

# Part 1

## Investment Accounts

Product Disclosure Statement (Corporations Act (Cth) 2001)

Investment Accounts Product Disclosure Statement (PDS) comprises of the following documents

Part 1 Product Disclosure Statement for the investment accounts

- A 12 Months Regular Income
- B Term Deposit
- C 50+ Investment Term Deposit

Part 2 Fees and charges

Part 3 Savings and Term Deposit Account interest rates



**Police Credit**  
*Securing your future*

This Product Disclosure Statement is required to be given by Police Credit to members when issuing a financial product to them. It contains all details that might reasonably be expected to have a material influence on the decision of a customer as to whether to acquire this product.

If you are looking to acquire any of the Credit Union products referred to in this PDS, please refer to Parts 1, 2 and 3 of this PDS.

Product Issuer:  
**Police Association Credit Co-operative Limited**  
ABN 33 087 651 661 AFSL 240293  
121 Cardigan Street Carlton Vic 3053  
PO Box 669, Carlton South VIC 3053  
T 13 63 73 F 03 9349 3113  
E [carlton@policecredit.com.au](mailto:carlton@policecredit.com.au)  
[www.policecredit.com.au](http://www.policecredit.com.au)

# Investment Accounts

## Benefits

Police Credit's Investment accounts have the following benefits:

- Higher rate of interest than an at-call savings account
- Interest rates fixed for the term of the deposit which may be a benefit if interest rates decrease
- Interest is calculated on daily balance.
- All funds up to and including a total of \$1Million for any individual are automatically government guaranteed under the Banking Act's Financial Claims Scheme.

# A 12 Months Regular Income

## Brief description of product

Police Credit's 12 Months Regular Income account provides for a 'fixed' term account where the interest is paid to the account holder on a regular basis. The 12 Months Regular Income account has the following features

- 12 month fixed term
- Minimum deposit \$5,000
- Subsequent deposits \$2,000 minimum
- Interest paid fortnightly, monthly, quarterly or annually
- Interest rates vary according to amount of deposit
- Own branch access for over the counter withdrawals/deposits.

## Benefits

The 12 Months Regular Income account has the following benefits:

- Interest paid regularly to member or their nominated account
- Interest can compound annually or be paid monthly, quarterly or annually.

For current interest rates refer to the Savings and Term Deposit Account Interest Rates brochure which forms part of this PDS.

If you are looking to acquire any of the Credit Union products referred to in this PDS, please refer to Parts 1, 2 and 3 of this PDS.

## Risks

As the withdrawal of funds prior to the maturity period requires prior agreement of Police Credit your investment may carry the following risks:

- Funds are not accessible to early withdrawal by you, unless agreed to by us
- Any early withdrawal may be subject to a reduction in the interest rate
- As the interest rate is fixed for the term of the deposit you may be disadvantaged if there is an increase in interest rates.

All funds deposited within the account are capital guaranteed by Police Credit.

## Significant features of this product

An important feature which applies to this product is that while the minimum deposit is \$5,000, additional deposits of a minimum of \$2,000 are permitted. Deposits below \$2,000.00 can only be added to the account on maturity. This will affect the way that you can operate this account and our rights to protect Police Credit from loss.

For further significant features applying to this product, please refer to the section entitled 'Significant features of these investment products' of this PDS. For terms and conditions refer to our General Information, Terms and Conditions booklet available on our website, at any branch or on request through Member Response 13 63 73.

## B Term Deposit

### Brief description of product

Police Credit's Term Deposit account is a 'fixed' term account with the following features

- 3-60 months fixed terms are available
- Minimum deposit \$5,000
- Interest rates vary according to amount of deposit and term
- Own branch access for over the counter withdrawals/deposits.

### Benefits

The Term Deposit account has the benefit of interest being credited annually and on maturity.

### Risks

As the withdrawal of funds prior to the maturity period requires prior agreement of Police Credit, your investment may carry the following risks:

- Funds are not accessible to early withdrawal by you, unless agreed to by us
- Any early withdrawal may be subject to a reduction in the interest rate please refer to the section entitled 'Significant features of these investment products'
- As the interest rate is fixed for the term of the deposit you may be disadvantaged if there is an increase in interest rates.

### Significant features of this product

An important feature which applies to this product is that additional deposits can only be added to term deposits on maturity. This will affect the way that you can operate this account and our rights to protect Police Credit from loss.

For further significant features applying to this product, please refer to the section entitled 'Significant features of these investment products' of this PDS. For terms and conditions refer to our General Information, Terms and Conditions booklet available on our website, at any branch or on request through Member Response 13 63 73.

## C 50+ Investment Term Deposit

### Brief description of product

Police Credit's 50+ Investment Term Deposit account is a 'fixed' term account with the following features

- 12-60 months fixed terms available
- Available to personal customers only
- Minimum deposit \$50,000
- Subsequent deposit \$10,000 minimum
- Interest rates vary according to term of deposit and interest payment frequency
- Own branch access for over the counter withdrawals/deposits.

## **Benefits**

The 50+ Investment Term deposit account has the benefit of having a higher interest rate than other term deposits and interest can compound annually or paid monthly, quarterly or annually.

## **Risks**

As the withdrawal of funds prior to the maturity period requires prior agreement of Police Credit, your investment may carry the following risks:

- Funds are not accessible to early withdrawal by you, unless agreed to by us
- Any early withdrawal may be subject to a reduction in the interest rate. Please refer to the section entitled 'Significant features of these investment products' of this PDS.
- As the interest rate is fixed for the term of the deposit you may be disadvantaged if there is an increase in interest rates.

All funds deposited within the account are capital guaranteed by Police Credit.

## **Significant features of this product**

An important feature which applies to this product is that while the minimum deposit is \$50,000, additional deposits of a minimum of \$10,000 are permitted. Deposits below \$10,000 can only be added to the account on maturity. This will affect the way that you can operate this account and our rights to protect Police Credit from loss.

For further significant features applying to this product, please refer to the section entitled 'Significant features of these investment products' of this PDS. For terms and conditions refer to our General Information, Terms and Conditions booklet available on our website, at any branch or on request through Member Response 13 63 73.

## **Significant features of these investment products**

Set out below are some important features of the investment products. These will affect the way that you can operate the account and our rights to protect Police Credit from loss.

### **Amounts payable at time of issue**

There is no purchase price or associated costs for these financial products payable at the time of issue.

### **Commissions, fees and charges**

There are no transaction fees and charges you may incur when using the investment accounts. However, you may incur an Interest Reduction if you redeem your funds prior to maturity.

## **Interest Reduction**

This reduction is not a fixed amount but a reduction in the interest rate from the interest rate applicable to the account for the current interest period\* at the time of the early redemption to the interest rate applicable to at-call accounts. This affects the interest paid to you.

For example - If your term deposit is currently accruing interest at 4.790%p.a. and you redeem your funds prior to maturity, the interest rate applied to the current interest period may be the interest rate applicable to the Multipack At-Call account of 0.10%p.a.

\*The interest period is the period of time that has elapsed since the last interest paid date to the date of redemption.

Police Credit reserves the right to vary the method of calculation of the interest reduction at any time.

Please refer to the Fees and Charges brochure which forms part of this PDS or call Member Response on 13 63 73 for more information.

No commission is received by or paid to a third party in relation to the issuing of this product.

## **Terms and Conditions**

Terms and conditions of our investment products are contained within our General Information, Terms and Conditions booklet, which also advises on our at call savings accounts and account opening.

## **Other significant features**

### **Opening an account**

To meet international standards and to help protect business from being misused for money laundering and terrorism financing Australia Police Credit complies with the Anti-Money Laundering and Counter Terrorism-Financing Act 2006.

As a customer or potential customer of Police Credit, in seeking certain services you may be asked to verify your identity. As a member of Police Credit you will also be asked at various times to verify the continuing accuracy of personal information you have previously supplied. By doing this you are helping to protect Australian businesses from being misused for the purposes of criminal activity.

Phone us on 13 63 73 to obtain guidance on the types of documents you should provide to verify your identity.

### **Statements**

We will provide you with a statement of all activity on your account at least once every three months. However, you can also ask us

to provide statements on a more regular basis (eg every month). There is a charge if you ask for a replacement statement.

### **Combining accounts**

If you have more than one account (including a loan account) with us, we may set off the credit balance of any of your deposit accounts against any debt owing by you to Police Credit from time to time. This means that we can transfer money from one account to another if one of the savings account is overdrawn without prior authorisation or a loan repayment has not be made. We will inform you if we have exercised this right of set-off.

### **Using cheques**

Cheques deposited by you – once a cheque is deposited to your account, it may take up to five working days before the cheque is cleared.

### **Early Redemptions**

Deposits cannot generally be withdrawn prior to maturity. However, under special circumstances Police Credit may, at its discretion, agree to a request from the member for the full or partial redemption of the deposit prior to the expiry of its full term.

If an early redemption is required, the request must be in writing. The request must advise the amount that is needed, the reason and withdrawal details. If the account is held in joint names, all parties must sign the letter, regardless of the method of operating the account.

Police Credit may at their discretion charge an Interest Reduction. (Refer Commissions, fees and charges)

### **Maturity Notices**

Maturity notices are sent to account holders at least one week prior to the maturity date, along with current interest rates.

If maturity instructions are not received prior to maturity date, the deposit will be renewed in a new fixed term deposit for the same or similar term and interest will be paid in accordance with previous instructions. The interest rate advised in the notice of maturity or where standard interest rate for that term has increased as at the maturity date, the interest rate on the date of maturity.

### **Term Certificates**

Term Certificates will be sent to the account holder following initial lodgement and after each renewal date.

### **Dispute resolution procedures**

Police Credit has its own internal dispute resolution procedures. These procedures are set up to deal with any disputes concerning

these products or their associated features. Any complaints can be made to Police Credit's Complaints Officer by calling 13 63 73. Complaints will be dealt with according to established guidelines and will ensure fairness to all our customers.

Should we be unable to satisfactorily resolve your dispute there is also an external dispute procedure available to you.

A copy of our Complaints Dispute Resolution Guide which details our procedures, is available on our website [www.policecredit.com.au](http://www.policecredit.com.au), from any branch or by calling Member Response on 13 63 73.

### **Taxation implications**

Under the Income Tax Assessment Act 1997, tax may be payable on any interest earned on monies deposited in your account.

### **Tax file number**

You are not obliged to disclose your Tax File Number to us. However, if you do not we are obliged to deduct tax from any interest you earn at the highest marginal rate.

### **Closing your account**

You can close your account/s by

- mail by written advice or completing a withdrawal form
- via Member Response if the account operation permits and you have quoted your Keyword.

Upon closing the account, you, as the account holder, will be required to pay any amounts owing to Police Credit and any credit balance will be refunded.

Police Credit also reserves the right, in certain circumstances, to close an account and forward any proceeds, less applicable charges, to you as the account holder.

Should Police Credit decide to exercise this right it will advise you as the account holder in writing before actually closing the account.

### **Mutual Banking Code of Practice**

Police Credit recommends that you read our General Information, Terms and Conditions booklet which includes information on:

- how to operate your account
- variations to our terms and conditions, interest rates and fees and charges
- our confidentiality and privacy obligations.

Police Credit is committed to complying with the Mutual Banking Code of Practice.

**Further information**

If you require further clarification of any of the accounts referred to in this PDS, then please contact Police Credit on 13 63 73 or call into one of our branches. This Product Disclosure Statement was prepared on 12 April 2010.

The information contained in this document is up to date at the time of issue to customers. This PDS is not required to be lodged with ASIC and ASIC is not responsible for any of its content.



