

Commonwealth Bank First Home Saver Account

Product Disclosure Statement.
(No longer available for sale)



Determined to be different

1 February 2012

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1. Who can have a First Home Saver Account

You should consider opening a First Home Saver Account if you:

- only want to use your savings to buy or build your first home in Australia to live in ('buy your first home'), and
- are able to save at least \$1,000 a year (\$20 a week) in 4 separate financial years – they do not need to be in a row.

A financial year is from July 1 to June 30.

To open an account, you must:

- be aged 18 or over and under 65
- have a tax file number
- have never owned a home in Australia that you have lived in, and
- have never opened a First Home Saver Account before.

You can open another First Home Saver Account if you are transferring your savings from one First Home Saver Account to another – see section 8.

If you are saving with others

Each person must open their own individual First Home Saver Account – each of you can then receive the benefits of having a First Home Saver Account.

You cannot open a joint account with someone else.

If you are unsure about your eligibility go to **www.ato.gov.au**

2. How the First Home Saver Account works

How you can use the savings in a First Home Saver Account

You can only withdraw your savings for four purposes:

1. To buy your first home.
2. As money you can add into super.
3. As money you can withdraw as a lump sum if you are aged 60 or over.
4. As money you can pay into a genuine mortgage.

How to save with a First Home Saver Account

- You put money into your account the same way as you would make deposits into a normal bank account. You can do this at anytime, and for as long as you need to save.
- You cannot salary sacrifice into your account.
- You do not need to put money in every year – but your account will only get Government contributions when you do.
- Once the total amount in your account reaches \$85,000 – including Government contributions and income from investment earnings – you cannot put any more money into your account.
- You can keep your account open until you:
 1. Buy your first home;
 2. Are eligible to pay the money into a genuine mortgage; or
 3. Turn 65.

When you turn 65 you must close your account and withdraw all of your savings, or move it into your super.

3. How the Government helps you save

The Government boosts your savings with contributions and a low rate of tax on the income your investment earns.

When you put money into your account the Government puts money in too

- When you put a dollar into your account, the Government will contribute 17 cents.
- Any money you put in up to a total of \$5,500 in a financial year will get this Government contribution – anything over this amount will not.

For example, if you put \$5,500 into your account in one financial year, the Government will contribute \$935 to your savings.

If you are saving with other people that have their own First Home Saver Accounts, each person will receive Government contributions on the money they put into their account.

- Government contributions are paid directly into your First Home Saver Account after you have lodged your tax return and the Commonwealth Bank has told the Tax Office how much you have put in.

You are not taxed:

- on the money you put into your account
- on the Government contributions, or
- when you withdraw your savings for your first home.

There is a low rate of tax on the interest your savings earn

Earnings on First Home Saver Accounts are taxed at 15%, but this is paid to the Tax Office by the Bank.

4. How the Commonwealth Bank helps you save

Your savings earn high interest

- The savings in your Commonwealth Bank First Home Saver Account earn a high variable interest rate, helping you to get your first home quicker.

See our website commbank.com.au, call **13 2224** or ask at any branch for our current interest rate.

The Commonwealth Bank First Home Saver Account is a bank account – so what you put in, stays in. And, we don't charge any day-to-day fees which can also reduce your savings. There are some fees charged in special situations and these are set out in our Terms and Conditions brochure which will be provided to you.

An example of how your savings can grow

If you save \$100 a week for four years, your savings could grow to around \$27,000, after Government contributions and interest.

This is a general example based on an interest rate of 5% p.a. (after tax) and may be different from the actual interest rate the Commonwealth Bank pays.

To find out how much you need to save use the calculator at www.fido.gov.au/firsthomesaver

5. What happens if your situation changes

You should consider the following situations before choosing this account.

You decide not to buy a first home

If this happens you can choose to:

- move your savings into your super, or
- withdraw your savings as a lump sum if you are aged 60 or over.

You don't have any money to put into your account

You do not need to put money into your account every year.

You can choose to:

- start saving again when you can
- move your savings into your super, or
- withdraw your savings as a lump sum if you are aged 60 or over.

You buy your first home before meeting the minimum release condition

- You can transfer your savings into a genuine mortgage at the end of the qualifying period providing you have informed us within 30 days of buying your first home.
- You can use the savings in your account if you are buying your home with someone else who has put \$1,000 in their First Home Saver Account in four separate financial years.
- You will not be able to make any further contribution to your account once you have bought your home.
- You must tell us within 30 days when you buy your first home or penalties may apply.

You haven't put \$1,000 a year into your account in 4 separate financial years (they do not need to be in a row) and you want to close your account

You can choose to:

- move your savings into your super, or
- withdraw your savings if you are 60 or over.

You move overseas

You can keep your account open, and continue to put money into your account – but, you won't receive any Government contributions if you are overseas for an entire financial year.

You experience hardship

After moving your savings into your super you may apply to access your super under the early release provisions.

These include severe financial hardship, permanent disability or on specified compassionate grounds.

6. Using your savings for your first home

Withdrawing your savings

You can withdraw your savings to buy your first home:

1. After you have put at least \$1,000 a year into your account in four separate financial years (they do not have to be in a row).
2. After you have exceeded the \$85,000 cap and have held your account for four separate financial years in a row.
3. If you are buying your first home with other people that have First Home Saver Accounts and if just one of you has put \$1,000 into your account in four separate financial years.
4. Where you have bought your first home before meeting the conditions in 1-3 above, you will be able to withdraw your savings where you have provided us with notice by completing the *Notification of Home Purchase for a First Home Saver Account* form within 30 days of purchase and met the minimum release conditions.

When you're ready to use your savings for your first home

1. Apply to the Commonwealth Bank to withdraw all of the money from your First Home Saver Account. To check that you meet the withdrawal rules go to **www.ato.gov.au**
2. Close your First Home Saver Account. Generally, you will not be able to open another First Home Saver Account.

You must live in your first home for at least 6 months

- within 12 months of settlement, or
- on completion of building construction.

7. The fees

We do not charge you any day-to-day fees on your account

There are no day-to-day fees that apply to this type of account. There are some fees charged in special situations and these are set out in our Common Banking Services Standard Fees and Charges brochure which you can get a copy from our website, calling us or visiting any branch.

8. How to open an account

To open an account

1. Call **13 2224** between 8am and 10pm, 7 days a week, or visit your local branch.
2. Fill out the application form.
3. Make an initial deposit into your account.

You cannot open a joint account with someone else.

If you change your mind

We provide a cooling-off period that lets you close your First Home Saver Account within 14 days, with a refund of your deposit.

- You will need to complete the form available from any branch within 14 days of opening account.
Then simply mail or fax it to:
Fax: 03 8327 0285
Mail: Melbourne OPC
Level 3, 83 Batman Street
Melbourne VIC 3003
- We will refund your deposit, minus any taxes we have paid.

You can transfer your savings to another First Home Saver Account provider

If you do, we will transfer the savings in your account to your new provider.

Your old account will be closed as soon as your savings have been transferred.

9. Where to go for more information

Commonwealth Bank enquiries

Please call us on 13 2224. We're here to help between 8am and 10pm, 7 days a week.

Alternatively drop into your local branch, or visit our website commbank.com.au/firsthomesaver

First Home Saver Account enquiries

For information about First Home Saver Account eligibility, fees and taxes, plus links to savings calculators and other useful online tools visit www.ato.gov.au

Financial Claims Scheme

The Financial Claims Scheme, under the Banking Act, covers deposit amounts you hold in a bank in aggregate up to a statutory prescribed limit (please note that for the purposes of calculating this total joint accounts are considered to be held in equal shares). You may be entitled to a payment in some circumstances. Payments under the scheme are subject to a limit for each depositor. Information about the Financial Claims Scheme can be obtained from the APRA website at www.apra.gov.au and the APRA hotline on **1300 55 88 49** (if calling from within Australia) or **+61 2 9210 3480** (if calling from outside Australia).

Complaints

Let us know by lodging your dispute at either a branch (preferably where you have your account) or by calling **13 2221** (24 hours, 7 days a week). Our staff will fully review the situation and, if possible, try to resolve it straight away.

If the complaint has not been resolved to your satisfaction you can contact our Customer Relations Team on **1800 805 605**. If you are still not satisfied you can refer the complaint to the Financial Ombudsman Service on **1300 780 808** or **www.fos.org.au**

About us: This Product Disclosure Statement is issued by the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945. Ground Floor, Tower 1, 201 Sussex Street, Sydney NSW, 2000.