

# NEWSLETTER

May 2021



## Family membership expanded

A membership survey in June 2020 showed very strong support for expanding the membership of PSCU to include the wider families of public servants.

Following a vote of approval by the members at the AGM in February and approval in principle by the Central Bank, the following can now join PSCU:

- Spouses, civil partners, cohabitants
- Parents
- Siblings
- Children
- Grandchildren

Once they live on the island of Ireland. Special arrangements apply for families of public servants who work in EU institutions and diplomatic missions.

This change brings the benefits of PSCU to more of your family. At the same time, it helps to secure the future of the credit union. So, win-win all round.

**A membership form can be downloaded from [pscu.ie/membership](https://pscu.ie/membership). Watch out for a new facility to join PSCU from your smartphone over the months ahead.**



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# Max of lump sum savings to €5,000 per month



Members will remember that a savings cap of €50,000 was introduced at PSCU from 1 October 2020, excluding current accounts and fixed term deposits. The step was taken to help manage the funds coming into the credit union. Like most credit unions, new savings levels were very high and well above the funds needed for lending. The inflows had the potential to cause problems for the PSCU balance sheet and reserve levels if left unchecked.

The good news is that the action taken last year was effective and slowed down the inflows considerably. But the COVID-19 lockdowns have caused a further surge in savings at all credit unions and banks and, although much of these extra savings may flow out as lockdown is lifted, the Board feels it wise to introduce a monthly savings cap of €5K for the moment. The credit

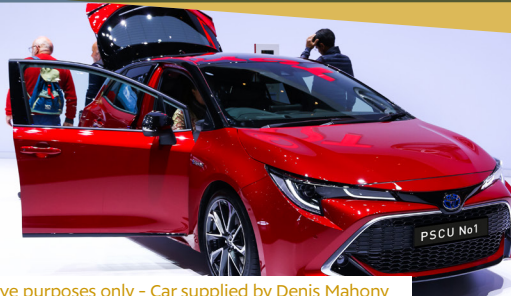
union wants to encourage the regular saver but to avoid large lump sum savings for the present.

The monthly cap excludes loan repayments and payments into current accounts.

Similar monthly caps are being introduced at many other credit unions. The caps will be reviewed on an ongoing basis with a view to rolling them back as soon as possible.



## Car draw winners



Car shown is for illustrative purposes only - Car supplied by Denis Mahony

## Recent car winners:

<b>Oct-20</b>	<b>Kay Dowling</b>	Dept. of Defence, retired
<b>Nov-20</b>	<b>Patrick J. Hammond</b>	Dept. of Defence, retired
<b>Dec-20</b>	<b>Declan Wilson</b>	Dept. of Agriculture, Food and the Marine
<b>Jan-21</b>	<b>Denise Hanrahan</b>	Dept. of Foreign Affairs
<b>Feb-21</b>	<b>Cora O'Sullivan</b>	Dept. of Justice, retired
<b>Mar-21</b>	<b>Iva Collins</b>	Central Statistics Office
<b>Apr-21</b>	<b>David Clarke</b>	Dublin Bus

Congratulations to the winners of the three cash prizes (€2,000, €1,000 and €500) each month.

# Alternative homes for your savings – hints and tips



With a savings cap of €5,000 per month introduced at PSCU, members are asking where they can put their longer-term and lump sum savings, particularly in relation to retirement gratuities, inheritances, and insurance settlements. The zero-interest rate world we are living in at present makes the challenge more difficult than usual.

## **While PSCU cannot give financial advice, the following hints and tips may help.**

- Longer term savings should not be left in your working current account where they can easily be eroded. A separate account helps to isolate your longer-term funds but remember that anything over €100,000 in any specific institution is not covered by the Deposit Guarantee Scheme so you may need to spread your funds.
- For many public servants, there is scope to pay additional voluntary contributions (AVCs) to your pension, with tax savings at your highest marginal rate of tax. Consider talking with Cornmarket, Lyons Financial Services or JTL about this.
- Returns from An Post have decreased substantially but it's still a useful place for at least part of your savings. With State Savings from An Post, you are investing in Irish government securities - An Post are acting as an agent for the NTMA. Savings Bonds, Savings Certificates, Solidarity Bonds and Instalment Savings all pay a positive return that is fully State guaranteed and are not liable to DIRT. And don't ignore Prize Bonds – they have their place in this era of low interest rates.
- Anybody who opened a unit linked savings product over the past decade with one of the five main life assurance companies should have done well. Available through Independent Financial Advisers and tied agents, they usually accept both monthly savings and lump sums. Unless you agree a fee for the advice, the cost of the advice is normally taken as a portion of your savings over the first year or by a higher fund management charge, or both. For this reason, PSCU understands that the minimum number of years your funds should be invested is around seven years.

**PSCU is not able to endorse any of the products mentioned above but hopefully this information may help clarify some of your main options.**

## Bank closures

We are all reeling following recent announcements of closures and cutbacks at Ulster Bank, KBC Bank, Bank of Ireland and PTSB. There is a real alternative for personal loans and current accounts at the credit union. The monthly current account fee of €4 is probably the best value available  
– [check out pscu.ie/bank\\_closures](http://check-out.pscu.ie/bank_closures)



## Education Bursary - News

Some interesting news in relation to the Seamus P. McEoin Educational Bursary. As you know, the long-standing scheme provides a bursary to six lucky first year College students each year – they get €2,000 each for three years. This year, the scheme will be extended by adding nine education cash prizes of €1,000, open to all third level students. And watch out in the next newsletter for details of draws from 2022 aimed at recognised summer courses for teenagers, generally for at least a week and usually residential, including cursaí Gaeilge at the Gaeltacht.



**The Bursary and education prize draws are part of the credit union social dividend.**

## Loans for members

Despite a lockdown since the start of the year, members continue to borrow for cars and home improvements in large numbers. Kitchens, bathrooms, home offices, garage conversions and insulation are the main themes on the home front.

The value of new loans issued in March 2021 was down only 10% on a normal month despite lockdown – the April figures are even better. So, if PSCU is anything to go by, look out for difficulties finding tradespeople and builders over the months ahead! The advice is to get in now. Check out the loan calculator on the home page of [pscu.ie](http://pscu.ie)

## Are you following PSCU on social media?

Follow PSCU on the social media channels of your choice. There are regular prize draws for members who like PSCU pages, share, leave comments etc. Engage on social media and you might be on to a winner!



## CONTACT US TO JOIN TODAY

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