

# Introducing Maxxia's new card program



## Employer Frequently Asked Questions

### Q What's the situation?

Due to regulatory changes brought on by the Reserve Bank of Australia (RBA), Maxxia – and other providers in the salary packaging industry – will have to alter the way such cards are provided and charged. These changes will come into effect in the second half of 2017.

### Q Why is this happening?

As a result of the RBA's reforms to card programs, Maxxia's current card provider, ANZ, has assessed its involvement and decided to cease providing debit and prepaid cards to the salary packaging industry.

### Q What has Maxxia done in response to the announcement?

Despite ANZ's announcement being unexpected, Maxxia quickly launched a formal evaluation process. After an exhaustive undertaking, it was decided that EML Payment Solutions (EML) offered the preferred solution and were capable of providing a stored value debit card with increased functionality, convenience and value.

### Q Who are EML?

EML is an ASX listed, Australian company with a large and diverse customer base. In 2016, over 7.3 million EML cards were activated globally.

### Q Were other options considered?

Yes. Maxxia undertook an extensive market scan and evaluation process before arriving at the decision to go with EML.

### Q How will this change affect employers?

There will be minimal impacts for employers, with Maxxia appointing additional resources to managing the entire transition from the outgoing ANZ cards to the new card, called the Maxxia Wallet.

### Q How will this change affect cardholders?

Cardholders will notice many benefits when using the new card program. In addition to the features that are currently

available through the ANZ card, the Maxxia Wallet's increased technological integration means cardholders will be able to:

- receive live updates on card balance and account information
- manage both Meal Entertainment and Salary Packaging benefits through the one card
- tap and go, with Visa payWave technology, and;
- make daily savings through a merchant discount program (*coming soon*).

### Q Will there be a charge for the new card?

There will be a charge of \$4.40 per benefit, per month (GST incl.) associated with the new card. This charge is inclusive of the card issue fee and any rebate/commission payable. A Visa Foreign Exchange fee of 2.99% applies, as does a \$25.00 fee for disputed transactions. Full details of these charges can be obtained in the Product Disclosure Statement. Contact Maxxia for a copy.

### Q Can this charge be packaged?

Yes. This charge will be salary packaged.

### Q Is the charge above the cap?

Yes. The charge is above the cap.

### Q Is this new Wallet charge in addition to the existing administration fee for each benefit?

Yes. The Wallet charge is payable to EML and covers the cost of the new card program, and is in addition to the existing benefit administration fee.

### Q Why was there no charge associated with the ANZ card?

Card management costs were previously absorbed by ANZ, due to it earning a percentage on transactions paid by the merchants to them. As a result of recent RBA reforms, salary packaging cards must now be debit cards, and the ability for card providers to recover their costs from merchants is restricted.

# Frequently Asked Questions

## Q How will this new Wallet charge affect our payroll?

As the charge will be salary packaged, there will be a change to payroll. Maxxia will oversee this process and automatically update employee deductions accordingly.

## Q Can employees still have an additional card?

Yes, spouses and other family members can still have additional cards. If you currently have additional cards, they will automatically be replaced with Maxxia Wallet cards as part of our transition program. There is a charge of \$1.10 per benefit, per month (GST incl) for each additional card.

## Q What sort of offers will be available through the discount program?

As the discount program is currently in the process of being finalised, we are not able to share any specific partners or associated offers. However, through our lengthy discussions with EML, we are confident the program will deliver genuine savings on everyday products and services.

## Q Which bank is EML using?

EML has engaged Heritage Bank to issue the cards and to hold the funds.

## Q Is there a Know Your Customer (KYC) process?

For the vast majority of our customers, there will not be a KYC process involved with the transition to EML. KYC processes will be limited to a small number of scenarios, including:

- when card balances exceed \$5,000
- when suspicious transactions are identified.

## Q Why is there only one card?

Thanks to the latest technology featured in Maxxia's new card program, instead of carrying around a Meal Entertainment card and a Salary Packaging card, both benefits will be housed on the one card.

This single smart card will detect when each benefit is applicable and debit accordingly, meaning less hassle for the cardholder.

## Q Are options available for employees who don't want to receive the new program?

The card is not a compulsory product and employees are welcome to change to a different benefit offering or claim through the Maxxia app if they don't wish to use the new card and its associated benefits.

## Q When will the transition take place?

The transition will be simple, with little action required from employees. There will be no application forms and no tiresome KYC (for balances under \$5,000) or other identification process. Maxxia will manage the entire process, ensuring there is no time without funds - employees will simply receive their new card in the mail, activate it, and begin using it from the advised date.

## Q When will you communicate to employees?

We will announce the new program to employees in late-April. Maxxia will keep employers informed leading up to, and throughout, this period and will seek their counsel and support to get this message out to employees.