



Te Uniana Whakanama Pirihimana

BLUENOTES

Issue 99

April 2024

Thanks to those of you who have shared your stories about your history with PCU so far, we're looking forward to sharing some of these in the next Bluenotes.

At the end of February, we farewelled our Chief Executive Craig Pomare. In his time here Craig was pivotal in launching not only Retire Easy and First Home TOGETHER, but also our partnership with NZDF which was officially launched on 1st February 2024. We thank Craig for his time here and wish him all the best for his future endeavours.

We've begun the search for our new CE, and in the meantime, Richard Middleton is back managing the PCU team and keeping the ship steady.

Upcoming legislation

As always in banking, there's new legislation on the horizon! We've already started the work on preparing for these, with the two main changes headed our way being:

Conduct of Financial Institutions (CoFI)

A review by the Financial Markets Authority (FMA) and Reserve Bank of New Zealand

UPDATE FROM OUR CHAIR



A lot has happened since we celebrated our 50th anniversary!

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showed that customers weren't always treated fairly by financial institutions. Because of this, the CoFI legislation was introduced to make sure there's fairness in services offered by banks and non-banks. As an organisation that exists to do what's best for our members, this doesn't change anything we already do! But it does mean we're working on being officially licensed through the FMA by 31 March 2025.

Deposit Compensation Scheme (DCS)

The Reserve Bank is bringing in a new depositor compensation scheme in mid-2025. This scheme was created under the Deposit Takers Act and will protect up to \$100,000 of each customer's money, and \$200,000 of joint

customers money held in each financial institution (such as a bank or credit union). As PCU is a deposit taker, our members will be covered under DCS.

The scheme itself is funded by deposit takers, which means there'll be a new cost for us once it's in place. As we get closer to the launch, we'll be providing guidance and information on what it means for you. You can find out a bit more about the DCS at www.rbnz.govt.nz/education/explainers/dcs.

Financial Pressure

As you all know, the cost of living has been hitting Kiwi's hard, and our members are no different. We've been hearing and seeing the impact of this and have already supported some members who found themselves in financial difficulty.

If you're feeling concerned, it's important to get help as soon as possible. The earlier you reach out, the better we can support you. We're here for the financial wellbeing of Police and their whānau and will do what we can to help.

Ngā mihi nui,
Lane Todd
Chair of the Board

DEALING WITH THE COST OF LIVING

There's no denying that many Kiwi's are doing it tough with the cost of living crisis. We've put together three tips to help with managing your money.



Have a money plan

Do you know how much you're shelling out at the supermarket each month?

Turns out, many members underestimate their supermarket spending, often by hundreds of dollars a month.

Having visibility on how much money you've been spending where, helps you see where you could have space to flow money towards your goals. Take some time to look at your bank statements from the last couple of months to see where your money's been going and if you can make changes.

If you don't have a budget there's heaps of templates, tools and apps out there. You can check out Sorted NZ for a free planner at: www.sorted.org.nz/tools/budget-planner/



Make saving easy

It's tough to save if there's not much left each pay, or if you're the kind of person with a 'spend' rather than 'save' money mindset.

Members have told us their number one tip for easy savings is to set up a salary deduction to their PCU savings accounts. Police employees can set up a salary deduction which automatically pops money into a savings account before their pay hits their bank. If you want to set one up, get in touch with us. If you can't use a salary deduction, setting up an automatic payment works too!

Having a savings account that's out of sight of your main bank helps build your savings. Just make sure to set up a realistic amount to save so you're not dipping into it all the time.



Be careful taking on debt

Buy Now Pay Later (BNPL) is a popular way to spread out the cost of buying something.

Over time we've noticed members have found themselves in financial strife because they've taken on too many and the fortnightly payments means they're struggling.

Store Cards offering interest-free payments for a period of time are popular too, but once the interest-free period runs out members end up on a high interest rate to pay off the balance.

Be mindful when taking on these types of debt. If you've taken on too much high-interest debt, you could consider consolidating that at a lower rate. Find out more at: www.policecu.org.nz/loans/personal-loans/debt-consolidation/.

If you want to read more about dealing with the cost of living, check out Sorted NZ's page dedicated to providing tips, tools and resources for managing your money: www.sorted.org.nz/help-with-the-cost-of-living/

Talk soon . . .

And remember – Stay safe out there!

Money Penny

THINKING OF BUYING YOUR FIRST HOME?

In September 2022 we launched First Home TOGETHER to help Police and their whānau get into their first home, faster. Since then, we've helped seven members buy their first home and want to help more!

If you're struggling to save up enough for a house deposit, **First Home TOGETHER (FHT)** could double your deposit and halve the time it takes to get into your first home.

With the recent increase in enquiries and applications for **FHT** we've popped together some tips for members who are thinking about applying. This info is designed to help you see if **FHT** is right for you and to improve your chance of a successful application.

1 Use the scenario calculator

Our scenario calculator allows you to see how much 'deposit help' you may be eligible for, the maximum purchase price of a property based on your deposit, and an indication of your home loan repayments.

This will give you a good idea of whether the home loan will be affordable and if you've saved up enough deposit to buy the type of house you want.

Have a play with our calculator here:
www.policecu.org.nz/loans/first-home-together/Scenario_Calculator/.

Note – you'll need to be on a desktop to use this calculator.

2 Find out if FHT is right for you

As a shared ownership home loan package, **FHT** isn't suitable for everyone. It can only be used to buy a house that is already built, so if you want to purchase some land and build a house, you'll need to look into other options.

You might have a big enough deposit saved that you'd be better off with a standard home loan rather than **FHT**.

Have a read through our website and brochure to get an idea of whether **FHT** could work for you:
www.policecu.org.nz/loans/first-home-together/.

3 Get your money ready

You've played with the calculator, read up on how **FHT** works, and you're getting serious about applying... what now?

To improve your chance of approval, we encourage you to review your last 3 months of bank statements and see if you should make some changes before you hit submit.

When you apply for **FHT**, we review the last three months of all your bank accounts to understand your expenses, spending and saving. We're looking for consistent savings, reasonable spending, and that all your bills are paid on time.

If you've had a couple of months of unusual spending like a long holiday, big purchases, or short-term expenses, it's worth making a money plan and sticking to it for three months before you apply. You could try "pretending" you have a mortgage for that time and save up the difference between your rent and a mortgage payment.

A consistent period of sticking to a budget will make it easier and faster for us to assess your application and give you insight of what your money situation will be once you buy that dream home!



Retire Easy...

... with a PCU reverse mortgage!

Retire Easy is for members aged 70+ who want to free up some cash in their home.

Find out more and apply online:
policecu.org.nz/loans/retire-easy



INTEREST RATES ON SAVINGS ACCOUNTS

As at 20 April 2024

Term Deposits

3 months	4 months	5 months	6 months	7 months	8 months	9 months	12 months	18 months	24 months
4.10% p.a.	4.20% p.a.	4.65% p.a.	6.00% p.a.	6.10% p.a.	6.10% p.a.	6.15% p.a.	6.00% p.a.	5.80% p.a.	5.60% p.a.

Interest can be paid out monthly, quarterly or six monthly.

Interest on Term Deposits 12 months or longer can be compounded quarterly, six monthly or annually

On maturity, Term Deposits can be reinvested, paid into your Credit Union account or paid out to an external bank account

Savings

Balance	Bonus Saver	Future Saver	Achiever Saver	Christmas Club
\$1+	4.50% p.a.* Includes bonus interest of 3.75% p.a.	4.50% p.a.* Includes bonus interest of 3.75% p.a.	2.40% p.a.	2.30% p.a.

Interest is calculated daily and paid monthly.

* By depositing at least \$20 per calendar month, with no withdrawals in the calendar month, you will earn bonus interest on your total daily balance.

All interest rates are subject to change without notice.



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POLICE HELPING POLICE

Copies of our current Terms and Conditions and Product Disclosure Statement are available from the Police and Families Credit Union. These can be viewed at policecu.org.nz, or by calling **0800 429 000**.

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