SCHEDULES

SCHEDULE 9

FRIENDLY SOCIETIES

Qualifying policies

4   (1) In Schedule 15 to that Act (qualifying policies) in paragraph 3, sub-paragraph (1)(c) (contract for policy issued by new society to be made by member over 18) shall be omitted, with the word "and" immediately preceding it.

      (2) This paragraph shall apply in relation to policies issued in pursuance of contracts made on or after the day on which this Act is passed.

5   (1) This paragraph applies to any policy—

        (a)   issued by a friendly society, or branch of a friendly society, in the course of tax exempt life or endowment business (as defined in section 466 of the Taxes Act 1988), and

        (b)   effected by a contract made after 31st August 1987 and before the day on which this Act is passed.

      (2) Where—

        (a)   the amount payable by way of premium under a policy to which this paragraph applies is increased by virtue of a variation made in the period beginning with the day on which this Act is passed and ending with 31st July 1992, and

        (b)   the variation is not such as to cause a person to become in breach of the limits in section 464 of the Taxes Act 1988,

Schedule 15 to that Act, in its application to the policy, shall have effect, in relation to that variation, with the modifications mentioned in sub-paragraph (3) below.

      (3) The modifications are the omission of paragraph 4(3)(a) and the insertion at the end of paragraph 18(2) of "and as if for paragraph 3(2)(b) above there were substituted—

        "(b)   subject to sub-paragraph (4) below, the premiums payable under the policy shall be premiums of equal or rateable amounts payable at yearly or shorter intervals over the whole of the term of the policy as from the variation, or, where premiums are not payable for any period after the person liable to pay them or whose life is insured has attained a specified age, being an age attained at a time not less than ten years after the beginning of the term of the policy, over the whole of the remainder of the period for which premiums are payable.""