



**An Roinn Forbartha
Tuaithe agus Pobail**
Department of Rural and
Community Development

Third Addendum to the Dormant Accounts Fund Action Plan 2020



ciste na
gcuntas díomhaoin
the dormant
accounts fund

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1. Background

The Dormant Accounts Act 2001, together with the Unclaimed Life Assurance Policies Act 2003 and the Dormant Accounts (Amendment) Acts 2005-2012, provide a framework for the administration of unclaimed accounts in credit institutions (i.e. banks, building societies and An Post) and unclaimed life assurance policies in insurance undertakings.

An account in a credit institution is considered dormant when no customer-initiated transactions have taken place for 15 years. Life assurance policies with a specified term are considered dormant 5 years after the end of that term. If attempts to contact account or policy holders are unsuccessful, the money will be transferred to the Dormant Accounts Fund (which is managed by the National Treasury Management Agency). However, the ownership rights of account or policy holders, or their heirs, are not affected by the transfer to the Fund and the money can be reclaimed at any time, along with interest.

The main purpose of the legislation is to put in place the necessary legal structures to transfer dormant accounts or policies into the Dormant Accounts Fund and to allow for the account or policy holders or their representatives to claim this money at a later date. However, the legislation also introduced a scheme which would allow money in the Dormant Accounts Fund to be used by Government to fund programmes or projects which would assist:

- the personal and social development of persons who are economically or socially disadvantaged;
- the educational development of persons who are educationally disadvantaged or
- persons with a disability.

The legislation dictates that Government may only use Dormant Accounts funding for the above purposes.

To administer this funding process the legislation governing Dormant Accounts also established an administrative framework, overseen by a single Minister, within which Departments could apply for funding from the Dormant Accounts Fund to fund measures which would assist the above target groups. Since July 2017 the Minister for Rural and Community Development has responsibility for this function. This function is delegated to Minister of State Joe O'Brien, T.D.

2. Ministerial Responsibilities and the 2020 Action Plan

Under the Dormant Accounts legislation, the Minister is required to:

- Prepare an Action Plan, at least once a year, to give effect to a Disbursement Scheme. Action Plans contain details of programmes and projects to be funded under the

Disbursement Scheme. They set out the maximum amount proposed for disbursement in relation to each programme or project during the period to which the Action Plan relates;

- Where a programme or project specified in an Action Plan is under the remit of the Minister, he/she may invite applications for disbursements from the Dormant Accounts Fund; and
- The Minister is also required to prepare, no later than 30 June each year, an annual report to the Government on the operation of disbursements during the preceding year.

3. Third Addendum to the 2020 Action Plan

The Dormant Accounts Action Plan 2020 was prepared in line with the Disbursement Scheme currently in place and was published on November 7th 2019. The Action Plan allocated funding of €45.5 million to 43 measures to be delivered across 9 Government Departments.

On 6th May 2020 an addendum to the Dormant Accounts Action Plan provided €40 million in supports for the community and voluntary, charity and social enterprise sectors to assist in mitigating the impact of the Covid-19 pandemic and ensure continued availability of services for the disadvantaged individuals and communities. A second addendum in November 2020 provided an additional €10 million for that purpose.

This third addendum is required to allow an expansion of an existing “Book Bags” measure which is administered by the Department of Children, Equality, Disability, Integration and Youth. The measure originally had a proposed maximum allocation of €100,000 and this addendum increases that provision by €450,000, allowing a measure of €550,000 to progress. The initiative recognises that reading together with your children is a key mechanism to promote early language development, and aims to support this practice in disadvantaged areas.

The original funding envisaged a single book bag being available in libraries, which would be borrowed by families. The additional funding in 2020 will greatly expand this by:

- Supporting a pilot project to give individual children in particularly disadvantaged areas their own book bag for use at home;
- Providing 4 to 6 bags per pre-school to each library so that bags can be assigned to local pre-schools, with copies also held in libraries which can be loaned out to parents. This will encourage parents to join the local library, which would benefit the whole family. This would be particularly beneficial for parents in disadvantaged areas.