

# Interest FAQs - Personal Banking

Effective Date: 28 June 2023

The current interest rates that apply to your account can be found at [newcastlepermanent.com.au/rates](https://newcastlepermanent.com.au/rates) or upon request.

Interest type	Standard	Bonus	Tiered	Strata	Variable	Fixed
	Interest that is earned each day that you have a positive closing balance.	Interest that is earned if eligibility requirements are met.	A single interest rate that applies to the entire daily opening balance. The interest rate depends on your daily account balance.	Different rates of interest apply to the different portions of an account's daily opening balance.	The interest rate can change at any point in time without notice.	The interest rate is fixed for a set period of time.
Everyday	✓	✗	✓	✗	✓	✗
Special Monthly Interest	✓	✗	✗	✓	✓	✗
Smart Saver	✗	✓	✓	✗	✓	✗
Smart Saver for Under 25s	✗	✓	✓	✗	✓	✗
Online Savings	✓	✓	✓	✗	✓	✓ <sup>1</sup>
Term Deposit	✓	✗	✗	✗	✗	✓

 1. The Online Savings Introductory Bonus rate offer is a fixed rate.

Account Type	How we calculate interest	When interest is paid	Notes on interest
Everyday	Annual interest rate divided by 365, on the daily opening balance.	<b>6 monthly</b> , on the last day of June and December, or on account closure.	<ul style="list-style-type: none"> <li>– There are no interest earning requirements for the standard interest rate.</li> <li>– 100% and partial interest offset available if linked to an eligible home loan.</li> <li>– No interest will be paid to you on your account while that account is linked to a loan account under an interest offset facility (including if the balance of your account</li> <li>– Exceeds the amount owing on the linked loan account).</li> </ul>
Special Monthly Interest	Annual interest rate divided by 365, on the portion of the daily opening balance in each strata tier.	<b>Monthly</b> , on the last day of each calendar month, or on account closure.	<ul style="list-style-type: none"> <li>– Interest is credited to the account only.</li> <li>– There are no interest earning requirements.</li> </ul>
Smart Saver	Annual bonus rate divided by 365 on the daily opening balance.	<b>Monthly</b> , on the last day of each calendar month, where interest earning requirements have been met.	<ul style="list-style-type: none"> <li>– Interest is credited to the account only.</li> <li>– To meet interest earning requirements the balance needs to grow by \$150 (excluding any amounts of interest earned) by the end of the month and with no more than 2 withdrawals.</li> </ul>
Smart Saver for Under 25s	Annual bonus rate divided by 365 on the daily opening balance.	<b>Monthly</b> , on the last day of each calendar month, where interest earning requirements have been met.	<ul style="list-style-type: none"> <li>– Interest is credited to the account only.</li> <li>– To meet interest earning requirements the balance needs to grow by \$10 (excluding any amounts of interest earned) by the end of the month and with no more than 2 withdrawals.</li> </ul>
Online Savings	Annual base rate plus any applicable Introductory Bonus Rate divided by 365 on the daily opening balance.	<b>Monthly</b> , on the last day of each calendar month, or on account closure.	<ul style="list-style-type: none"> <li>– Interest is credited to the account only.</li> <li>– To be eligible to receive any interest, inclusive of the Introductory Bonus Rate or Standard Rate, all account owners must hold an Everyday Account, Home Loan or a Credit Facility with Newcastle Permanent.</li> <li>– The Standard Rate is variable and subject to change without prior notice.</li> <li>– The Introductory Bonus Rate is a fixed rate that applies for the first 3 months that won't change during the period it applies to your account.</li> <li>– If an Online Savings account is opened with the Introductory Bonus Rate offer on a particular date, then the 3 month period will end on that same date in 3 months' time.</li> </ul>
Term Deposit	Annual rate divided by 365 on the daily closing balance.	<p><b>Maturity</b>, at the end of the term.</p> <p><b>Monthly</b>, each month.</p> <p><b>Quarterly</b>, every 3 months.</p> <p><b>Half yearly</b>, every 6 months</p> <p><b>Annually</b>, every 12 months.</p>	<ul style="list-style-type: none"> <li>– Interest can be credited to the Term Deposit or into another eligible account depending on the interest frequency selection.</li> <li>– Interest is fixed for the term that is selected at the time of account opening (for a new account) or as at the date of maturity (for a reinvestment).</li> <li>– If funds are withdrawn from the Term Deposit before the maturity date or outside the withdrawal period, the account will receive the early withdrawal rate and the account will be closed. *</li> <li>– The early withdrawal rate can be found at <a href="http://newcastlepermanent.com.au/rates">newcastlepermanent.com.au/rates</a>.</li> </ul>

**i** \*WARNING: If you break a Term Deposit prior to the maturity date, the early withdrawal rate that applies could mean a significant reduction in interest or require a repayment of interest back.

### Examples of interest type

Standard	Bonus	Tiered	Strata																														
<p>Standard Interest is earned each day that you have a positive closing balance.</p> <p>The daily interest payable is calculated:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr style="background-color: #e0f2f1;"><th style="text-align: left;">Annual Standard Interest Rate</th></tr> <tr><td style="text-align: center;">÷</td></tr> <tr><td style="text-align: center;">365</td></tr> <tr><td style="text-align: center;">X</td></tr> <tr><td style="text-align: center;">Daily opening balance</td></tr> </table>	Annual Standard Interest Rate	÷	365	X	Daily opening balance	<p>Bonus Interest is earned if eligibility requirements are met.</p> <p>The daily interest payable is calculated:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr style="background-color: #e0f2f1;"><th style="text-align: center;">Annual Standard Rate (if applicable)</th></tr> <tr><td style="text-align: center;">+</td></tr> <tr><td style="text-align: center;">Bonus Rate</td></tr> <tr><td style="text-align: center;">=</td></tr> <tr><td style="text-align: center;">Total interest rate</td></tr> </table>	Annual Standard Rate (if applicable)	+	Bonus Rate	=	Total interest rate	<p>Tiered Interest is a single interest rate that applies to the entire balance daily.</p> <p>The interest rate depends on your daily account balance.</p> <p>Your balance will be looked at daily to determine which interest rate your account will earn. Different balance tiers may offer the same interest rate.</p> <p>If you have \$75,000 in your account, you will receive <b>X% p.a.</b> on the entire balance.</p> <p>If you have \$150,000 in your account, you will receive <b>Y% p.a.</b> on the entire balance.</p> <p>The daily interest payable is calculated:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #e0f2f1;"><th style="text-align: center;">Balance</th><th style="text-align: center;">Interest Rate</th></tr> </thead> <tbody> <tr><td style="text-align: center;">Up to \$50,000</td><td style="text-align: center;">W% p.a.</td></tr> <tr><td style="text-align: center;">\$50,000 – \$100,000</td><td style="text-align: center;">X% p.a.</td></tr> <tr><td style="text-align: center;">\$100,000 – \$250,000</td><td style="text-align: center;">Y% p.a.</td></tr> <tr><td style="text-align: center;">\$250,000 plus</td><td style="text-align: center;">Z% p.a.</td></tr> </tbody> </table>	Balance	Interest Rate	Up to \$50,000	W% p.a.	\$50,000 – \$100,000	X% p.a.	\$100,000 – \$250,000	Y% p.a.	\$250,000 plus	Z% p.a.	<p>Strata Interest is different rates of interest that apply to the different portions of an account balance.</p> <p>Your balance will be looked at daily to determine which interest rate your account will earn.</p> <p>If you have \$15,000 in your account, the following would apply:  <b>W% p.a.</b> would apply to the first \$9,999; and <b>X% p.a.</b> would apply to the additional \$5001.</p> <p>The daily interest payable is calculated:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr style="background-color: #e0f2f1;"><th style="text-align: center;">Balance</th><th style="text-align: center;">Interest Rate</th></tr> </thead> <tbody> <tr><td style="text-align: center;">Up to \$9,999</td><td style="text-align: center;">W% p.a.</td></tr> <tr><td style="text-align: center;">\$10,000 – \$49,999</td><td style="text-align: center;">X% p.a.</td></tr> <tr><td style="text-align: center;">\$50,000 – \$249,999</td><td style="text-align: center;">Y% p.a.</td></tr> <tr><td style="text-align: center;">\$250,000 plus</td><td style="text-align: center;">Z% p.a.</td></tr> </tbody> </table>	Balance	Interest Rate	Up to \$9,999	W% p.a.	\$10,000 – \$49,999	X% p.a.	\$50,000 – \$249,999	Y% p.a.	\$250,000 plus	Z% p.a.
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### What happens to interest?

Account closure	Account type change
<ul style="list-style-type: none"> <li>– If an account is closed mid-month interest earning requirements will be checked and interest will be paid if eligibility criteria was met.</li> <li>– If you break a Term Deposit prior to the maturity date, the early withdrawal rate that applies could mean a significant reduction in interest or require a repayment of interest back and the account will be closed.</li> </ul>	<ul style="list-style-type: none"> <li>– When converting from an Online Savings account (Including Introductory), Special Monthly Interest account or Smart Saver account to another applicable savings account, the accrued interest will only be paid at the end of the month if the interest earning requirements of the new account have been met for the entire month.</li> <li>– When converting to a transaction account (excluding the Special Monthly Interest account) from a savings account, no interest accrued will be applied or carried forward to the new transactional account.</li> </ul>

### Overdrawn Interest

<ul style="list-style-type: none"> <li>– A higher interest rate is payable by the account holder on any overdrawn amount. We will calculate interest on the overdrawn amount on a daily basis and charge it to your account on a monthly basis. Our current interest rates for overdrawn accounts are available by contacting us or at <a href="http://newcastlepermanent.com.au/rates">newcastlepermanent.com.au/rates</a>.</li> </ul>
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## Worked examples

<b>Special Monthly Interest</b>	<p>Ben has an account balance of \$60,000. A strata interest rate applies, and Ben would receive the following:</p> <ul style="list-style-type: none"> <li>– W% p.a. up to \$9,999; and</li> <li>– X% p.a. would apply to the additional \$40,001; and</li> <li>– Y% p.a. would apply to the additional \$10,000.</li> </ul>	<table border="1"> <thead> <tr> <th>Balance</th> <th>Interest Rate</th> </tr> </thead> <tbody> <tr> <td>Up to \$9,999</td> <td>W% p.a.</td> </tr> <tr> <td>\$10,000 – \$49,999</td> <td>X% p.a.</td> </tr> <tr> <td>\$50,000 – \$249,999</td> <td>Y% p.a.</td> </tr> <tr> <td>\$250,000 plus</td> <td>Z% p.a.</td> </tr> </tbody> </table>	Balance	Interest Rate	Up to \$9,999	W% p.a.	\$10,000 – \$49,999	X% p.a.	\$50,000 – \$249,999	Y% p.a.	\$250,000 plus	Z% p.a.
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<b>Smart Saver</b>	<p><b>Example one</b> John deposits \$150 into his Smart Saver Account and does not make any withdrawals during the month. As John has grown his balance by \$150 and not exceeded two withdrawals, he will be eligible to earn interest for the month.</p> <p><b>Example two</b> Samantha withdraws \$50, deposits \$150 and then withdraws another \$50 from her Smart Saver Account during the month. As Samantha has only grown her balance by \$50, she will not be eligible to earn interest for the month.</p> <p><b>Example three</b> Jennifer makes three withdrawals of \$50 and deposits \$300 into her Smart Saver Account during the month. Although Jennifer has grown her balance by \$150, she will not be eligible to earn interest for the month as she has made more than two withdrawals.</p>											
<b>Online Savings</b>	<p><b>Example one</b> Jane opens an Online Savings account on the 15th of January.</p> <ul style="list-style-type: none"> <li>– This is Jane’s first Online Savings account.</li> <li>– Jane holds an Everyday/Home Loan/Credit Facility with Newcastle Permanent.</li> </ul> <p>Jane will receive an Introductory Bonus rate for the first 3 months from 15th January until the 15th of March. From the 16th of March onwards, the Standard rate will apply to Jane’s account.</p> <p><b>Example two</b> Jane opens an Online Savings account on the 15th of January.</p> <ul style="list-style-type: none"> <li>– Jane already received the Introductory Rate 5 months ago.</li> <li>– Jane also holds an Everyday account with Newcastle Permanent.</li> </ul> <p>As Jane was received the Introductory Bonus rate within the last 6 months, she will only be eligible for the Standard rate.</p> <p><b>Example three</b> Jane opens an Online Savings account on the 15th of January.</p> <ul style="list-style-type: none"> <li>– This is Jane’s first Online Savings account.</li> <li>– Jane also holds an Everyday account with Newcastle Permanent.</li> <li>– The Everyday account was closed by Jane during February.</li> </ul> <p>Holding an Everyday account is an eligibility requirement for earning the Introductory Bonus rate. As Jane’s Everyday account was closed in February, she will only be eligible for Introductory Bonus interest in January.</p>											

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