

FRIENDLY SOCIETIES AMENDMENT BILL

EXPLANATORY NOTE

This Bill amends the Friendly Societies Act 1909. The main effects of the amendments are to increase certain monetary limits, to allow future changes to some of those limits to be effected by the Governor-General by Order in Council, and to make a metric conversion.

Clause 1 relates to the Short Title.

Clause 2: Section 11 of the principal Act provides that no friendly society shall be registered under the Act if it contracts with any person for assurances of more than \$5,200 by way of gross sum or more than \$208 a year by way of annuity.

This clause increases the amounts to \$6,200 and \$520 respectively, and provides for future changes to be made by Order in Council.

Clause 3 provides that the cost of buying a copy of the rules of a friendly society (at present 50 cents) may be fixed in the future by Order in Council.

Clause 4: Section 51 of the principal Act provides that the maximum amount a member may receive from a friendly society pursuant to assurances with that society is \$5,200 by way of gross sum or \$208 a year by way of annuity.

This clause increases the amounts to \$6,200 and \$520 respectively, and provides for future changes to be made by Order in Council.

Clause 5: Section 55 (1) of the principal Act allows a registered friendly society, and a branch of that society, to make loans on personal security to members from a separate loan fund. The fund is made up from contributions and deposits of members, but no member shall hold more than \$3,000 in a loan fund. The \$3,000 includes any dividends credited on deposits made.

Subclause (1) of this clause amends section 55 (1) by prohibiting a society from accepting deposits from a member in any case where the member's interest in a loan fund would exceed \$3,000 if the deposit was accepted. The effect of the amendment is to allow a member to hold more than \$3,000 in a loan fund, but only where the excess is comprised of dividends credited to his account. The subclause also makes provision for future changes to the \$3,000 limit to be made by Order in Council.

Subclause (2) of this clause provides that the maximum amount a society may lend on personal security (at present \$300) may be fixed in the future by Order in Council.

Clause 6 provides that the maximum amount that a member of a friendly society may nominate to be paid to another person on the death of that member (at present \$1,000) may in future be fixed by Order in Council.

Clause 7: Section 50 (2) of the principal Act provides that nothing in that section shall authorise a benevolent society to hold land exceeding 1 acre in extent. This clause amends the 1 acre to 0.5 hectares. The exact conversion is 0.404686 hectares.

Clause 8 relates to consequential repeals.

Hon. Mr Tizard

FRIENDLY SOCIETIES AMENDMENT

ANALYSIS

Title	
1. Short Title	5. Loans by societies and branches to members on personal security
2. Restriction on registration	6. Nominations of money payable on death of member
3. Charge for copy of rules	7. Metric conversion
4. Increasing maximum gross sum and annuity for contracts of assurance	8. Consequential repeals

A BILL INTITULED

An Act to amend the Friendly Societies Act 1909

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same,
5 as follows:

1. **Short Title**—This Act may be cited as the Friendly Societies Amendment Act 1975, and shall be read together with and deemed part of the Friendly Societies Act 1909* (hereinafter referred to as the principal Act).

10 **2. Restriction on registration**—Section 11 of the principal Act is hereby amended by repealing subsection (2) (as substituted by section 2 (2) of the Friendly Societies Amendment Act 1972), and substituting the following subsection:

15 “(2) No friendly society which contracts with any person for the assurance—

*1957 Reprint, Vol. 5, p. 481

Amendments: 1959, No. 64; 1961, No. 112; 1962, No. 70; 1963, No. 89; 1964, No. 88; 1968, No. 83; 1970, No. 63; 1972, No. 61; 1973, No. 63

“(a) Of a gross sum exceeding \$6,200 or such other gross sum as the Governor-General may, from time to time, by Order in Council declare; or

“(b) Of an annuity exceeding \$520 a year or such other sum a year as the Governor-General may, from time to time, by Order in Council declare— 5

shall be registered under this Act.”

3. Charge for copy of rules—Section 33 of the principal Act (as amended by section 2 (1) of the Friendly Societies Amendment Act 1962 and section 7 of the Decimal Currency Act 1964) is hereby further amended by omitting the words “fifty cents”, and substituting the words “50 cents or such other sum as the Governor-General may, from time to time, by Order in Council declare”. 10

4. Increasing maximum gross sum and annuity for contracts of assurance—Section 51 of the principal Act (as substituted by section 2 (1) of the Friendly Societies Amendment Act 1972) is hereby amended— 15

(a) By omitting the expression “\$5,200”, and substituting the words “\$6,200 (or such other sum as the Governor-General may, from time to time, by Order in Council declare)” : 20

(b) By omitting the expression “\$208”, and substituting the words “\$520 (or such other amount as the Governor-General may, from time to time, by Order in Council declare)”. 25

5. Loans by societies and branches to members on personal security—(1) Section 55 (1) of the principal Act (as substituted by section 5 of the Friendly Societies Amendment Act 1948) is hereby amended by repealing paragraph (b) (as amended by section 2 (1) (a) of the Friendly Societies Amendment Act 1973), and substituting the following paragraph: 30

“(b) A society or branch shall not accept from a member any deposit in or contribution to a loan fund if by so doing the member’s interest in the loan fund together with his interest (if any) in any other loan fund of the society or of any branch of the society would thereby exceed \$3,000 or such other sum as the Governor-General may, from time to time, by Order in Council declare.” 40

(2) Section 55 (1) (c) of the principal Act (as substituted by section 6 (2) of the Friendly Societies Amendment Act 1949 and amended by section 2 (1) (b) of the Friendly Societies Amendment Act 1973) is hereby further amended
5 by inserting, after the expression "\$300", the words "or such other amount as the Governor-General may, from time to time, by Order in Council declare".

6. Nominations of money payable on death of member—
Section 57 of the principal Act (as amended by section 3 (1)
10 of the Friendly Societies Amendment Act 1964 and section 7 of the Decimal Currency Act 1964) is hereby further amended—

(a) By omitting from subsection (1) and subsection (5)
15 the words "one thousand dollars" in both places where they occur, and substituting in each case the words "\$1,000 or such other sum as the Governor-General may, from time to time, by Order in Council declare":

(b) By omitting from subsection (7) the words "one thousand dollars, the nomination shall be valid to the extent only of the sum of one thousand dollars", and substituting the words "\$1,000 or such other sum as the Governor-General may, from time to time, by Order in Council declare, the nomination shall be
20 valid to the extent only of that sum".
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7. Metric conversion—Section 50 (2) of the principal Act is hereby amended by omitting the words "one acre", and substituting the words "0.5 hectares".

8. Consequential repeals—The following enactments are
30 hereby repealed:

- (a) Section 2 of the Friendly Societies Amendment Act 1962;
- (b) The Friendly Societies Amendment Act 1964;
- (c) Section 2 (2) of the Friendly Societies Amendment Act
35 1972;
- (d) The Friendly Societies Amendment Act 1973.