1981 No. 76

FRIENDLY SOCIETIES

The Friendly Societies (Life Assurance Premium Relief) (Change of Rate) Regulations (Northern Ireland) 1981

Made . . . . . *12th March 1981*

Coming into operation . . . *6th April 1981*

The Department(**a**) of Commerce, in exercise of the powers conferred upon it by paragraph 13 of Schedule 4 to the Finance Act 1976(**b**) and of every other power enabling it in that behalf, hereby makes the following regulations:

Citation and commencement

1. These regulations may be cited as the Friendly Societies (Life Assurance Premium Relief) (Change of Rate) Regulations (Northern Ireland) 1981 and shall come into operation on 6th April 1981.

Interpretation

2.—(1) The Interpretation Act (Northern Ireland) 1954(**c**) shall apply to these regulations as it applies to a Measure of the Northern Ireland Assembly.

(2) In these regulations—

"the 1978 Regulations" means the Friendly Societies (Life Assurance Premium Relief) Regulations (Northern Ireland) 1978(**d**);

"actuary" means an actuary qualified in accordance with the Friendly Societies (Qualifications of Actuaries) Regulations (Northern Ireland) 1971(**e**);

"collecting society" has the meaning assigned by Article 2(2) of the Industrial Assurance (Northern Ireland) Order 1979(**f**);

"friendly society" means a friendly society (not being a collecting society) or a branch thereof registered or deemed to be registered in Northern Ireland under the Friendly Societies Act (Northern Ireland) 1970(**g**) and includes a Great Britain friendly society;

"Great Britain friendly society" subject to paragraph (3) means a friendly society (not being a collecting society) which is registered in Great Britain for purposes corresponding to the Friendly Societies Act (Northern Ireland) 1970;

"gross contribution" means the contribution of the amount payable under the contract;

"parent" includes a stepfather and a stepmother;

"Registrar" means the person appointed to perform in Northern Ireland the functions of registrar of friendly societies under the Friendly Societies Act (Northern Ireland) 1970;

(**a**) Formerly Ministry: *see* Northern Ireland Constitution Act 1973 (c. 36) Sch. 5 para. 8(1)
(**b**) 1976 c. 40
(**c**) 1954 c. 33 (N.I.)
(**d**) S.R. 1978 No. 285
(**e**) S.R. & O. (N.I.) 1971 No. 18
(**f**) S.I. 1979/1574 (N.I. 13)
(**g**) 1970 c. 31 (N.I.)

"the prescribed scheme" means the scheme prescribed in Schedule 1 to the 1978 Regulations;

"an approved scheme" means a special scheme approved by the Registrar in the circumstances provided for in regulation 8 of the 1978 Regulations.

(3) References in these regulations to a Great Britain friendly society include references to a branch thereof registered under the Friendly Societies Act 1974(a).

Modifications of enactments

3. The enactments mentioned in the Schedule shall have effect subject to the adaptations and modifications set out in that Schedule.

Amendment of a scheme

4.—(1) Where a friendly society has adopted the prescribed scheme or an approved scheme in accordance with the provisions of the 1978 Regulations the society may, by resolution of its committee of management, amend any such scheme so that amounts equal to 15 per cent. of the gross contributions due and payable on or after 6th April 1981 shall be retained by or refunded to the persons paying the contributions.

(2) Where a friendly society has amended any such scheme, amounts equal to 15 per cent. of the gross contributions payable under contracts to which the scheme applies shall be retained by or refunded to the persons paying the contributions as provided in the scheme so amended.

(3) Written notice of a resolution amending the prescribed scheme or an approved scheme shall within fourteen days of the passing thereof be sent by the society to the Registrar.

(4) Where a friendly society has resolved to amend the prescribed or an approved scheme any right conferred by section 14 of the Friendly Societies Act (Northern Ireland) 1970 on any person to receive a copy of the rules of the society shall be extended so as to include the right to receive a copy of the resolution and of the amended scheme adopted by the resolution.

Amendment of gross contribution

5.—(1) Where, by virtue of regulation 5 of the 1978 Regulations a resolution adopting the prescribed scheme provided that the gross contribution was to be increased with effect from 6th April 1979 in respect of any specified class of contract, a resolution amending the prescribed scheme may also amend the gross contribution so that with effect from 6th April 1981 the gross contribution shall be amended to such sum as after deduction of 15 per cent. thereof equals the amount expressed in the contract to be the contribution.

(2) Where such an amendment is made, the resolution shall operate so as to effect the above-mentioned amendment in the gross contribution payable under every contract of a class to which the provision relates, and the prescribed scheme as amended shall take effect accordingly.

Corresponding amendment to sum assured

6. Where a gross contribution has been amended under regulation 5 the sum assured or guaranteed by the contract may be amended by an amount determined in accordance with rules which have been certified by an actuary to be fair in relation to the gross contribution payable and have been approved by the Registrar.

7. Where the gross contribution is amended in accordance with these regulations the society shall, on being requested in writing to do so by the person by whom the

(a) 1974 c. 46

contribution is payable, notify him in writing of the effect of the amendment on the sum assured or guaranteed or of any other effect.

8. Where by virtue of regulation 7 of the 1978 Regulations a person insured under a contract irrevocably elected that the contribution under the contract under which he was insured should be increased with effect from 6th April 1979, the amendment to the gross contribution shall apply from 6th April 1981 as if it had been effected under regulation 5(2), and regulations 6 and 7 shall apply in respect of an amended contribution under this regulation as they apply in relation to an amendment under regulation 5.

Amendment of approved schemes

9. Where a friendly society adopted an approved scheme under regulation 8 of the 1978 Regulations the Registrar may approve any amendment to the scheme which in his view is expedient or necessary to give effect to the change to 15 per cent. from the percentage specified in regulation 4(2) of the 1978 Regulations.

Notice or advertisement

10. Where a friendly society has, in accordance with the provisions of these regulations, amended the prescribed scheme or an approved scheme adopted by it, as soon as is reasonably practicable it shall either:

(*a*) serve upon every person paying contributions to the society who is affected by the amendment a notice containing a statement setting out the effects thereof; or

(*b*) publish or cause to be published such notice by advertisement in one or more newspapers in general circulation in the area where the society carries on business.

Amendment of rules

11. Notwithstanding anything contained in the rules of a friendly society which has amended the prescribed scheme or an approved scheme, the committee of management of the society may, by resolution, make amendments to the rules of the society in connection with the amendment by the society of any such scheme.

Sealed with the Official Seal of the Department of Commerce for Northern Ireland on 12th March 1981.

(L.S.) *W. T. McCrory,*
Assistant Secretary

SCHEDULE Regulation 3

ADAPTATIONS AND MODIFICATIONS OF ENACTMENTS

Friendly Societies Act (Northern Ireland) 1970

1. In applying the limits imposed by section 55 of the Friendly Societies Act (Northern Ireland) 1970 (limits on amounts which a member, or person claiming through a member, of a registered friendly society is entitled to receive from one or more such societies) there shall be disregarded any increase in any sum assured or guaranteed which is effected under regulation 6 or 7 of the 1978 Regulations and amended under regulation 6 or 8.

2. For the purpose of section 62 of the Friendly Societies Act (Northern Ireland) 1970 (power of registered friendly society to insure life of parent or grandparent for not more than £30) there shall be excluded so much of any sum insured to be paid, or paid, on the death of any one of a person's parents or grandparents as represents any increase in any sum assured or guaranteed which is effected under regulation 6 or 7 of the 1978 Regulations and amended under regulation 6 or 8.

The Industrial Assurance (Northern Ireland) Order 1979

3. For the purpose of paragraph 2 of Schedule 3 to the Industrial Assurance (Northern Ireland) Order 1979 (power to insure life of parent or grandparent for not more than £30) there shall be excluded so much of any sum insured to be paid, or paid, on the death of any one of a person's parents or grandparents as represents any increase in any sum assured or guaranteed which has been effected under regulation 6 or 7 of the 1978 Regulations and amended under regulation 6 or 8.

4. In Schedule 7 in paragraph 2 for the words from "computed" to the end of the paragraph substitute the words "and approved by an actuary in accordance with principles which take account of the substitution of 15 per cent. for 17½ per cent. effected by section 29 of the Finance Act 1980 and which are approved by the Commissioner."

5. In Schedule 7 in paragraph 4 for "82½%" substitute "85%".

EXPLANATORY NOTE

(This note is not part of the Regulations.)

These regulations authorise registered friendly societies (other than collecting societies) and their branches to amend prescribed or approved schemes adopted by them in accordance with the Friendly Societies (Life Assurance Premium Relief) Regulations (Northern Ireland) 1978. The object is to ensure that tax relief under section 19 of the Income and Corporation Taxes Act 1970 in respect of contributions due on or after 6th April 1981 on friendly society contracts may be effected by the contribution payer retaining or having refunded to him 15 per cent. of the contribution payable. This percentage supersedes 17½ per cent. of the contribution payable which is specified in the 1978 Regulations.

The regulations make consequential adaptations and modifications to enactments relating to friendly societies.

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These Orders have been exempted from printing by the Statutory Rules (Northern Ireland) Order 1979. Summaries are given in the List of Statutory Rules of a Local Character under the heading ROADS.