United Super Fund account is paid out to you as a temporary resident (under certain visa arrangements) who is leaving Australia permanently prior to reaching preservation age, higher tax rates may apply. For more information, go to www.ato.gov.au.

- Other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your super benefits; and
- It is much easier to trace all the different super accounts that are in your name so that you receive all of your super when you retire.

Tax on Death Benefits

Lump sum death benefits paid to a dependant (as defined in the tax legislation) are exempt from tax. A 'dependant' for tax purposes includes a spouse, former spouse, any children under the age of 18, any person with whom the deceased had an interdependency relationship and anyone financially dependent upon the deceased.

Benefits paid to a 'non-dependant' (e.g. a non-financially dependent child over the age of 18) will generally be taxed at the non-dependant's marginal tax rate or 15%, whichever is lower (plus the Medicare Levy) on the taxed element of the benefit. Any untaxed element of the benefit will be taxed at the non-dependant's marginal tax rate or 30%, whichever is lower (plus the Medicare Levy).

If you fail to provide your TFN, an additional TFN Tax will be imposed on all employer contributions made to your Hunter United Super Fund account at the top marginal rate plus the Medicare Levy (including the 15% contributions tax). To avoid incurring this tax you must provide a completed Tax File Number Declaration Form to us as part of opening your Hunter United Super Fund account.

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

i For more information on completing the Tax File Number declaration form go to www.ato.gov.au.

Important Note on Tax File Numbers

Under superannuation law we are authorised to collect and use your Tax File Number (TFN) for lawful purposes. You are not required to provide us with your TFN, however doing so will ensure:

- We can accept all types of contributions to your Hunter United Super Fund account;
- The tax on contributions to your Hunter United Super Fund account will not increase;

11. Privacy

When handling your personal information, we are bound and committed to complying with the Australian Privacy Principles as contained in the Privacy Act 1988.

A copy of our Privacy Policy outlining how we handle your personal information is maintained on our website and can be accessed at www.imb.com.au.

12. 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 by talking to someone at an IMB branch or call on 133 462.

Alternatively, you may wish to put your complaint in writing. An IMB manager will call you to discuss your concerns. Complaints in writing should be addressed to:

Member Relations
IMB Ltd
PO Box 2077
WOLLONGONG NSW 2500

Once all the information is received, we will investigate your complaint and advise you of the outcome, or that we need more time to complete our investigation.

If you are not satisfied with our handling of your complaint or our decision, you may be able to take your complaint to the Australian Financial Complaints Authority (AFCA) for further consideration.

IMB Bank is a member of the Australian Financial Complaints Authority (AFCA). This is a self-regulatory service providing an external and impartial dispute resolution process for members of participating building societies, credit unions, banks and other financial service providers. AFCA's determinations are binding upon IMB if you accept the decision.

You can contact the Australian Financial Complaints Authority (AFCA) by:

Mail address:

The Australian Financial Complaints Authority (AFCA),
GPO Box 3, Melbourne VIC 3001.

Telephone: 1800 931 678

Email: info@afca.org.au

Website: www.afca.org.au

13. Contact details

If you have any questions or would like more information, please contact IMB Bank

Phone: 133 IMB (133 462)

Internet: imb.com.au

Mailing address:

IMB Bank
PO Box 2077
Wollongong NSW 2500

Head Office:

IMB Bank
47 Burelli St
Wollongong NSW 2500

By phone from outside Australia: +61 2 4298 0111

The Hunter United Super Fund is issued by IMB Limited trading as IMB Bank.

ABN 92 087 651 974

AFSL 237391

IMB currently utilises the services of The Apex Group to provide certain administrative support services to assist in the provision of the Hunter United Super Fund.

For more information see www.imb.com.au.