



Friendly Societies Act 1955

1955 CHAPTER 19 4 and 5 Eliz 2

An Act to extend the powers of friendly societies, and amend the Friendly Societies Acts, 1896 to 1948; to make corresponding amendments for trade unions in relation to sums payable on the death of a member; to make provision with respect to the furnishing of information by the Minister of Pensions and National Insurance in connection with claims for benefit from friendly societies and trade unions; and for purposes connected therewith. [21st December, 1955]

BE IT ENACTED by the Queen's most Excellent Majesty, by and with the advice and consent of the Lord Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1 Power of society to lend surplus funds to society of different description

- (1) Subject to the provisions of this and the next following section, a registered society or branch (other than a benevolent society or branch thereof) may, if its rules so provide, make advances by way of loan to a registered society or registered branch of a society which is not of the same description, and may take such part in the government and control of the society or branch to which any such advance is made or agreed to be made as may be provided by the rules of that society or branch.
- (2) An advance shall not be made by a society or branch by virtue of this section, unless the value of its assets showed a surplus over the amount of its liabilities according to the last valuation under section twenty-eight of the principal Act or, in the case of a society or branch of which the assets and liabilities are not valued under that section, according to its last annual return under section twenty-seven of the principal Act; and—
 - (a) no advance shall be so made to an amount greater, with any amounts outstanding in respect of previous advances so made, than the amount for the time being unapplied of that surplus;
 - (b) for any purpose other than the purposes of the foregoing paragraph, in determining the amount so unapplied there shall be deducted any amounts

outstanding in respect of advances so made after the date to which the valuation or return relates.

- (3) An advance under this section may be interest free.
- (4) Where a society or branch (in this subsection referred to as " the lender ") has made or agreed to make advances under this section to another society or branch (in this subsection referred to as " the borrower "), and the lender is by reason thereof empowered by the rules of the borrower to take part in the government or control of the borrower, section sixty-eight of the principal Act shall apply in relation to the determination of any dispute between the lender and the borrower, being a dispute relating to any such advance or agreement or to the rights of the lender or an officer thereof under the rules of the borrower, as if the borrower were a branch of the lender:

Provided that—

- (a) references in the said section sixty-eight to the rules of the society or branch shall mean the rules of the borrower;
 - (b) subsection (1) of the section shall not prevent the bringing of legal proceedings for the determination of any such dispute, unless before the commencement of the proceedings application has been made for a reference under those rules, and any such proceedings may be brought in a county court, whether or not the court would apart from this provision have jurisdiction to entertain them;
 - (c) no application under subsection (6) of the section for the determination of any such dispute shall be made to a court of summary jurisdiction.
- (5) Nothing in this section shall be taken to prejudice the power of a society or branch under section twenty-two of the principal Act to contribute to the funds and take part in the management of another society or branch of the same description.
- (6) For the purposes of this section a society or branch shall be deemed to be of the same description as another society or branch if, but only if, they are both registered by virtue of the same paragraph of section eight of the principal Act and, where each of them is a specially authorised society or branch, they are both established for the same purpose or purposes.

2 Power of friendly society to invest in housing association

- (1) In section forty-four of the principal Act (which relates to the manner in which the funds of registered societies and branches may be invested) the following paragraph shall be added at the end of subsection (1):—

“or

- (g) in the case of a friendly society or branch of which the rules expressly so direct, in subscribing up to any amount permitted by the Friendly Societies Act, 1955, for any of the share or loan capital of a housing association, other than shares or debentures not fully paid up at the time of issue.”
- (2) The power to make investments conferred by this section shall be subject to the same restrictions as are imposed by subsection (2) of the foregoing section on the power to make advances conferred by that section.

- (3) For the purposes of the said subsection (2) any amounts for the time being invested by virtue of this section shall be taken into account in the same way as amounts outstanding in respect of advances made by virtue of the foregoing section:

Provided that the amounts invested shall be taken to be amounts equal to the value of the investments according to the valuation or return referred to in the said subsection (2), except in the case of investments made after the date to which the valuation or return relates.

- (4) For the purposes of this section, "housing association" means a housing association within the meaning of the Housing Act, 1936, or the Housing (Scotland) Act, 1950 (but not including a development corporation).

3 Extension of purposes of friendly societies

- (1) Paragraph (1) of section eight of the principal Act (which defines the purposes for which societies to be registered as friendly societies may be formed) shall be amended as follows—
- (a) in sub-paragraph (c) (under which those purposes include the relief or maintenance of the members when on travel in search of employment) for the words "when on travel in search of employment" there shall be substituted the words "when out of employment"; and
 - (b) in sub-paragraph (d) (under which those purposes include the endowment of members or nominees of members at any age) after the words "at any age" there shall be inserted the words "or on marriage".
- (2) For the purpose of calculating the maximum sum which may be insured or paid under section sixty-two of the principal Act or under section one of the Industrial Assurance and Friendly Societies Act, 1929 (which, like the sections referred to below, relate to payments on death under insurances in respect of young children or of relatives of the person taking out the policy), no account shall be taken of any repayment of premiums in respect of a policy or other contract insuring money to be paid on marriage, and sections sixty-three to sixty-six of the principal Act and subsection (2) of section four of the Industrial Assurance Act, 1923, shall not apply as respects any such repayment.
- (3) At the end of the definitions of "endowment policy" in subsection (2) of section five of the Industrial Assurance and Friendly Societies Act, 1929, and in subsection (6) of section fifty-six of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act, 1951, there shall be added the words "and either with or without provision for the payment of money before the expiration of that period and during the life of that person in the event of the marriage of that person or otherwise".
- (4) Any society which at the coming into force of this section is registered as a specially authorised society formed solely for the purpose of assisting its members when out of employment, or solely for that purpose and other purposes falling within paragraph (1) of section eight of the principal Act, shall by virtue of this subsection become a registered friendly society and the registrar shall change its registration accordingly.
- (5) Where a society is to be registered as a friendly society under the last foregoing subsection, then—
- (a) the registrar, on being satisfied that the rules of the society conform with the provisions of the principal Act relating to friendly societies, shall issue under section eleven of the principal Act an acknowledgment of the society's

registry as a friendly society, and for that purpose may adapt the form of acknowledgment in the Second Schedule to the principal Act; and

- (b) if the society's rules require amendment to bring them into conformity with the said provisions, amendments for that purpose shall be made within the six months beginning with the date of the coming into force of this section, and may be so made by resolution of the committee of management.

4 Power to register old people's home societies

- (1) In section eight of the principal Act, after paragraph (4) there shall be inserted the following paragraph:—

“(4A) Societies (in this Act called old people's home societies) for the purpose of providing homes for the members and others in old age (which shall mean any age after fifty).”

- (2) In the following provisions of the principal Act, after the words " working-men's club " there shall be inserted the words " old people's home society " or the words " or old people's home society ", as the case may require, that is to say:—

- (a) subsection (4) of section twenty-eight (which excepts certain societies from the obligation to have a quinquennial valuation of their assets and liabilities);
- (b) subsection (1) of section fifty-six (which enables a member of a registered society, other than a benevolent society or working-men's club, to dispose of sums payable on his death by nomination);
- (c) subsection (2) of section ninety-six (which provides that fees shall not be payable on the registry of certain societies or of an amendment of their rules);
- (d) the form of acknowledgment of registry of a society in Part I of the Second Schedule.

5 Amendments as to amount disposable by nomination on death, and as to conditions for making payments on death

- (1) In the following enactments (under which a member of a registered society or a trade union may by nomination dispose of moneys payable on his death up to the amount of one hundred pounds), that is to say:—

- (a) subsection (1) of section fifty-six and subsection (1) of section fifty-seven of the principal Act; and
- (b) section ten of the Trade Union Act Amendment Act, 1876 (as amended by section three of the Provident Nominations and Small Intestacies Act, 1883);

for the references to one hundred pounds there shall be substituted references to two hundred pounds.

- (2) The following enactments (which authorise societies and trade unions before making a payment under a nomination or on the death of an intestate to require evidence that the estate of the deceased did not exceed one hundred pounds), that is to say—

- (a) section fifty-nine of the principal Act; and
- (b) section ten of the Provident Nominations and Small Intestacies Act, 1883;

shall cease to have effect, and accordingly those sections and subsection (2) of section eighteen of and the Fifth Schedule to the Industrial Assurance and Friendly Societies Act, 1948, are hereby repealed.

- (3) Subsection (1) of this section shall have effect as respects any nomination delivered at or sent to the appropriate office, or made in the appropriate book, after the commencement of this Act.

6 Extension of powers in connection with sickness benefits

- (1) In subsection (1) of section ten of the Industrial Assurance Act, 1923 (which enables a friendly society to be wholly or partly exempted from that Act by certificate of the Industrial Assurance Commissioner, where the society does not carry on the business of effecting assurances on human life premiums in respect of which are received by means of collectors at a greater distance than ten miles from the registered office of the society), the expression "assurance upon human life" shall not apply to any contract providing benefits in sickness or other infirmity if the terms of the contract are such that of the amounts paid by way of premiums thereunder not less than sixty per cent. will be paid for the purpose of providing those benefits.
- (2) It is hereby declared that in subsection (2) of the said section ten (under which a certificate of exemption under that section must impose a condition that the society will not employ collectors to receive premiums on policies issued by the society at a greater distance than ten miles from the registered office of the society) the word "policies" refers only to policies of assurance on human life within the meaning of subsection (1) of that section, and any certificate of exemption issued before the coming into force of this section and having effect under the said section ten shall be construed accordingly.

7 Declaration of law as to adopted children

It is hereby declared that the provision made by subsection (1) of section eleven of the Adoption Act, 1950, that the adopter of an infant shall be deemed to be the parent of the infant for the purposes of enactments relating to friendly societies, collecting societies and industrial assurance companies applies for the purposes of all enactments so relating, and not only for the purposes of those which enable such societies and companies to insure money to be paid for funeral expenses or restrict the persons to whom money may be paid on the death of a child under the age of ten.

8 Charge for supplying copies of rules

The greatest sum which a registered society or branch may charge for a copy of its rules shall be two shillings, and accordingly in section thirty-eight of the principal Act and in subsection (1) of section ten of the Industrial Assurance and Friendly Societies Act, 1948, for the reference to one shilling there shall in each case be substituted a reference to two shillings.

9 Provision as to information supplied for national insurance purposes

- (1) Subject to any exceptions or conditions prescribed by regulations of the Minister of Pensions and National Insurance, that Minister shall at the request of any person claiming benefit from a registered friendly society or branch provide the society or branch for the purposes of the claim with a copy or abstract of any medical certificate relating to that person and supplied by him to the Minister for purposes of the Insurance Acts.

- (2) Where the Minister of Pensions and National Insurance furnishes a registered friendly society or branch, in connection with a claim for benefit from the society or branch, with information relating to a claim or award under the Insurance Acts, the expenses incurred in connection therewith by the Minister or any other Government department shall be treated as expenses in carrying into effect either the National Insurance (Industrial Injuries) Act, 1946, or the National Insurance Act, 1946, as the Minister thinks appropriate, and shall be dealt with accordingly under section sixty of the first-mentioned Act or section thirty-eight of the second-mentioned Act (which sections provide for the payment of such expenses out of moneys provided by Parliament subject to reimbursement to the Treasury out of the Industrial Injuries Fund or the National Insurance Fund, as the case may be).
- (3) This section shall apply to a registered trade union or branch of a registered trade union as it applies to a registered friendly society or branch.
- (4) The power of the Minister of Pensions and National Insurance to make regulations under this section shall be exercisable by statutory instrument which shall be subject to annulment by resolution of either House of Parliament.
- (5) In this section, "the Insurance Acts" means the National Insurance (Industrial Injuries) Acts, 1946 to 1954, and the National Insurance Acts, 1946 to 1955.

10 Payments into Exchequer

There shall be paid into the Exchequer any increase attributable to this Act in the fees payable to any registrar under or by virtue of the principal Act.

11 Short title, citation, construction and extent

- (1) This Act may be cited as the Friendly Societies Act, 1955.
- (2) This Act shall be construed as one with the Friendly Societies Acts, 1896 to 1948, and may be cited with those Acts as the Friendly Societies Acts, 1896 to 1955.
- (3) In this Act—
 - (a) "the principal Act" means the Friendly Societies Act, 1896; and
 - (b) references to any enactment, except in so far as the context otherwise requires shall be taken as referring to that enactment as amended, extended or applied by or under any other enactment, including this Act.
- (4) This Act shall extend to Great Britain, the Isle of Man and the Channel Islands, but not to Northern Ireland.

TABLE OF STATUTES REFERRED TO IN THIS ACT

Short Title	Session and Chapter
Trade Union Act Amendment Act, 1876	39 & 40 Vict. c. 22.
Provident Nominations and Small Intestacies Act, 1883	46 & 47 Vict. c. 47.
Friendly Societies Act, 1896	59 & 60 Vict. c. 25.
Industrial Assurance Act, 1923	13 & 14 Geo. 5. c. 8.

Short Title	Session and Chapter
Industrial Assurance and Friendly Societies Act, 1929	19 & 20 Geo. 5. c. 28.
Housing Act, 1936	26 Geo. 5. & 1 Edw. 8. c. 51.
National Insurance (Industrial Injuries) Act, 1946	9 & 10 Geo. 6. c. 62.
National Insurance Act, 1946	9 & 10 Geo. 6. c. 67.
Industrial Assurance and Friendly Societies Act, 1948	11 & 12 Geo. 6. c. 39.
Adoption Act, 1950	14 Geo. 6. c. 26.
Housing (Scotland) Act, 1950	14 Geo. 6. c. 34.
Reserve and Auxiliary Forces (Protection of Civil Interests) Act, 1951	14 & 15 Geo. 6. c. 65.