



Friendly Societies Act 1974

1974 CHAPTER 46

Benefits: limitations and payment

64^{F1}

Textual Amendments

F1 S. 64 repealed by [Income and Corporation Taxes Act 1988 \(c. 1, SIF 63:1\)](#), s. 844(4), [Sch. 31](#)

65 Modification of s. 64 in relation to group insurance business.

(1)^{F2}

(2) For the purposes of this section “group insurance business” means the business of providing, in accordance with the rules of a registered society, benefits for or in respect of such employees of a particular employer or such other group of persons for the time being approved for the purposes of this section by the registrar as are members of the society; and such business is approved group insurance business if—

- (a) the policy of insurance or other contract under which the benefits are provided for or in respect of each of the employees or other persons concerned is in a form approved by the registrar, and
- (b) such other requirements as may be prescribed by regulations made by the Chief Registrar are fulfilled.

Textual Amendments

F2 S. 65(1) repealed by [Friendly Societies Act 1984 \(c. 62, SIF 55\)](#), s. 2(5)(c)

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VALID FROM 01/01/1994

[^{F3}65A Group insurance business.

- (1) If the rules of a registered friendly society expressly so direct, the society may carry on any group insurance business.
- (2) In this Act “group insurance business” means business (carried on in accordance with the society’s rules and subject to any regulations under section 11 of the 1992 Act) which—
 - (a) is of a description falling within Head A, or class 2 of Head B, of Schedule 2 to the 1992 Act; and
 - (b) is carried on as the business of providing benefits, in pursuance of a contract with a qualifying person, for or in respect of the members of a group scheme.
- (3) For the purposes of this section—

“group scheme” means a scheme or other arrangement under which benefits are to be provided for or in respect of persons who are members of the scheme and who qualify for membership by virtue of—

 - (a) being employees of a particular employer; or
 - (b) being members of some other group of persons of a description specified in regulations under section 11 of the 1992 Act;

“qualifying person” means a person who has established or is otherwise responsible for the operation of a group scheme or a trustee of such a scheme; and “member”, in relation to a group scheme, includes any person for or in respect of whom benefits are to be provided under the scheme, whatever the terms in which such persons are described in the scheme.
- (4) Group insurance business may be carried on by a registered friendly society whether or not members of the group scheme are, or are required by the society to be, members of the society.
- (5) Where a registered friendly society carries on any group insurance business and the rules of the society so provide, any qualifying person with whom the society contracts (or his nominee) may be accorded the rights of a member of the society (including any right to vote) for the purpose of participating in the affairs of the society in the interests of the members of the group scheme with which he is concerned.
- (6) The rules of an incorporated friendly society may not prevent a person from being a member of the society in his private capacity by reason only of the fact that he has been accorded the rights of a member by virtue of subsection (5) above.
- (7) A person who is accorded the rights of a member of a society by virtue of subsection (5) above shall, for the purposes of any power which is conferred on the registrar or the Commission by this Act or the 1992 Act and is exercisable in the interests of members of the society, be treated as if he were a member of the society.
- (8) The Commission may make regulations under section 11(7) of the 1992 Act which apply to group insurance business carried on by registered friendly societies.]

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Textual Amendments

F3 Ss. 65A, 65B inserted (1.1.1994) by Friendly Societies Act 1992 (c. 40), s. 95, **Sch. 16 para.23** (with ss. 7(5) and 93(4)); S.I. 1993/2213, art 2, **Sch. 6**.

Modifications etc. (not altering text)

C1 S. 65A applied (7.2.1994) by 1993 c. 48 s. 162(4)(c)(i) (with s. 6(8)); S.I. 1994/86 art. 2
S. 65A(2) applied (N.I.) (7.2.1994) by 1993 c. 49 s. 158(4)(c); S.R. 1994/17 art. 2

VALID FROM 01/01/1994

65B ^{F4}**Terms on which benefits are provided by friendly societies.**

- (1) The terms on which a registered friendly society provides any benefit shall be—
 - (a) specified in its rules; or
 - (b) determined in a manner specified in its rules.
- (2) If they are not specified in the society's rules, the society—
 - (a) shall make copies of them available free of charge to members of the society at every office of the society; and
 - (b) shall send, free of charge, copies of them to any member of the society who demands them.
- (3) If, on demand made of it under subsection (2) above, a society fails, in accordance with that subsection, to make available or, as the case may be within 7 days of the demand, to send to a person a copy of the terms on which a benefit is to be provided, the society shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Textual Amendments

F4 Ss. 65A, 65B inserted (1.1.1994) by Friendly Societies Act 1992 (c. 40), s. 95, **Sch. 16 para.23** (with ss. 7(5) and 93(4)); S.I. 1993/2213, art. 2, **Sch. 6**.

66 **Power of member to nominate person to receive sums payable on his death.**

- (1) Subject to the following provisions of this section, a member of a registered society or of a branch thereof who is not under the age of sixteen years may, by writing under his hand delivered at or sent to the registered office of the society or branch, or made in a book kept at that office, nominate a person or persons to whom any sum of money payable by the society or branch on the death of that member or any specified amount of money so payable shall be paid at his decease.
- (2) The total amount which may be nominated under this section shall not exceed [^{F5}£5,000]but where a nomination under this section does not specify the maximum sum of money which is to be payable by virtue of the nomination, and the sum to which the nomination relates exceeds [^{F5}£5,000]but would not exceed that amount if any such increase as is mentioned in section 64(2)(c) above were disregarded, the nomination shall not be invalidated by reason only of the excess.

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- (3) The sum payable on the death of a member by a registered society or branch shall include sums of money contributed to or deposited in the separate loan fund and any sum of money accumulated for the use of the member under the provisions of this Act, together with interest thereon.
- (4) Any reference in subsections (1) to (3) above to a registered society does not include a benevolent society, a working men's club or an old people's home society.
- (5) a person nominated under this section must not at the date of the nomination be an officer or servant of the society or branch, unless that officer or servant is the husband, wife, father, mother, child, brother, sister, nephew or niece of the nominator.
- (6) A nomination so made may be revoked or varied by any similar document under the hand of the nominator delivered, sent or made as mentioned in subsection (1) above.
- (7) The marriage of a member of the society or branch shall operate as a revocation of any nomination previously made by that member under this section.
- (8) A nomination, or a variation or revocation of a nomination, by writing under the hand of a member of a registered branch and delivered at or sent to the registered office of that branch, or made in a book kept at that office, shall be effectual notwithstanding that the money to which the nomination relates, or some part thereof, is not payable by that branch but is payable by the society or some other branch.

Textual Amendments

- F5** “£5,000” substituted by virtue of [Administration of Estates \(Small Payments\) Act 1965 \(c. 32, SIF 116:1\)](#), ss. 1(1), 6, [Sch. 1 Pt. 1](#) and S.I. 1984/539, [art. 2\(1\)](#)

Modifications etc. (not altering text)

- C2** Power to amend s. 66(1)(2) conferred by [Administration of Estates \(Small Payments\) Act 1965 \(c. 32\)](#), [ss. 5\(1\), 6\(1\)](#)

67 Payment on death of a nominator.

- (1) Subject to subsection (2) below, on receiving satisfactory proof of the death of a nominator, the society or branch shall pay to his nominee or nominees the amount due to the deceased or, as the case may be, the amount specified in the nomination.
- (2) Subject to paragraph 12 of Schedule 10 to this Act, the total amount paid by a registered society or branch by virtue of a nomination (whether in favour of one nominee or more) shall not exceed [^{F6}£5,000] except that, in the circumstances referred to in subsection (2) of section 66 above, the amount payable shall include the excess referred to in that subsection.
- (3) The receipt of a nominee over sixteen years of age for any amount paid in accordance with this section shall be valid.

Textual Amendments

- F6** “£5,000” substituted by virtue of [Administration of Estates \(Small Payments\) Act 1965 \(c. 32, SIF 116:1\)](#), ss. 1(1), 6, [Sch. 1 Pt. 1](#) and S.I. 1984/539, [art. 2\(1\)](#)

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Modifications etc. (not altering text)

- C3 Power to amend s. 67 conferred by [Administration of Estates \(Small Payments\) Act 1965 \(c. 32\)](#), **ss. 5(1), 6(1)**

68 Devolution of sums due where no nomination.

- (1) If any member of a registered society or branch entitled from the funds thereof to a sum not exceeding [^{F7}£5,000]dies without having made any nomination thereof then subsisting, the society or branch may, without letters of administration or probate of any will or, in Scotland, without any grant of confirmation, distribute the sum among such persons as appear to the committee, upon such evidence as they may deem satisfactory, to be entitled by law to receive that sum.
- (2) If any such member is illegitimate, the society or branch may pay the sum of money which that member might have nominated to or among the persons who, in the opinion of the committee, would have been entitled thereto if that member had been legitimate, or if there are no such persons, the society or branch shall deal with the money as the Treasury may direct.
- (3) Where at the time of his death a member of a registered friendly society or branch is entitled from the funds thereof to a sum which exceeds [^{F7}£5,000]but would not exceed that amount if any such increase as is mentioned in section 64(2)(c) above were disregarded, subsection (1) above shall apply to the whole of that sum, notwithstanding that it exceeds [^{F7}£5,000], and for the purposes of subsection (2) above the whole of that sum shall be taken to be the sum which he might have nominated.

Textual Amendments

- F7 “£5,000” substituted by virtue of [Administration of Estates \(Small Payments\) Act 1965 \(c. 32, SIF 116:1\)](#), **ss. 1(1), 6, Sch. 1 Pt. 1** and [S.I. 1984/539](#), **art. 2(1)**

Modifications etc. (not altering text)

- C4 Power to amend s. 68 conferred by [Administration of Estates \(Small Payments\) Act 1965 \(c. 32\)](#), **ss. 5(1), 6(1)**

69 Validity of payments.

- (1) A payment made by a registered society or branch under section 68 above shall be valid and effectual against any demand made upon the trustees or the society or branch by any other person, but the next of kin or personal representatives of the deceased member shall have a remedy for recovery of the money paid under that section against the person who has received that money.
- (2) Where a society or branch has paid money to a nominee in ignorance of a marriage subsequent to the nomination, the receipt of the nominee shall be a valid discharge to the society or branch.

^{F8}70

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Textual Amendments

F8 S. 70 repealed (1.2.1993) by Friendly Societies Act 1992 (c. 40), ss. 95, 120(2), Sch. 16 para. 24, Sch. 22 Pt.I (with ss. 7(5) and 93(4)); S.I. 1993/16, art. 2, Sch. 3 appendix.

^{F9}71

Textual Amendments

F9 S. 71 repealed (1.2.1993) by Friendly Societies Act 1992 (c. 40), ss. 95, 120(2), Sch. 16 para. 24, Sch. 22 Pt.I (with ss. 7(5) and 93(4)); S.I. 1993/16, art. 2, Sch. 3 appendix.

^{F10}72

Textual Amendments

F10 S. 72 repealed (1.2.1993) by Friendly Societies Act 1992 (c. 40), ss. 95, 120(2), Sch. 16 para. 24, Sch. 22 Pt.I (with ss. 7(5) and 93(4)); S.I. 1993/16, art. 2, Sch. 3 appendix.

^{F11}73

Textual Amendments

F11 S. 73 repealed (1.2.1993) by Friendly Societies Act 1992 (c. 40), ss. 95, 120(2), Sch. 16 para. 24, Sch. 22 Pt.I (with ss. 7(5) and 93(4)); S.I. 1993/16, art. 2, Sch. 3 appendix.

74 Provisions with respect to certain insurances where person assured is resident outside United Kingdom and Isle of Man.

The provisions of Schedule 6 to this Act shall have effect in relation to the insuring by registered friendly societies of money for funeral expenses, or of money to be paid on the duration of a life for a specified period, where the funeral expenses are those, or the life in question is that, of a person who at the time of the proposal is ordinarily resident outside the United Kingdom and the Isle of Man.

^{F12}75

Textual Amendments

F12 S. 75 repealed (1.2.1993) by Friendly Societies Act 1992 (c. 40), ss. 95, 120(2), Sch. 16 para. 24, Sch. 22 Pt.I (with ss. 7(5) and 93(4)); S.I. 1993/16, art. 2, Sch. 3 appendix (with art. 10).

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