Status: *This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

SCHEDULES.

SCHEDULE 8

FRIENDLY SOCIETIES.

PART I

CONDITIONS FOR FRIENDLY SOCIETIES' TAX EXEMPT BUSINESS

1 (1) The following conditions shall apply to every policy for the assurance of a gross sum, or of an annuity, which the friendly society issues, or has issued at any time since 3rd May 1966—

(a) the period (in this Schedule called " the term " of the policy) between the payment of the first premium and the time when the gross sum assured is payable (or as the case may be when the first instalment of the annuity is payable) shall be not less than ten years, and must not, on any contingency other than the death, or retirement on grounds of ill health, of the person liable to pay the premiums or whose life is insured, become less than ten years,

(b) the premiums payable under the policy shall be premiums of equal or rateable amounts payable at yearly or shorter intervals over the whole term of the policy of assurance, or over the whole term of the policy of assurance apart from any period after the person liable to pay the premiums or whose life is insured attains a specified age, being an age which he will attain at a time not less than ten years after the beginning of the term of the policy of assurance,

(c) until the expiration of three-quarters of the term of the policy of assurance, or of ten years from the beginning of the term, whichever is the shorter, the policy may not be surrendered to the friendly society for consideration exceeding the amount of the premiums paid, except that, if a surrender value is prescribed for the surrender by section 24 of the Industrial Assurance Act 1923 or section 3 of the Industrial Assurance and Friendly Societies Act 1929, the limit on the consideration shall be either that value or the amount of the premiums paid, whichever is the greater.

(2) The friendly society shall not be a party to any variation of the terms of a policy which infringes the conditions in the foregoing provisions of this paragraph.

2 Notwithstanding paragraph 1(1)(a) above, the policy—

(a) may provide for a payment to a person of an age not exceeding 18 years at any time not less than five years from the beginning of the term of the policy if the premium or premiums payable in any period of twelve months in the term of the policy do not exceed £13,

(b) may provide for a payment at any time not less than five years from the beginning of the term of the policy, if it is one of a series of payments falling due at intervals of not less than five years, and the amount of any payment,

Status: *This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

other than the final payment, does not exceed four-fifths of the premiums paid in the interval before its payment.

3 Notwithstanding paragraph 1(1)(b) above, the policy—

(a) may allow a payment at any time after the expiration of one-half of the term of the policy of assurance, or of ten years from the beginning of the term, whichever is the earlier, being a payment in commutation of the liability to pay premiums falling due after that time,

(b) where the person liable to pay the premiums ceases to reside in the United Kingdom, or gives satisfactory proof of intention to emigrate, may allow him to commute any liability for premiums, and

(c) may allow any liability for premiums to be discharged in consideration of surrendering a sum which has become payable on the maturity of any other policy of assurance issued by the same friendly society to the person liable to pay the premiums, or to his parent, where that other policy of assurance is issued as part of the friendly society's tax exempt life or endowment business.

4 Nothing in the foregoing provisions of this Schedule applies to life or endowment business which is not tax exempt life or endowment business.