

No. [] , 1938. []

A BILL

To amend the Friendly Societies Act, 1912-1935, in certain respects; and for purposes connected therewith.

[Mr. RICHARDSON; 27 October, 1938.]

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of
5 the same, as follows :—

1. (1) This Act may be cited as the "Friendly Societies (Amendment) Act, 1938." Short title.

Friendly Societies (Amendment).

(2) The Friendly Societies Act, 1912-1935, as amended by subsequent Acts and by this Act, may be cited as the Friendly Societies Act, 1912-1938.

Amendment of Act No. 46, 1912.

2. The Friendly Societies Act, 1912-1935, as amended by subsequent Acts, is amended—

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New Part XI.

(a) by inserting next after section one hundred and eighteen the following new Part:—

PART XI.

SPECIAL PROVISIONS.

Powers of society.

119. (1) Notwithstanding anything contained in this Act or in the rules of a registered society—

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(a) the registered society may promote or establish or assist in the promotion or establishment of a society which complies with the requirements of the National Health and Pensions Insurance Act, 1938 (Commonwealth), and may take or assist in taking any action necessary to secure the declaration under that Act of the society so formed or established, as an approved society for the purposes of that Act;

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(b) the registered society may collaborate with any approved society promoted or established by it or in the promotion or establishment of which it has assisted, in any matter which, in the opinion of the registered society, will further the interests of persons who are members of the registered society and the approved society or of either of such societies;

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(c) the registered society may take part, by delegates or otherwise, in the government of any approved society promoted or established by it or in the promotion or establishment of which it has assisted, if provision for such taking part is made in the rules of that approved society;

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(d)

- 5 (d) the registered society, if established for the purpose of providing any of the benefits enumerated or referred to in paragraph (b) of subsection one of section ten of this Act, may enter into a contract or agreement with the National Insurance Commission constituted under the National Health and Pensions Insurance Act, 1938 (Commonwealth), for the supply, under and in accordance with that Act, of drugs, medicines and appliances to persons who are insured persons within the meaning of that Act;
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- 15 (e) the committee of the registered society may, by resolution, amend the rules of the registered society in such manner as it may think necessary or convenient to enable or assist the registered society to do or perform any act, matter or thing authorised by any of the provisions of this Part of this Act; and in particular and without prejudice to the generality of the foregoing power, in such manner as it may think necessary or convenient—
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- 25 (i) to incorporate therein any amendments necessary to give effect to a scheme in pursuance of section one hundred and twenty-one of this Act;
- 30 (ii) to enable members of the registered society to subscribe for benefits which are not duplicated by the benefits available to members of approved societies under the National Health and Pensions Insurance Act, 1938 (Commonwealth);
- 35 (iii) to enable the registered society, in any case where the registered society has entered or proposes to enter
- 40 (b)

enter into a contract or agreement of the nature referred to in paragraph (d) of this subsection, to exercise and discharge any powers, authorities, duties and functions conferred and imposed upon it by such contract or agreement or by the National Health and Pensions Insurance Act, 1938 (Commonwealth), in consequence of its being a party to such contract or agreement.

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(2) Any amendment of the rules of a registered society made under the authority of subsection one of this section shall, for all purposes of this Act, be deemed to have been made by the society.

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Expenditure authorised for certain purposes.

120. (1) A registered society may, for any of the purposes referred to in paragraph (a) of subsection one of section one hundred and nineteen of this Act, expend a sum not exceeding an amount equivalent to three shillings for each person who was, at the thirtieth day of June, one thousand nine hundred and thirty-eight, a member of the registered society.

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(2) The sum so expended may be paid from the management fund of the registered society or from the accumulations of the sick and funeral funds of the registered society as at the thirtieth day of June, one thousand nine hundred and thirty-eight, or partly from one and partly from another of such funds.

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(3) The registered society shall make arrangements of such a nature as the Registrar may approve for the payment to the registered society of any moneys made available under and in accordance with the National Health and Pensions Insurance Act, 1938 (Commonwealth), to meet any purpose or expense for which moneys are expended by the registered society under the authority of this section, and for the allocation of any such moneys received by the registered society.

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121. (1) (a) Each registered society which provides benefits to its members which are duplicated wholly or in part by the benefits provided by an approved society under the National Health and Pensions Insurance Act, 1938 (Commonwealth), to members of the approved society, shall, not later than the thirty-first day of March, one thousand nine hundred and thirty-nine, prepare and submit to the Registrar a scheme whereby a right is conferred on any member of the registered society who is, or is eligible to become, a member of an approved society under the National Health and Pensions Insurance Act, 1938 (Commonwealth), to elect on or before the thirty-first day of December, one thousand nine hundred and forty-one, to continue or surrender any benefits provided by the registered society for which such member has been contributing and which are duplicated wholly or in part by the benefits provided by an approved society to members of the approved society, and where any benefits are so surrendered, to be granted a reduction or remission of future contributions to the registered society or an increase in such other benefit provided by the registered society and for which such member has been contributing, as the member shall select.

Scheme for adjustment upon withdrawal by members.

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(b) Every such scheme shall be incorporated by amendment in the rules of the registered society.

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(c) The amendment of the rules of the registered society made for the purpose of giving effect to the scheme, or any amendment thereafter made of the rules giving effect to the scheme, shall not be registered unless, in either such case, the amendment is certified under the hand of an actuary attached to the office of the Registrar to be such that the interests of all members of the society (including both those who exercise such right of election and those who do not)

not) and the interests of the society are reasonably protected, and unless, in either case, the amendment is approved by the Registrar.

(2) (a) Where the rules of a registered society have not, on or before the thirtieth day of April, one thousand nine hundred and thirty-nine, been amended so as to incorporate a scheme which complies with the requirements of subsection one of this section an election under this subsection may be made on or before the thirty-first day of December, one thousand nine hundred and forty-one, by any member of the registered society who, at the date of such election—

- (i) has been, for a period of at least seven years, a contributor to the registered society for sickness benefits; and
- (ii) is, or is eligible to become, a member of an approved society under the National Health and Pensions Insurance Act, 1938 (Commonwealth).

(b) The election authorised by this subsection is an election to surrender the right to sickness benefits after the date of the election and, where such benefit is so surrendered, to have the right to deduct from his future contributions to the registered society such amount as may be certified by an actuary attached to the office of the Registrar to be equitable having regard to the financial position of the registered society and any other relevant circumstances.

(c) In this subsection the expression "sickness benefits" means benefits of the nature referred to in paragraph (a) of subsection one of section ten of this Act which are payable in accordance with the rules of the registered society.

(3) Where, by reason of the operation of any scheme prepared under subsection one of this section which has been incorporated in the

5 the rules of a registered society or of any election
made under subsection two of this section, a
transfer of moneys from the separate account
kept by a registered society in respect of any
particular fund or benefit to the separate account
kept by that society in respect of any other fund
or benefit becomes necessary, such transfer may,
notwithstanding section thirty-eight of this Act,
10 be made by the trustees of the society with the
consent of the Registrar.

(b) by inserting in section one next after the matter relating to Part X the following:—

Sec. 1.
(Division
into Parts.)

PART XI.—SPECIAL PROVISIONS—ss. 119-121.

[7d.]

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(3) Where by reason of the operation of any scheme prepared under subsection one of this section which has been incorporated in the

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of
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