

Queries you may have on the Savings Limit of €30,000

Why introduce the share cap?

Over the last five years investment returns on member's savings have dropped by approximately 95% from an average of 5% to 0.5% (half of one percent) and some banks have started charging the Credit Union fees to hold money.

Adding to the problem, Credit Union Plus savings are now increasing by over €1 million each month. Under new legislation for every extra €1 million in new savings the Credit Union must put €100,000 into reserves from the income and expenditure account i.e. the Credit Union account used to pay staff wages and utility bills etc.

Does this have any negative affect on Credit Union Plus?

No. Members need have no concerns and Credit Union Plus still have €65 million available for new loans to members.

Who will it apply to?

The limit is based on the person not the account. So, each member is limited to a maximum of €30,000 of combined savings, whether they are in any of the following:

- Single share account
- Single current/EFT account
- 50% of the value of their joint share account(s)
- 50% of the value of their joint current / EFT account(s)

In other words:

There is no advantage to be gained in trying to split large balances up into multiple different accounts – the limit applies to the combined value of €30,000 per member.

Members will need to ensure that any current EFTs into their savings account are transferred to their account in another financial institution.

When will this happen?

The savings cap is currently on-going, and members should arrange for the withdrawal of their excess savings.

Exceptions

To be equitable and fair to all members, we must apply an exception for members who have pledged shares as security against a loan, as these loans earn interest income for the Credit Union. Other exceptions will apply for incapacitated members who have an existing Rule 30 in place, which is similar to an enduring power of attorney and gives the incapacitated members family or legal representatives' full control over their Credit Union account. Members of a highly vulnerable nature who do not have a Rule 30 in place yet will be progressed through the Rule 30 process in consultation with their family and or legal representatives.

In the case of pledged shares, the savings limit will be set as shown on the table, below:

Pledged Shares	Savings Limit
€10 to €20,000	€30,000
€20,001 to €30,000	€50,000
€30,001 to €40,000	€60,000
€40,001 to €50,000	€70,000
€50,001 to €60,000	€80,000
€60,001 to €70,000	€90,000
Above €70,001	€20,000 higher than the pledged shares rounded to the nearest €10,000