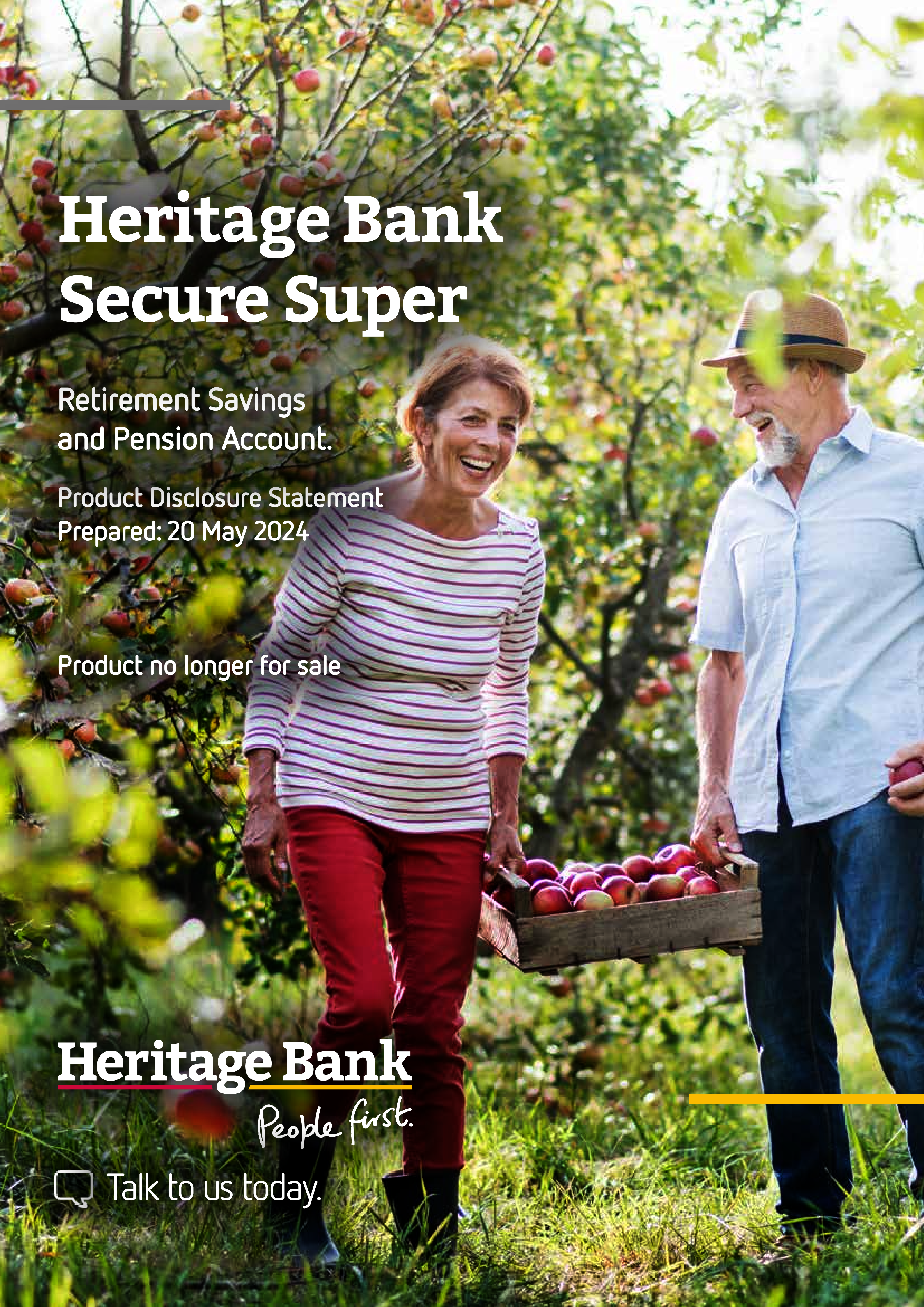

Heritage Bank Secure Super

Retirement Savings
and Pension Account.

Product Disclosure Statement
Prepared: 20 May 2024

Product no longer for sale

Heritage Bank
People first.

Talk to us today.

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Contents

Heritage Bank Secure Super Retirement Savings and Pension Account

About this Product Disclosure Statement

This Product Disclosure Statement (PDS) is a summary of important information about the Heritage Bank Secure Super Retirement Savings and Pension Account (Secure Super Account).

The information provided in this PDS is general information about the benefits, features, risks and costs associated with the Secure Super Account. It doesn't take into account your personal financial 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 seek 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.

Throughout this PDS, reference to "we", "ours", "us", "Heritage Bank" and "Heritage" are references to Heritage and People's Choice Limited. Reference to RSA means a Retirement Savings Account provided under the Retirement Savings Accounts Act 1997 (Cth). A reference to "Government" means the Australian Commonwealth Government. A reference to "super" means superannuation.

The information in this PDS is current as at the date it was prepared. The information in the PDS is subject to change from time to time and may be updated by us. Updated information, if not materially adverse, can be obtained by going to our website at heritage.com.au/superannuation, or contacting us on 13 14 22. If the changes to the information are materially adverse, we will issue a supplementary revised PDS. You can request a paper copy of the PDS at any time and this will be provided free of charge.

About Heritage Bank

Heritage Bank has grown from our origins in Toowoomba in 1875 to become one of Australia's largest customer-owned banks. Heritage is proudly customer-owned and committed to giving back to the communities we serve. In March 2023, Heritage Bank entered a new phase in our history, by merging with People's Choice Credit Union to create Australia's leading member-owned banking organisation. While we have now come together as a single organisation, we will continue to operate under the Heritage Bank and People's Choice brands for an interim period while we continue our integration process. After that, we will adopt a single new brand. .

About the Secure Super Account

The Secure Super Account is a Retirement Savings Account (RSA) issued by Heritage under authorisation from the Australian Prudential Regulation Authority.

A retirement savings account is a special type of bank account approved for superannuation savings and pensions, with the tax benefits of traditional superannuation funds.

As of 1 November 2022 the Secure Super account has been withdrawn from sale and no new accounts can be opened. This PDS will continue to apply to existing Secure Super accounts and account holders can continue to operate on the account including making contributions and requesting to change to a Transition to Retirement or Pension account.

The Secure Super Account provides a simple online solution for both superannuation savings and retirement pensions without some of the complexity and the fees and charges typical of superannuation funds. The uncertainty of earnings inherent in managed superannuation funds is further reduced through the payment of an interest rate that tracks 0.5% above the official cash rate of the Reserve Bank of Australia.

Since both personal and employer superannuation contributions can be made, a Secure Super Account offers a safe, low-cost option for those still building their superannuation prior to retirement. It can also be used to consolidate multiple superannuation funds to protect them from fees and charges.
Those who meet the Government's eligibility criteria can confidently plan the level of their income in retirement by using a Secure Super Account as their allocated pension account. All or part of a retiree's accumulated superannuation can be rolled into a Secure Super Account to protect the capital and earnings from negative returns through the capital guarantee, with the added certainty of earnings linked to the official cash rate.

Mainstream Superannuation Services Pty Ltd (ABN 83 082 989 142) provides administrative support services that assist Heritage in offering the Secure Super Account.

Capital guarantee

As an approved retirement savings account, the Secure Super Account must be capital guaranteed. This means that your contributions and the interest that has been credited to your account cannot be reduced by negative investment returns. As a bank deposit your Secure Super Account is further protected by the Banking Act 1959 (Cth) and is covered by the Government's Financial Claims Scheme. A cap of $250,000 applies to the maximum amount that the Scheme will pay you across all of your accounts with Heritage and People's Choice Limited (whether under the trading name 'Heritage Bank', the trading name 'People's Choice Credit Union', or another trading name), in the event of a claim. For joint accounts, deposits are shared equally between the account holders. Information about the scheme can be obtained from fcs.gov.au and the APRA hotline on 1300 558 849.

How superannuation works

Superannuation is a way to save for your retirement. It is a long-term investment. Because some of your income must be paid into a super account when you start work, you start saving for your retirement early. The longer you have to save, the easier it may be to reach your retirement goals.

You usually can't access your superannuation until you reach what is known as your 'preservation age' and retire, but there are some special circumstances where you can withdraw it earlier than this.

The Government provides a range of incentives for people to save for their retirement through superannuation. The Secure Super Account complies with the superannuation tax law which means that tax deductions are available for some contributions and tax concessions also apply to account earnings and benefit statements. Please refer to the section in this PDS on How Super is Taxed.

Tax concessions and other government benefits can make superannuation one of the more preferred long-term investment vehicles.

Benefits of a Retirement Savings Account

RSAs operate under similar rules and have similar benefits to traditional superannuation funds.

Heritage's Secure Super Account can help you maximise your retirement savings further because:

- Your accrued savings and interest are not affected by negative investment market returns;
- You receive a secure rate of return that is 0.5% higher than the official interest rate set by the Reserve Bank of Australia;
- Interest is added to your Secure Super Account monthly based on daily balances. Because accrued interest stays in your account, you will continue to receive returns on these earnings in later years;
- The Secure Super Account has no entry, management or account keeping fees and does not pay commissions. See the section headed "Fees, Charges and Commissions" below;
- Flexible contributions are allowed, including voluntary contributions and rollovers from other super funds, as well as employer contributions; and
- You can retain your Secure Super Account and draw a pension and lump sums when you are entitled to access your benefit.

For more information about the benefits of investing in superannuation, including co-contributions, go to moneysmart.gov.au and/or ato.gov.au/super

Heritage Bank Secure Super Retirement Savings and Pension Account

Risks of a Retirement Savings Account

All investments have some level of risk. Higher risk investments may offer higher returns than the Secure Super Account. The appropriate level of risk for you will depend on your age, personal circumstances, investment time frame and risk appetite.

Your accrued balance in your Secure Super Account is guaranteed not to fall in value as a result of negative investment returns. This level of security means that a Secure Super Account will not generate the higher returns that are possible in higher risk funds when investment markets perform well. You should consequently ensure that such an investment is appropriate for you and we would encourage you to obtain advice as to the appropriateness of such an investment from a financial adviser.

The interest rate on your Secure Super Account is set at 0.5% above the official interest rate of the Reserve Bank of Australia, so it will track official interest rates as they rise and fall. Official interest rates move up and down in accordance with monetary policy and are subject to a number of things including inflation. While a Secure Super Account can never pay a negative investment return, your return will consequently be low when the Reserve Bank of Australia's official interest rate is low. You should consider whether your needs will continue to be met if official interest rates are low.

There are also other risks associated with superannuation. For example, your future superannuation savings may not be enough to provide adequately for your retirement. Superannuation laws may change in the future, affecting your retirement plans. Your financial adviser can explain investment and other risks and help you to design a retirement plan that is right for you.

How your money is invested

The contributions made into your Secure Super Account are held on deposit for you with Heritage in a similar fashion to other savings accounts. This means that your accrued superannuation savings are protected with the same level of security that you get with your other bank accounts.

Interest rate

The Secure Super Account pays an interest rate that is 0.5% higher than the official cash rate set by Reserve Bank of Australia. To maintain this margin, the rate is automatically adjusted by Heritage within 21 days of the Reserve Bank of Australia announcing a change in the official cash rate. Because the rate you receive is automatically adjusted whenever official interest rates change, you will not be notified when the Secure Super Account interest rate changes.

This "tracker" approach provides you with greater earnings certainty than is available in most superannuation investment options. It also offers a level of protection against inflation since the Reserve Bank takes the inflation rate into account in setting the official cash rate.

Each month Heritage credits your account with interest that is calculated on the daily balance held in your account.

The current interest rate for the Secure Super Account is available at heritage.com.au and reflects the rate before taxes and government charges are applied.

Before investing in a Secure Super Account you should check the current rate being offered by Heritage. You should consider whether it is appropriate for you based on your needs, investment timeframe and your risk appetite. Future returns will vary in line with changes in the Reserve Bank of Australia's official cash rate.

Fees, charges and commissions

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 (moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

A benefit of the Secure Super Account is the absence of the administration fees that are common with superannuation funds. This is set out below:

Fees and charges

Entry Fee (The fee to set up the RSA)	Nil
Administration Fee (The fee to cover the general administration of the RSA)	Nil
Contribution Fee (The fee payable each time a contribution is made	Nil
Pension Payment Fee (The fee charged for pension related withdrawals)	Nil
Exit Fee (The fee charged for each non-pension related withdrawal or transfer)	$44 payable at the time a benefit is processed

Based on the fees and charges outlined above, if you transfer an existing super balance of $100,000 into the Secure Super Account and a further $5,000 goes in each year for the next 10 years, you will pay $44 if you withdraw at the end of 10 years. There are no other costs charged to your account balance each year.

Increases or changes to fees and charges

The $44 exit fee may be indexed annually based on changes to Average Ordinary Time Earnings. You will be notified at least 30 days in advance of any increase to the fee.

Government charges

Heritage reserves the right to debit your Secure Super Account with any Government charges that may become applicable after your account is opened.

Commissions

No commissions are paid by Heritage to financial planners for advice they provide you, but you are likely to have to pay fees to your adviser. To understand the cost of the advice, speak to your financial advisor and read the Statement of Advice they give to you.

Benefit Protection

The statutory benefit protection guidelines for account balances under $1,000 apply to RSA's. This means that administration fees (if any) which apply to RSA accounts will not exceed the amount of interest earned by the RSA in any one financial year to 30 June. Administration fees do not include taxes that may apply to your Secure Super Account.

Online management of Secure Super

Through Heritage's Online Banking you are able to access and view your account 24 hours a day 7 days a week. Simply login to your internet banking at www.heritage.com.au by entering your member number and password. You can view contributions, rollovers, tax, account balances, pension payments and interest details, print transaction listings, manage your beneficiaries and even arrange to transfer money you may have with other superannuation funds into your Secure Super Account.

We will provide you with an annual statement detailing account information for the previous financial year to 30 June. You will receive your annual statement electronically and securely through your internet banking. We will send you an email advising you when your statement is available and you can simply access it online through your internet banking at www.heritage.com.au

It is up to you to ensure your contact details (including your email address) are kept up to date at all times.

Making contributions

Contributing to your super is easy. There are many different flexible and tax-effective ways in which you can contribute to build up your balance for the lifestyle you want at retirement.

As an online product the Secure Super Account is designed primarily to accept electronic contributions. A Secure Super Account has a BSB and account number just like any other bank account. This means you can make contributions online from any other bank account either as a transfer from a Heritage account or using the "Pay anyone" feature from an account held with another bank. Contributions can also be made using the BPAY® system.

If you choose to have your employer's compulsory superannuation contributions made to your Secure Super Account you can generate a form online to take to your employer. The form provides all of the information that your employer needs to set up regular electronic payments to your account. These contributions are made using a special BPAY or account number from the form you give them. This number is linked to your account so that these contributions can be identified and shown as coming from your employer.

While electronic contributions are preferred to keep costs low, cheques will be accepted over the counter at Heritage branches. Cheques should be made payable to the name in which the Secure Super Account is held. Contributions made by cheque may take up to 5 business days to process.

Heritage will not accept payments made by cash at branches.

Mistaken Payments

If you report to us that a contribution made by you was a mistaken payment made in error, then you will be required to provide a signed statutory declaration form to Heritage within 2 weeks, so the contribution made in error can be reversed. We will then return the funds to you as soon as practicable.

Age based contribution rules

Any person under age 75 may contribute to their Secure Super Account, regardless of whether or not they are employed.

From age 75 onwards, only mandated employer contributions can be made to your Secure Super Account.

Special rules apply to Downsizer contributions.

In some circumstances, Heritage Bank must refuse to accept, or must refund, amounts contributed contrary to these eligibility rules.

Accumulation (Pre-retirement)

The Government places limits on the maximum amount that can be contributed to your superannuation each financial year and tax penalties apply if more is contributed. It is your responsibility to ensure that you do not contribute more to super each year than the law allows. We accept concessional, non-concessional and other contributions.

This is a guide only and does not override legislative requirements.

Concessional contributions

A concessional ('before tax') contribution is a contribution that is made by you or on your behalf and is subject to contributions tax.
A maximum limit on concessional contributions per annum applies. If you exceed this limit, additional tax may apply. For more information, see the "How Super is Taxed" section below.

Concessional contributions include the following:

- Employer contributions such as:
  - Compulsory Employer Super Guarantee (SG) contributions;
  - Salary sacrifice contributions – where you ask your employer to deduct extra money from your pay before tax is taken out and to pay this into your account; and
  - Any additional (or 'voluntary') employer contributions.
- Personal contributions by an eligible person (e.g. self-employed person) that are allowed as an income tax deduction.

Contributions by employers

As of 1 July 2022, employers are required to make super contributions to all employees (including casual and part-time) regardless of how much they earn, unless employees are under 18 years of age and working less than 30 hours per week. The current rate is 11% (effective 1 July 2023) of your ordinary time earnings (however this rate will increase over a number of years - refer to ato.gov.au for information about the applicable rate from year to year). This type of contribution is known as Superannuation Guarantee (SG) contribution. Some employers may be required to pay more than this for employees covered by an award or other workplace arrangements.

SG contributions are subject to contributions tax. Where your employer is making concessional contributions to your Secure Super Account you will incur 15% tax, except where your income and concessionally taxed contributions exceed $250,000 per annum in which case you will incur tax at the rate of 30% on concessional contributions above the $250,000 threshold. Refer to the section headed 'Taxation of Contributions' for further details.

Super Guarantee shortfall payments or credits
These represent late SG payments from a current or previous employer. If an employer fails to meet an SG payment deadline, they are required to make the payment via the Australian Taxation Office (ATO). The ATO may then make the payment to your super account.

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.

Like SG contributions, salary sacrifice contributions are subject to contributions tax, with the rate of tax depending on whether the salary sacrifice contributions are within the Government prescribed limit and your level of income. Salary sacrifice arrangements may give a tax advantage for some people by reducing their taxable income. However, salary sacrifice contributions may count as eligible income when assessing your eligibility for Government co-contributions, tax deductions on personal contributions, spouse contribution rebates or welfare entitlements. You should obtain professional financial and taxation advice about whether salary sacrificing is appropriate for your circumstances.

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. With the exception of downsizer contributions, a maximum limit on non-concessional contributions per annum applies. If you exceed this limit, additional tax may apply. For more information, see the "How Super is Taxed" section below.

Non-concessional contributions include the following:

- Personal contributions
- Spouse contributions
- Government co-contributions
- Downsizer contributions
- Concessional contributions that have exceeded the concessional contributions cap

We cannot accept a single non-concessional contribution which exceeds the maximum non-concessional contribution limit applicable to you ($110,000 per financial year, or, for example, if you are under 67 and you have a Total Superannuation Balance of less than $1.48 million, $330,000 in a three year period). If you exceed your limit, additional tax will apply.

Personal contributions

These are contributions made from your after-tax salary.

Spouse contributions

Your spouse may make contributions to your super account from their after-tax salary to help you top up your retirement savings, as long as:

- You are under the age of 67; or
- The contribution is paid from an account in the name of your spouse or a joint account where your spouse is an account holder.

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.

Government co-contribution

You may be eligible for a Government co-contribution if you satisfy all of the following requirements:

- You must make a personal non-concessional (after tax) contribution (that is within the cap) to your super account by 30 June and not claim a tax deduction for it.
- You must earn 10% or more of your total income from carrying on a business, eligible employment, or both;
- Your total assessable income (meaning income plus reported fringe benefits plus SG contributions) must be under the co-contributions upper threshold;
- You must not be a temporary resident at any time during the income year in which the contribution is made (certain exceptions may apply);
- You must be under 71 years of age at the end of the income year;
- You must have provided your Tax File Number to us;
- You must lodge a tax return with the ATO for the income year; and
- You must have a Total Superannuation Balance* of less than $1.9 million on 30 June of the year before the year that the personal contributions were made.

Full information, including eligibility for the Government co-contribution and the co-contribution's current upper and lower thresholds, can be found at ato.gov.au/super.

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 per person 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.

Downsizer contributions are not subject to the contribution caps.

* Your Total Superannuation Balance is the total amount you hold in super in the Australian superannuation system (across multiple accounts in multiple funds if applicable).

Accumulation (Pre-retirement)

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. 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 Heritage when making, or prior to making, the contribution.

For more information, visit the ATO's website ato.gov.au/individuals/super/growing-your-super/adding-to-your-super/downsizing-contributions-into-superannuation/

Other contributions or payments

Other payments may also be made into your super account, for example, disability settlement amounts and the proceeds from the sale of a small business. Other payments may be liable to different taxation treatment. You should obtain professional advice about whether making other payments into your super is appropriate for your circumstances.

Transfers from other funds

Transferring amounts from other superannuation funds into your Secure Super Account can now be done online. All you need to do is log into online banking and click on your Secure Super Account. This will take you to the Secure Super Account website. Select 'continue' to proceed to your Secure Super Account Dashboard, then select the Super Transfers button and fill in the details of the Super Fund you are transferring from.

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.

By only having one super account with Heritage, you can potentially save unnecessary fees, plus you'll only have one account to manage. To transfer funds from your Secure Super account to another fund, no minimum withdrawal is required, however, to keep your account open a minimum balance of $1,000 must be left in the account*. Before requesting a transfer of benefits, you can ask us for any information you need including fees and costs that may be incurred.

Transfers of benefits must be made by us within the time prescribed by law (generally 3 business days) after we have received a transfer request that contains all requisite information. Requisite information may include proof or verification of identity under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act).

Rollovers or transfers from a Self Managed Super Fund

Before a rollover or transfer to a SMSF can occur the Self-Managed Super Fund (SMSF) will need to provide Heritage with a Rollover Benefit Statement which can be obtained from your accountant or other SMSF Administrator on behalf of the Trustee.

Contributions made in error

If you make a personal non-concessional (after-tax) contribution to your Secure Super Account in error, you have two weeks from the date that the contribution was made to provide us with a signed statutory declaration that the contribution was made in error and requesting that it be reversed. If we receive the signed statutory declaration within the specified timeframe, we will return the funds to you as soon as practicable.

*Subject to inactive low balance account considerations (see page 28 for more information)

Accessing your benefit

As your super is a tax-supported investment, there are Government restrictions imposed on when you can access your superannuation benefits.

Your superannuation benefits can be preserved, restricted non-preserved, and/or unrestricted non-preserved. The type of benefit determines when it may be paid to you.

Preservation

Due to the laws applying to superannuation and RSAs accumulated benefits cannot be paid to you until you satisfy a condition of release. Until a relevant condition is met, your super must stay "preserved". This is to ensure that superannuation is used for its intended purpose, that is providing you with financial security at the time of your retirement.

Preserved benefits

Since 1 July 1999, all contributions made by you or on your behalf, and all investment earnings, are preserved benefits. Preserved benefits may be paid to you only if a condition of release is met and subject to any restrictions imposed by the super laws.

Restricted non-preserved benefits

If you had an arrangement with an employer to contribute superannuation for you prior to 1 July 1999, you may have a restricted non-preserved amount.

Restricted non-preserved benefits can't be paid until you meet a condition of release specific to these benefits, such as when you cease employment with the employer who contributed on your behalf.

Unrestricted non-preserved benefits

These benefits don't require a condition of release to be met, and may be paid to you on your request. They include, benefits for which you have previously satisfied a condition of release but decided to keep the money in your super account.

You will receive an annual statement which will show you how much of your entitlement is a preserved component, a restricted non-preserved component or an unrestricted non-preserved component.

Amount of benefit payable

The balance available will be the total of all contributions, rollovers and transfers credited to your account, plus accrued interest, less deductions for tax, fees or government charges.

How your benefit is paid

When you are entitled to access your super you have the option of receiving it as a lump sum, a series of lump sums, a pension or a combination of these. Payments are made into a nominated Australian bank account in your name.

Conditions of release

Unless you are a temporary resident, generally, you're able to access your super when:

- You have reached 65 years of age; or
- You have reached your preservation age (see table following) and have retired from the workforce, with the intention of never returning to work; or
- You have reached age 60 and ceased a gainful employment arrangement; or
- You die and your benefit is paid to your beneficiaries (refer to section on Death Benefits); or
- You become permanently incapacitated; or
- You become terminally ill (as defined in superannuation legislation); or
- You attain your preservation age, but do not retire from the workforce, and purchase a non-commutable account based pension.

Your super may also be accessed in other limited circumstances including financial hardship. Contact Heritage for further information about a hardship application. You may also be able to apply for early release on compassionate grounds from the Government, through the Australian Taxation Office at ato.gov.au/super

What is the 'preservation' age?

Your preservation age is the age that the Government legislates when you can access the preserved component of your superannuation account balance

Accessing your benefit

on retirement. Your 'preservation' age depends on when you were born, as outlined in the table below.

Date of birth	Preservation Age
Before July 1960	55
July 1960 to June 1961	56
July 1961 to June 1962	57
July 1962 to June 1963	58
July 1963 to June 1964	59
After June 1964	60

Partial withdrawals or transfers

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 Secure Super Account.

First Home Super Saver Scheme

If you are an eligible first home buyer, you are able to use your Secure Super Account to save for a home deposit through the Government's First Home Super Saver Scheme (FHSS Scheme).

Voluntary contributions (and associated earnings) made into your Secure Super Account after 1 July 2017 can be withdrawn and used for a first home deposit. To qualify, you must be 18 years of age or over, intending to purchase a residential home or land to build a home on, and not previously have owned property in Australia.

You can apply to have a maximum of $15,000 of your voluntary contributions from any one financial year included in your eligible contributions to be released under the FHSS scheme, up to a total of $50,000 contributions across all years. Voluntary contributions include concessional (before-tax) contributions, such as salary sacrifice contributions, and non-concessional (after-tax) contributions, such as making an additional lump sum payment into super. The contributions will still count towards the relevant contribution caps.

For more information, visit the ATO's website ato.gov.au/individuals/super/withdrawing-and-using-your-super/first-home-super-saver-scheme/

Allocated pension account

This product may not provide a pension for the rest of your life. Payments will only continue to be paid until the balance in your account has run out. The amount of the balance in your account is determined by the amount of your investment, the after tax interest credited and how much pension has already been paid to you.

The Secure Super Account provides you with a regular, flexible and tax-effective source of income during retirement.

How your allocated pension works

If you meet the pension eligibility rules, you can roll your Secure Super Savings account to a Secure Super Pension account. To qualify you must be:

- 65 years old or older (whether or not you have retired); or
- 60 years old or older and have left employment arrangements since turning 60. You may have already started working for another employer or plan to do so in the future.

Regardless of your age, the money in your Secure Super Pension account is unrestricted non-preserved, which means you can access it as a lump sum or as regular pensions payments, or both, as you wish.

*Subject to inactive low balance account considerations (see page 28 for more information)

Interest, at the official cash rate of the Reserve Bank of Australia plus 0.5%, is credited monthly to your pension account based on the daily balances held in your account. The balance of your account depends on many factors, including the amount of money you withdraw each year and the amount of interest after tax credited to your account.

It's important to remember that additional transfers and contributions cannot be made to your Secure Super Pension account once it has commenced. You should calculate how much you think you will need to fund your retirement before you commence your pension to ensure it will meet your retirement requirements.

You must not be a temporary visa holder (except for certain prescribed visas).

The minimum amount you need to establish your Secure Super Pension account is $25,000. The Government has imposed limits on the amount that can be transferred into retirement phase accounts (known as your 'Transfer Balance Cap'*), without incurring a penalty. You will need to ensure that the total amount of superannuation transferred to your pension account does not exceed the $1.9 million Transfer Balance Cap. Any amount of super you have above $1.9 million can be retained in an accumulation account and/or be taken as a lump sum payment.

Allocated pension payment limits

Once you begin taking a pension, you must be paid the minimum amount each year that is stipulated by the superannuation regulations based on your age and account balance. You may take out as much as you wish above the minimum. The table below shows the minimum percentage of your Secure Super allocated pension account balance that must be taken each year based on your age at commencement of your pension and your age at each 1 July thereafter.

Age Percentage Factor	
Under 65	4%
65 – 74	5%
75 – 79	6%
80 – 84	7%
85 – 89	9%
90 – 94	11%
95 or more	14%

Example:

Jim is 62 years old and commences a Pension on 1 April. He is investing $100,000. His first payment will be pro-rated for that first financial year. There are 91 days between 1 April and 30 June. From the Minimum Pension Table we can see that the minimum percentage factor for a 62 year old is 4%.

The minimum income Jim must receive is: $100,000 x 4% x (91/365) = $1,000 (rounded to the nearest $10). Please Note: The above example is for illustrative purposes only. It does not take into consideration any fees, charges or interest earned.

Jim is still 62 years old at 1 July. His Pension balance is now $99,000. The minimum income he must receive is: $99,000 x 4% = $3,960 (rounded to the nearest $10).

In the first year, the amount you must receive will be pro-rated, based on the remaining number of days in that financial year. If you start your pension after 1 June, you are not required to receive a pension payment for that financial year.

Rollovers or transfers to another superannuation product or fund or lump sum cash withdrawals do not count towards satisfaction of the minimum payment.

Payment frequency

A pension payment must be made at least once each financial year. You can choose to have your regular pension income payments paid to you monthly, quarterly, half-yearly or annually to a nominated Australian bank account in your name. Payments will be made on the fifteenth day of the month. If the fifteenth day falls on a weekend or public holiday, your income payment will be processed earlier so that it is accessible by the fifteenth.

*For the financial years ending 30 June 2019, 2020 and 2021, the Transfer Balance Cap was $1.6 million. For the financial year ending 30 June 2022 the Transfer Balance Cap increased to $1.7 million. The Transfer Balance Cap for 2023/24 further increased to $1.9million

Allocated pension account

You can elect to change your pension payment frequency or amount at any time, as long as the total yearly payment is within the Government's set minimum amount. Unless you request an alteration, you will continue to receive the same pension payments each year, adjusted to reflect changes to the Government-imposed minimum limits if required.

Pension payments will continue to be paid to you until the balance of your Secure Super allocated pension account is exhausted. If you decide to leave Heritage Bank, you may transfer your pension account to another qualifying super fund or RSA provider, or take the balance of your account as a lump sum.

Lump Sum Payments

When you are entitled to access your benefits you have the flexibility to make lump sum withdrawals at any time, as long as your account balance has paid or can pay the minimum income payment amount in the relevant financial year.

A lump sum withdrawal is taxed as an ordinary lump sum super benefit payment where applicable (see the section on How Super is Taxed). Please note, when a lump sum withdrawal is made during a financial year, your minimum income payment will not be recalculated on the new account balance. The minimum income levels are only recalculated on 1 July of each year.

Tax Components of your Pension Account

Your pension account may consist of both a taxable component and a tax-free component. Your pension payments will consist of taxable and tax-free components in the same proportion as the components of your total pension account.

Tax-Free Component

The tax-free component is made up of:

- A 'contribution segment' that consists of the total of all non-concessional contributions made since 1 July 2007 that are not taxable within a super fund; and
- Any 'crystallised segment' (the tax-free part of your benefit calculated and defined as at 1 July 2007). No tax is deducted from the tax-free component of your pension account, regardless of your age.

Taxable Component

The tax you may pay will depend on your age.

- If you are aged 60 or over, the regular pension payments (including both tax-free and taxable components) made from your pension account are generally tax-free. You will not need to include these payments in your tax return.
- If you are aged under 60, the taxable component of your regular pension payments will be taxed at your marginal rate (plus the Medicare levy). However, you may be able to claim a 15% tax offset if you have reached your preservation age.

Age	Tax on Pension Plan Payments
60 years or more	• Tax-free
Over preservation age to age 59	• Taxed at marginal tax rates (plus applicable levies) • Tax offset of 15% may be available
Below preservation age	• Taxed at marginal tax rates (plus applicable levies), with no tax offset • Tax offset of 15% may be available for a disability super benefit

Transition to retirement

This product may not provide a pension for the rest of your life. Payments will only continue to be paid while there is the balance to do so. The amount of the balance in your account is determined by the amount of your investment, the after tax interest credited and how much pension has already been paid to you.

How your transition to retirement pension works

The Secure Super Transition to Retirement Pension account provides you with an income stream whilst you make more gradual transition to retirement.

If you have reached your preservation age, are less than 65 years old and are still working, you are able to roll over some of your Secure Super Account into a non-commutable pension, which can supplement your income when, for example you reduce from full-time work to part-time work.

Non-commutable means that your Secure Super Transition to Retirement Pension account cannot be converted into a lump sum and withdrawn, or used to start a Secure Super Pension account, unless and until you retire or reach 65 years of age. You do not have to reduce your working hours to part-time to commence a Secure Super Transition to Retirement Pension account. If you remain in the workforce while being paid an income from your transition to retirement pension account, you may continue to generate super contributions. However, because you cannot add to your transition to retirement pension account once it starts, you will need to retain a separate Secure Super Savings account which can accept superannuation contributions from you or made on your behalf.

The minimum amount you need to establish your Secure Super transition to retirement pension account is $25,000.

Interest, at the official cash rate of the Reserve Bank of Australia plus 0.5%, is credited monthly to your Secure Super transition to retirement pension account based on the daily balances held in your account. The balance of your account depends on many factors, including the amount of money you withdraw each year and the amount of interest after tax credited to your account.

Transition to retirement pension payment limits

Once you begin taking a transition to retirement pension, you must be paid the minimum amount each year that is stipulated by the superannuation regulations based on your age and account balance. See the table in the allocated pension section above which shows the minimum percentage of your Secure Super Transition to Retirement Pension account balance that must be taken each year based on your age at commencement of your pension and your age at each 1 July thereafter.

The maximum payment that you can receive each financial year is 10% of your transition to retirement pension account balance as calculated on 1 July each year.

Payment frequency

A transition to retirement pension payment must be made at least once each financial year.

You can choose to have your regular pension income payments paid to you monthly, quarterly, half-yearly or annually to a nominated Australian bank account in your name. Payments will be made on the fifteenth day of the month. If the fifteenth day falls on a weekend or public holiday, your income payment will be processed earlier so that it is accessible by the fifteenth.

You can elect to change your transition to retirement pension payment frequency or amount at any time, as long as the total yearly payment is within the Government's set minimum and maximum amounts. Unless you request an alteration, you will continue to receive the same pension payments each year, adjusted to reflect changes to the Government-imposed minimum and maximum limits if required. Pension payments will continue to be paid to you until the balance of your Secure Super transition to retirement pension account is exhausted. If you decide to leave Heritage Bank, you may transfer your transition to retirement pension account to another qualifying super fund or RSA provider.

Your transition to Retirement pension will move automatically to the retirement phase as soon as you reach 65 years old.

Social security

If you receive social security benefits, you should be aware that an investment in a pension account might affect your entitlements. We recommend that you seek professional financial advice prior to opening a pension account.

Generally, to qualify for the Age Pension, you are assessed under two tests:
- the Income Test; and
- the Assets Test.

In order to qualify for the maximum Age Pension amount, you need to pass both tests. The test which gives you the lowest entitlement determines the amount of Age Pension you receive.

The balance of any pension accounts you hold is included in the determination of your assets for the purposes of the Assets Test.

For the Income Test, your pension accounts may be deemed to generate a certain level of income based on a deemed rate of return. This rate of return is assumed to apply even if the actual amount of income you receive from your pension is greater or less than the deemed level of income.

How super is taxed

The information in this section is general in nature and gives a broad overview of the current taxation of super. This section does not take into consideration your personal objectives, financial situation, or needs. 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.

There are a number of ways that super is taxed. The following tax rules apply. It is important to note that if you exceed the concessional and non-concessional contribution limits for super you will pay extra tax.

Heritage will pay the tax applying to your account directly to the ATO. This tax is deducted from your Secure Super Account balance and is shown on your Secure Super Account statement. Super is an especially tax-effective way to grow your retirement savings, as generally any taxes applicable to super are at a lower rate than other forms of investment.

Tax on contributions

Generally, super contributions made by your employer or personal contributions for which you are able to claim a tax deduction are taxed at 15% (less certain other charges). The contributions tax is deducted when taxable contributions are received into your account. These contributions are known as concessional contributions.

Individuals with income greater than $250,000 per annum will be subject to a higher rate of contributions tax in respect of concessional contributions made by or on their behalf (i.e. the concessional rate of tax will increase from 15% to 30%).

How super is taxed

Usually, non-concessional contributions (such as personal contributions made to your super from your after-tax income) are not subject to tax, therefore no tax will be deducted from these, or from contributions made on behalf of an eligible spouse (spouse contributions). Contributions into your super made from your after-tax savings are not taxed.

Limits on concessional contributions

The maximum concessional contributions allowed from all sources for the 2023/24 financial year is $27,500 (indexed).

These contributions will be subject to tax at the rate of 15% for contributions made within these limits, payable from your super account by Heritage.

Excess concessional contributions are taxed at the customer's marginal tax rate plus an interest charge. If you prefer, we can release the additional tax from your super account upon presentation of an ATO Release Authority. You will need to arrange this with the ATO and complete a form which is available on the ATO website.

If your Total Superannuation Balance (being the total amount that you hold in super in the Australian superannuation system (across multiple accounts in multiple funds if applicable) is less than $500,000 on 30 June of the previous financial year, you may be entitled to start accumulating the unused portion of your concessional contribution caps from previous years (up to 5 years' worth) and make additional concessional contributions into your super account. The first year you will be entitled to carry forward unused concessional contribution amounts is the 2019–2020 financial year. Unused amounts are available for a maximum of five years, and after this period will expire.

Limits on non-concessional contributions

The maximum non-concessional contributions allowed from all sources for the 2023/24 financial year is$110,000. The non-concessional contributions cap is to be maintained at four times the level of the concessional contributions cap (which means it will increase when the concessional contributions cap moves with indexation).

If you are under or turning the age of 65 you may be able to bring forward up to three years' worth of non-concessional contributions (providing you haven't already done so in the previous two financial years). For example, you can make $330,000 of non-concessional contributions in one financial year. However, you will not be able to contribute further until the expiry of two subsequent financial years.

There is no tax payable for contributions made within the non-concessional contributions cap. However, once you exceed the non-concessional contributions cap of $110,000 per year, or $330,000 if you apply for the 'bring forward' option (for customers under 65), 47% tax is payable directly by you. The additional tax must be released from your super account upon presentation of an ATO Release Authority which the ATO will issue to you once they have assessed any tax liability.

Heritage will then pay the amount to meet the tax liability to the ATO on your behalf or to you as required. Your account balance will be adjusted accordingly.

Individuals with a Total Superannuation Balance above $1.7 million as at 30 June 2022 or $1.9 million from 1 July 2023[1] are not eligible to make non-concessional contributions. You should seek independent financial advice tailored to your personal circumstances before making any decision based on this information.

Tax on account transfers

When you transfer or rollover money from another super fund or product to your Secure Super Account, there is no tax payable unless the amount transferred contains an untaxed component. An untaxed component will be subject to tax at the 15% contribution tax rate mentioned above.

1 This limit may be less than $1.9m for the year commencing 1 July 2023 if you had commenced a Transition to Retirement Income Stream prior to 30 June 2022 and were still contributing.

Low income superannuation tax offset (LISTO)

Under the LISTO scheme, if you earn less than $37,000 per annum, you will receive a refund from the Government of up to $500 of the 15% contributions tax you paid on concessional (before-tax) contributions paid into your super account.

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 Heritage listing all of the contributions that have been made to your Secure Super 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), and will make a payment directly into your Secure Super Account.

Tax offset on eligible spouse contributions

If you are classified by the Australian Taxation Office (ATO) as a low-income or non-working spouse, and your spouse makes contributions to your super account, your spouse may qualify for a tax offset of up to 18% on up to $3,000 in contributions per financial year. The maximum offset for a year of income is $540.

The tax offset available to your spouse decreases as your income exceeds $37,000 per annum and cuts off when your income reaches $40,000 per annum or more. This doesn't mean that your spouse can no longer contribute to your super account; it just means that they won't receive a tax offset for doing so.

Spouse contributions are not subject to the 15% contributions tax and they are tax-free on withdrawal. The amount that your spouse contributes to your account will count towards your spouse's non-concessional (after tax) contributions cap ($100,000 per annum).

Downsizer contributions

If you are 55 years or older and meet the eligibility requirements you are able to make a downsizer contribution to super. 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 (being the total amount you hold in super in the Australian superannuation system across multiple accounts in multiple funds if applicable) of more than $1.9 million. The downsizer contribution will count towards your Transfer Balance Cap (the cap which applies when you move you super savings into the retirement phase. The downsizer contribution is not tax deductible and will be taken into account when determining your eligibility for the Age Pension.

We recommend that you seek independent financial advice tailored to your personal circumstances before you consider or make any decision on a downsizer contribution, as this is a decision that may have significant consequences for you.

Tax deduction for personal contributions

The Government allows all individuals to claim a tax deduction for personal contributions made to eligible superannuation funds up to the concessional contributions cap.

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 ato.gov.au for more information. As time limits apply for claiming a deduction, we will contact you close to the end of each financial year to ask if you are intending to make a claim. We recommend you seek professional tax advice if you are considering making personal contributions this way.

Taxation on lump sum withdrawals

You may receive a super lump sum (for example, if you commute some or all of your pension if you have a Secure Super Pension Account). A super lump sum from a fund is a lump sum payment which may be taken as cash if certain eligibility criteria are met. Otherwise it must remain in the super system. If you do receive a super lump sum as a cash payment, the amount of tax payable is dependent on the components included in your super benefit payment and your age at the date of payment.

How super is taxed

All super benefit payments made to people aged 60 and over are tax free. Super benefit payments made to a customer who is terminally ill (as defined in tax legislation) are also tax free.

If you are withdrawing your benefit under age 60, the tax payable depends on the components of your benefit for taxation purposes. Benefits may have a tax-free component and a taxable component. Tax is not payable on the portion of the lump sum payment made from the tax-free component of your benefit. The table below shows the maximum rates of tax payable on the taxable component of lump sum withdrawals.

Taxation of pensions

If you decide to access your superannuation benefit as a regular income stream (pension), special tax concessions will apply. The following information is a general summary only of significant tax rules relating to the taxation of pensions and is subject to change. More information about tax is available from ato.gov.au. As individual circumstances may differ, you should seek advice from an independent, qualified professional in relation to the tax implications for your particular circumstances.

Investing in a pension product provides a number of tax benefits, including:

- If you are aged 60 or over the income you receive from your pension is tax-free;
- Investment earnings for account based pensions are tax free, but investment earning on transition to retirement pensions are taxed at 15%;
- Rollovers or transfers that you make into your pension account are not taxable unless they are from a super benefit that contains an untaxed element (generally taxable at the rate of 15%)

If you are aged under 60, pension payments from your super account will be taxed at your marginal tax rate.

Pension payments that you receive from your pension account must be declared as taxable income for income tax purposes, however part of your pension payment may contain a 'tax free component' for any non-concessional contributions. Any taxable component will be taxed according to your age or the condition of release you meet. These components are converted to a percentage of your account balance at the time your pension starts, which does not change while your account is open. A pension rebate of 15% applies to the taxable component of all pensions paid to people who are aged 55 to 59 years (or if you are under age 55 and receiving a disability benefit).

TAX ON INCOME STREAM PAYMENTS AND LUMP SUM WITHDRAWALS			
Payment type	Your age	Maximum rate of tax (including the Medicare levy of 2%)	
		Tax-free component	Taxable component
Regular income stream payment	60 or more	0%	0%
	55 to 59	0%	Marginal tax rates with a 15% offset
	Under 55	0%	Marginal tax rates. If your income stream payment includes a disability benefit you may also be entitled to a 15% tax offset.
Lump sum withdrawal	60 or more	0%	0%
	55 to 59	0%	Up to the low rate cap*: 0% Above the low rate cap*: 15% (plus Medicare levy)
	Under 55	0%	20% (plus Medicare levy)

*The low rate cap for the 2022/23 financial year was $230,000 and for 2023/24 is $235,000 (This cap may be indexed in future years in $5,000 increments only).

Under superannuation legislation, we are authorised to collect your Tax File Number (TFN) which will only be used for lawful purposes. This may change in the future as a result of legislative change. For a number of reasons, applications which do not contain a TFN will not be able to be processed. Firstly, if we don't have your TFN, superannuation legislation states we cannot accept personal after-tax contributions. Secondly, the tax on super benefits paid to you may be higher. Thirdly, it may be more difficult to locate any lost super benefits or consolidate your superannuation. We may disclose your TFN to another superannuation provider when your benefits are being transferred, unless you request (in writing) that your TFN is not to be disclosed.

Superannuation transfer balance cap

There is a $1.9million from 1 July 2023 superannuation transfer balance cap on the total amount of superannuation that an individual can transfer into pension accounts.

Pension accounts with a balance greater than the relevant superannuation transfer balance cap must withdraw the excess balance or revert the excess balance into their accumulation account, which will be subject to 15%. For more information refer to ato.gov.au/individuals/super/withdrawing-and-using-your-super/Transfer-balance-cap/

Taxation of reversionary pension payments

If you have nominated a reversionary pensioner as the beneficiary of your account (refer to section on the "Nomination of Beneficiaries" section below), the taxation of pension payments to the reversionary pensioner will depend on your age when you die and the age of your reversionary beneficiary.

If either you or your reversionary beneficiary are aged 60 or over at the time of your death, then payments to your reversionary beneficiary will be tax free.

If you and your reversionary beneficiary were both under age 60 at the time of your death, then payments to your reversionary beneficiary will be taxed at your reversionary beneficiary's marginal rate (less any 'tax free component' and pension offset) until your reversionary beneficiary is aged 60 or over, at which time pension payments becomes tax free.

If a reversionary beneficiary decides to cease their income stream after the later of six months after your death, or three months after the grant of probate of your estate, the resulting lump sum will be taxed as an ordinary lump sum super benefit as outlined in the Tax on Income Stream Payments and Lump Sum Withdrawals Table above (rather than as a death benefit lump sum).

Taxation of Transition to Retirement payments

If you are aged 60 or over, and the Transition to Retirement Income Stream is paid from a taxed source, you do not have to declare your transition to retirement income on your income tax return. If you are aged between your preservation age and 60 years, or if the Transition to Retirement Income Stream is paid from an untaxed source, you will need to declare the taxable component of the income stream on your income tax return. You do not have to advise your employer that you are receiving a Transition to Retirement Income Stream nor do you have to advise us, as your RSA account provider, that you are receiving employment income. However, you will need to decide from which payer you wish to claim the tax free threshold. If you claim the tax free threshold with both payers, you may end up with a tax liability at the end of the income year.

Taxation rates for temporary residents

If your benefit 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 will apply to your benefit.

For further information go to ato.gov.au.

How super is taxed

Taxation of 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, 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 'non-dependants' (e.g. non-financially dependent children over the age of 18) will generally be taxed at the non-dependants 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 their marginal tax rate or 30%, whichever is lower (plus the Medicare levy).

Death benefits - What happens when you die

If you intend to choose a Secure Super Account as your compulsory employer superannuation account you should consider your needs and, if required, ensure that you are appropriately insured elsewhere as the Super Secure Account does not offer life insurance.

Nomination of beneficiaries

Estate planning is a very important component of any financial plan. In the event of your death, you can have some comfort knowing that you have done some planning for your family's needs. Estate planning may involve other, more complex arrangements and you should contact a qualified financial adviser for advice about what other estate planning options are available to you.

You are encouraged to complete a binding death nomination to ensure that your superannuation is paid to your intended beneficiaries on your death.

You can now update your binding death nominations through online banking. A nomination form is also available at heritage.com.au/securesuper

There are three options available to you when nominating beneficiaries in the event of your death.

They are:

- A non-binding death benefit nomination;
- A binding (non-lapsing) death benefit nomination; and
- A reversionary beneficiary nomination (only relevant to Secure Super Pension Accounts).

Regardless of which option you choose, your nominated beneficiary must satisfy the criteria of dependant under super legislation or, in the case of a binding or non-binding nomination, you also have the option of nominating your legal personal representative (who is the executor of your will or the administrator of your estate).

A dependant includes:

- Your spouse, which may include a legally married or de-facto spouse of the same or opposite sex;
- Your child, which may include a step-child, a legally adopted child or one born within or outside of marriage as well as a child of your spouse or a child born by artificial procedures during a relationship with you;
- A person with whom you are considered to be in an interdependency relationship; or
- Any other person, who in Heritage's opinion, is or was, at the date of your death wholly or partially financially dependent upon you.

You are considered (whether or not related by family) to have an interdependency relationship with a person if:

- You have a close personal relationship with that person; and
- You live together with that person; and
- Either of you provides the other with financial support; and
- Either of you provides the other with domestic support and personal care.

If you and another person (whether or not related by family) satisfy the first of the above requirements but do not satisfy the other requirements and the reason why those requirements are not satisfied is because either of you or both of you suffer from a physical, intellectual or psychiatric disability, then nevertheless you are still considered to have an interdependency relationship. Please note that a different definition of dependant applies for tax purposes (for example, adult children aged 18 or more are not dependants for tax purposes unless financially dependent or interdependent).

As different taxation and social security implications may arise depending on who you nominate as a beneficiary (and whether they receive the death benefit as a pension or lump sum), we recommend you obtain further information and consult an independent qualified professional about this.

If you do not have any dependants or a legal personal representative, Heritage, at its discretion, will pay your benefit to other persons allowed by law.

Non-binding nomination

If you make a non-binding nomination, you're effectively telling us who you'd prefer to receive your super benefit when you die, but your nomination is not legally binding. This means that Heritage will refer to your beneficiary nomination when deciding how your benefit should be distributed, but is not bound by it. Instead, Heritage will make the final decision about who your benefit will be paid to, depending on your situation when you die.

Heritage may pay the balance of your account to any of your dependants including your spouse, child or other person who is financially dependent on you, or with whom you are in an interdependency relationship.

The benefit may be paid either in the form of a pension or as a lump sum. Heritage also has the option to pay the benefit as a lump sum to your estate.

You can make or change a non-binding nomination by entering the details online or completing the form (available from heritage.com.au/banking/investment/secure-super-account) and returning it to Heritage.

Binding (non-lapsing) nomination

If you make a valid binding (non-lapsing) nomination (by updating your details online through Heritage's internet banking or by filling out the Death Benefit Nomination form available from heritage.com.au/securesuper), Heritage is bound to pay the balance of your super benefit as a lump sum to the person(s) nominated – provided the nomination is still valid at the date of your death.

Please Note: A binding (non-lapsing) nomination does not expire. Any valid binding (non-lapsing) nomination you make as a Secure Super Account customer applies to all super accounts you hold in Secure Super.

For example, if you also have a pension account, your valid binding (non-lapsing) nomination will apply to the pension account unless you make a different arrangement in relation to this account by nominating a reversionary (non-lapsing) beneficiary to continue receiving regular payments from your pension account in the event of your death.

In order for a binding (non-lapsing) death benefit nomination to be valid, the following criteria must be satisfied:

- The person(s) nominated are your dependants and/or your legal personal representative, as defined under superannuation legislation, and the nomination specifies the proportion of the benefit to be paid to each person equalling 100%; and
- The nomination has been signed on the same day by you and two witnesses, being persons over the age of 18 who are not mentioned in the notice.

You should review your nomination if your circumstances change. You can change your nomination at any time by entering the details online and mailing the signed and witnessed form to Heritage. The nomination will be treated as non-

Death benefits - What happens when you die

binding until the fully completed and signed form is received. Please note that the validity and effectiveness of a binding nomination is only fully assessed in the event of death.

Reversionary beneficiary nomination

If you nominate your spouse or any other eligible dependant (e.g. a child) as your reversionary beneficiary, your pension payments will revert to that person when you die. Payments will continue until your account balance reaches zero or until their death. In the event that there is a remaining balance payable when your reversionary beneficiary dies, Heritage will decide how the balance should be paid under superannuation legislation.

If your reversionary beneficiary does not wish to continue to receive the benefit in the form of a pension, they can elect to receive the benefit as a lump sum.

Special rules may apply in the case of children. A reversionary pension can only continue to be paid to your child if, at the date of death:

- the child is aged under 18; or
- the child is aged 18 - 24 and is financially dependent on you; or
- the child is aged 18 or more and has a qualifying disability under the Disability Services Act 1986.

Unless your child has a qualifying disability, the reversionary pension must be paid out as a lump sum benefit when your child turns 25.

A reversionary beneficiary nomination can only be made when you start your Secure Super Pension Account.

No nomination

If you don't nominate a beneficiary, or your reversionary beneficiary nomination or binding (non-lapsing) nomination is invalid, the balance of your account will be paid to your estate, your dependants or a combination of both at the discretion of Heritage.

If you don't have any dependants or a legal personal representative, Heritage will pay your benefit to other persons allowed by law.

You are advised to review your Nominated Beneficiaries each year as your circumstances may have changed. For further information regarding the payment of a benefit from super go to "Understanding a death benefit paid from a super fund" at ato.gov.au/super

Temporary residents

It is important for holders of temporary resident visas to remember that under Federal Government legislation their super benefits may be classified as 'unclaimed money' that must be transferred to the ATO if not claimed within a prescribed period after departing Australia.

If this happens, a former temporary resident can claim their super benefits directly from the ATO as a Departing Australia Superannuation Payment (DASP), subject to applicable tax rates.

Former temporary resident customers whose benefits have been paid to the ATO will not be provided with a notice or exit statement at the time or after their benefits are transferred to the ATO.

Heritage is taking this approach relying on relief granted by the Australian Securities and Investments Commission (ASIC) from certain reporting obligations in the law which normally apply when fund membership ceases.

For more information about the rules that apply to temporary residents go to ato.gov.au.

Portability

You can request the transfer of your benefit at any time. No minimum withdrawal is required, however, to keep your account open a minimum balance of $1,000 must be left in your Secure Super Account*.

Before requesting a transfer of benefits, you can ask us for any information you need for the purpose of understanding your entitlements, including fees and costs that may be incurred and the effect of the transfer on your benefits.

Transfers of benefits must be made by us within the time prescribed by law (generally 3 business days) after we have received a transfer request that contains all requisite information which may include proof or verification of identity under the AML/CTF Act.

Acceptance of Account Transactions

Heritage Bank must not accept, and must refund, contributions that are not allowed under superannuation legislation. Any refunds may be adjusted.

All requests (including applications, withdrawals and transfers into the Secure Super Account) have to be accepted by Heritage before being processed.

Heritage will accept a transaction when all documentation has been received (and completed correctly) and funds (if applicable) have been received by Heritage.

*Subject to inactive low balance account considerations (see page 28 for more information)

Splitting of superannuation 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 Heritage Bank or an account with another superannuation 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 spouse should each seek independent legal advice in the event of a marriage or other relationship breakdown.

Proof of identity

The AML/CTF Act requires you to provide proof of identity before you can access your benefits in cash (lump sum or pension payments) or purchase a superannuation pension (called 'customer identification and verification' requirements).

These requirements may also be applied by Heritage in relation to the administration of your superannuation benefits as required or considered appropriate under the relevant legislation. You will be notified of any requirements when applicable. If you do not comply with these requirements there may be consequences for you, for example, a delay in the payment of your benefits.

Inactive low balance accounts

Heritage Bank is required by law to identify "inactive low-balance accounts" and sweep these accounts to the Australian Taxation Office (ATO) as part of the unclaimed monies process.

We will consider your Secure Super Account to be an "inactive low-balance account" if:

a. Your account balance is less than $6,000; and
b. You have not (for a period of 16 consecutive months) made a contribution (or had a contribution made on your behalf), or received a rollover, to your account; and
c. You do not meet a condition of release.

What happens if we can't find you?

If we're unable to contact you, and there have not been any contributions or rollover amounts credited to your account in the last 12 months, your account may be classified as 'lost'. If this happens, Heritage may legally transfer your benefit to the ATO.

Transfer of a lost account to the ATO will also result in you ceasing to hold the Secure Super Account. Unclaimed monies can be claimed directly from the ATO. To search for lost super or to learn more go to ato.gov.au

Updating your contact details

It's important to let us know if any of your personal details change – particularly your address, email address and mobile phone number. We can only send you information you need and ensure you receive your benefit entitlements on retirement if we have your current contact details. You can update your details online 24 hours 7 days a week or by contacting us on 13 14 22.

Your circumstances

The information provided in this PDS is general information about the features, benefits, risks and costs associated with the Secure Super Account. It doesn't take into account your personal financial situation or needs. Should you have any further queries about our Secure Super Account, please ring the Heritage Contact Centre on 13 14 22, available 24/7.

Your cooling off rights

A cooling-off period of 14 days applies. We will return your money to you if it is an unrestricted non-preserved benefit (or roll it to a fund you nominate if it includes a restricted non-preserved or preserved benefit) after proof of verification of identity. No fees will apply (but there may be some tax payable) if you cancel your application within 14 days from the date that you opened your account. Refer to the section called "Preservation" on page 13 for more information about these benefit types.

Protecting your privacy

The protection and maintenance of your personal information is of the utmost importance to Heritage. We take the ongoing trust that you place in us to protect your personal information very seriously. When handling your personal information we are bound and committed to complying with the Australian Privacy Principles in the Privacy Act 1988. A copy of Heritage's Privacy Policy is available at heritage.com.au/privacy. The Privacy Policy sets the way in which we collect, use, disclose, store and protect your personal information. You have the right to access any personal information held by Heritage, unless one of the exceptions listed in the Privacy Act 1988 applies.
A fee may apply for providing this information.

Resolving Complaints

If you are unhappy with your Heritage experience and wish to make a complaint, please contact us at:

Heritage Bank
PO Box 190
Toowoomba QLD 4350

Phone
Australia: 13 14 22
Overseas: +61 7 4690 9000

Fax: 07 4694 9782
Email: superannuation@heritage.com.au
Website: heritage.com.au/complaints

Information about how we manage complaints is available on our website. We aim to resolve all complaints within 21 days but in some cases it may take a little longer, up to 45 days. Complaints about death benefit nominations require response within 90 calendar days after expiry of the 28 day period for objecting to a proposed death benefit distribution. If you are not satisfied with our handling of your complaint or our decision, you may lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides free and independent financial services complaint resolution and can be contacted at:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Phone: 1800 931 678
Email: info@afca.org.au
Website: afca.org.au

Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult AFCA to find out if or when the time limit relevant to your circumstances expires.

Accessibility
Heritage can provide you with information about how we manage complaints in alternative formats and languages upon request. If you have a hearing or speech impairment, you can access additional support through the National Relay Service on 1300 555 727. Heritage also offers a free interpreter service for our members.

Find out more

Visit heritage.com.au

Call 13 14 22

Connect with us

Facebook: facebook.com/heritage

Twitter: @heritagebank

YouTube: youtube.com/HeritagePeopleFirst

Talk to us today.

Heritage Bank

People first.

Heritage Bank a trading name of Heritage and People's Choice Limited. ABN 11 087 651 125.
Australian Financial Services Licence and Australian Credit Licence 244310. SI003 Effective 05/24