

Life Credit Union Share Cap

Life Credit Union (LCU) implemented a savings cap of €20,000 per member in October 2019. Where a member had funds more than €20,000, they were permitted to retain them but could not increase that balance.

The Board and Management of LCU are proactive on behalf of members to maintain the financial strength of Life Credit Union. The Board has therefore decided that prudent financial management requires further action to reduce the overall level of savings and improve our capital ratio.

As a result, the following new limits will apply from 6th April 2021.

- Maximum amount of savings by any member will be €20,000 and any amount over €20,000 should be withdrawn
- A monthly lodgement cap of €7,500 per member

Life Credit Union is in a strong financial position but, as with all Credit Unions, we face a very challenging business environment:

- Due to the low interest rate environment over the last few years, we receive minimal return on our investment portfolio, and in some situations face negative interest payments.
- We are required by law to maintain a minimum of 10% of all savings in our capital reserves – meaning we must put €10 of our surplus aside for every €100 of member savings.
- The pandemic has seen exceptional growth in savings in all financial institutions including Credit Unions. This growth in Savings, coupled with a low demand for loans, has had a negative impact across the Credit Union sector, including Life Credit Union.

As a result of the above outlined limits, the Credit Union will be contacting members who hold more than €20,000 in savings to request that they withdraw their funds in excess of €20,000. This measure does not impact any savings below €20,000, and you can continue to hold such funds in the Credit Union.

Life Credit Union has established a dedicated team to process this measure. This team can be contacted by phone on 045 879622 or by email at info@lifecu.ie for any queries. A member of the team will, in any event, be contacting impacted members over the coming period to assist and guide in the withdrawal of funds.

Additional Information

Life Credit Union are not permitted to give financial advice on where you can invest your returned funds, however there are several independent statutory bodies who can provide information on the alternatives that may be available. Details of 2 of these sources are:

- Competition and Consumer Protection Commission – <https://www.ccpc.ie/consumers> which is an independent statutory body giving independent advice for consumers
- The Central Bank of Ireland – <http://registers.centralbank.ie/> which gives a list of firms and individuals authorised to sell and to advise on investment products. Alternatively, if you do not have access to the internet, you can call the online register at 1890 777 777.