

# Farm Management Cash Management Account Product Schedule

NB: This **Product Schedule** is specific to the above account and/or any facility made available with the account. Together with the Schedule you will be given our **Bankwest Investment and Transaction Accounts Terms and Conditions**, our **Bankwest Banking Services Rights and Obligations brochure**, our **Bankwest Your Guide to Banking Fees brochure** and our **Bankwest Account Access Conditions of Use**. Together these documents comprise the Bank's **Product Disclosure Statement (PDS)** for the account and/or facility.

## 1 ABOUT THE FARM MANAGEMENT DEPOSIT - CASH MANAGEMENT ACCOUNT

- 1.1 The Account is made available to primary producers in order that they may take advantage of the tax benefits available under the Income Tax Assessment Act 1997 (Cth) in respect of farm management deposits.
- 1.2 The Account is only available to an individual including an individual trustee acting for a beneficiary who is under a legal disability. The Account is not available to individuals jointly, partnerships or corporations.
- 1.3 The Commonwealth's Farm Management Deposit Scheme under the Income Tax Assessment Act 1997 (Cth) is designed to allow primary producers with a taxable non-primary production income of not over \$100,000 (from 1 July 2014) to shift before-tax income from years when they need it least to years when it is most needed, in order to assist them manage their exposure to adverse economic events and seasonal fluctuations.
- 1.4 Specific requirements applying to this account are set out in the Income Tax Assessment Act 1997 (Cth). A breach of the requirements may result in the deposit not being treated as a farm management deposit and the loss of tax benefits.
- 1.5 The Scheme allows primary producers, under the Pay As You Go system, to reduce their instalment income for an instalment period by the amount of farm management deposits made during that period. The reduction is limited to the amount that you can reasonably expect to deduct for the deposit for the income year in which the deposit is made. However, the instalment income for the period cannot be reduced below nil.
- 1.6 When you withdraw funds from the farm management deposit in an instalment period, your instalment income of the period will include the amount of the withdrawal. But your instalment income will only include so much of the withdrawal as can be included in your assessable income for the income year in which the withdrawal is made. If neither your tax file number, nor Australian Business Number, has been given to Bankwest, the amount withdrawn will also be subject to withholding at a rate equal to the sum of the top marginal tax rate and the Medicare levy.
- 1.7 You, as the owner of the deposit, must be a primary producer when the deposit is made.
- 1.8 The deposit must be made by only one person and on behalf of only one person.
- 1.9 Effective 1 July 2016, you may hold more than one farm management deposit account across financial institutions, but the aggregate balance of all accounts during any year of income must not exceed 800,000.

- 1.10 Minimum and maximum deposit amounts apply. The initial deposit into the account must be at least \$1,000 and not more than \$800,000 at any time in any year of income. You can own more than one deposit and must not total more than \$800,000.
- 1.11 Once the initial deposit is made, no additional deposits can be made to the account. Where further funds are to be deposited, a new account must be opened.
- 1.12 Your rights as depositor are not, and must not be, transferable to another person.
- 1.13 The deposit must not be used as security for any amount owed to us or any other person.
- 1.14 The deposit must not be used, as a mortgage offset account or otherwise, to reduce your liability to pay interest on other debts owed to us.
- 1.15 At your request and cost we will transfer the total credit balance of the account by electronic means only to another financial institution that agrees to accept that amount as a farm management deposit. You agree to provide every assistance reasonably necessary to effect this transfer.
- 1.16 The amount of any repayment of the deposit must be at least \$1,000 except where the entire amount of the deposit is repaid.

## 2 FEES AND CHARGES

There are no bank fees or charges on this account.

## 3 INTEREST

- 3.1 Interest or other earnings on the deposit must first be paid to you before being invested as a farm management deposit with us.
- 3.2 We will pay you interest calculated up to and including the second last business day of each month. We will credit this interest on the last business day of each month to your nominated Bankwest branded account (the account nominated cannot be this account). Interest for any day after the second last business day will be included in the next period.
- 3.3 The interest rate is variable. This means that any rate which is stated in this Product Schedule may be changed by us at any time. Any change to an interest rate will be notified in the press and on our website. You can obtain information about our current rates by visiting our website at [www.bankwest.com.au](http://www.bankwest.com.au) or by calling the Bankwest Business Customer Support Team on 13 70 00.
- 3.4 The credit interest rate tiers are as follows:

Amount From	Amount To	Interest Rate (p.a.)
\$0	\$4999.99	0.80%
\$5000	\$9999.99	0.80%
\$10000	\$19999.99	0.80%
\$20000	\$49999.99	0.80%
\$50000	\$99999.99	0.80%
\$100000	\$249999.99	0.80%
\$250000	And over	1.30%

## 4 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 Claim Scheme can be obtained from <http://www.fcs.gov.au>.

## 5 UNCLAIMED MONIES

Farm Management Deposits (**FMD**) were made exempt from the unclaimed monies provision contained in the Banking Act 1959 (Cth) on 30 May 2014. Where an account ceases to be an

FMD, for example because the holder dies, becomes bankrupt or ceases to be a primary producer, the unclaimed moneys provisions will apply.

I.e. if the account ceases to be an FMD and you do not make a deposit or withdrawal on the account for seven (7) years, and the Bank subsequently is unable to contact you despite its reasonable efforts, the Bank will close the account without giving notice and will transfer any credit balance to an unclaimed moneys fund. You may apply for the transferred balance to be returned to you at any time.