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EVERYBODY'S
GUIDE
TO THE
NATIONAL
INSURANCE
ACT, 1911.

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THOMAS SMITH
BARRISTER-AT-LAW

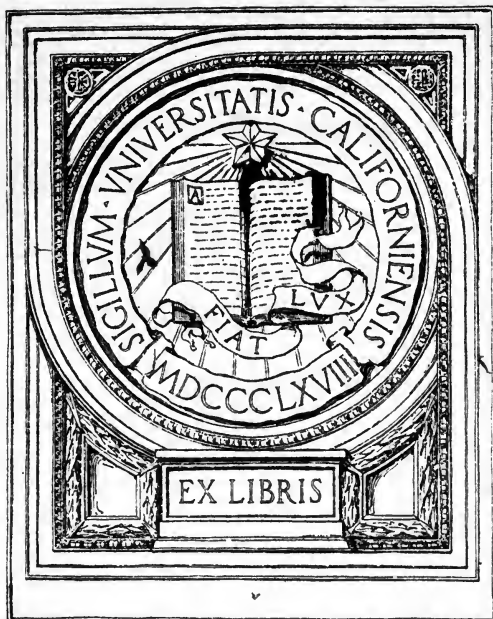
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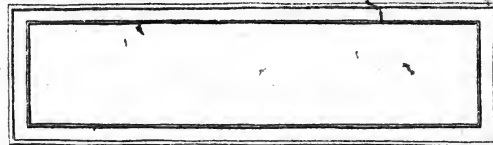
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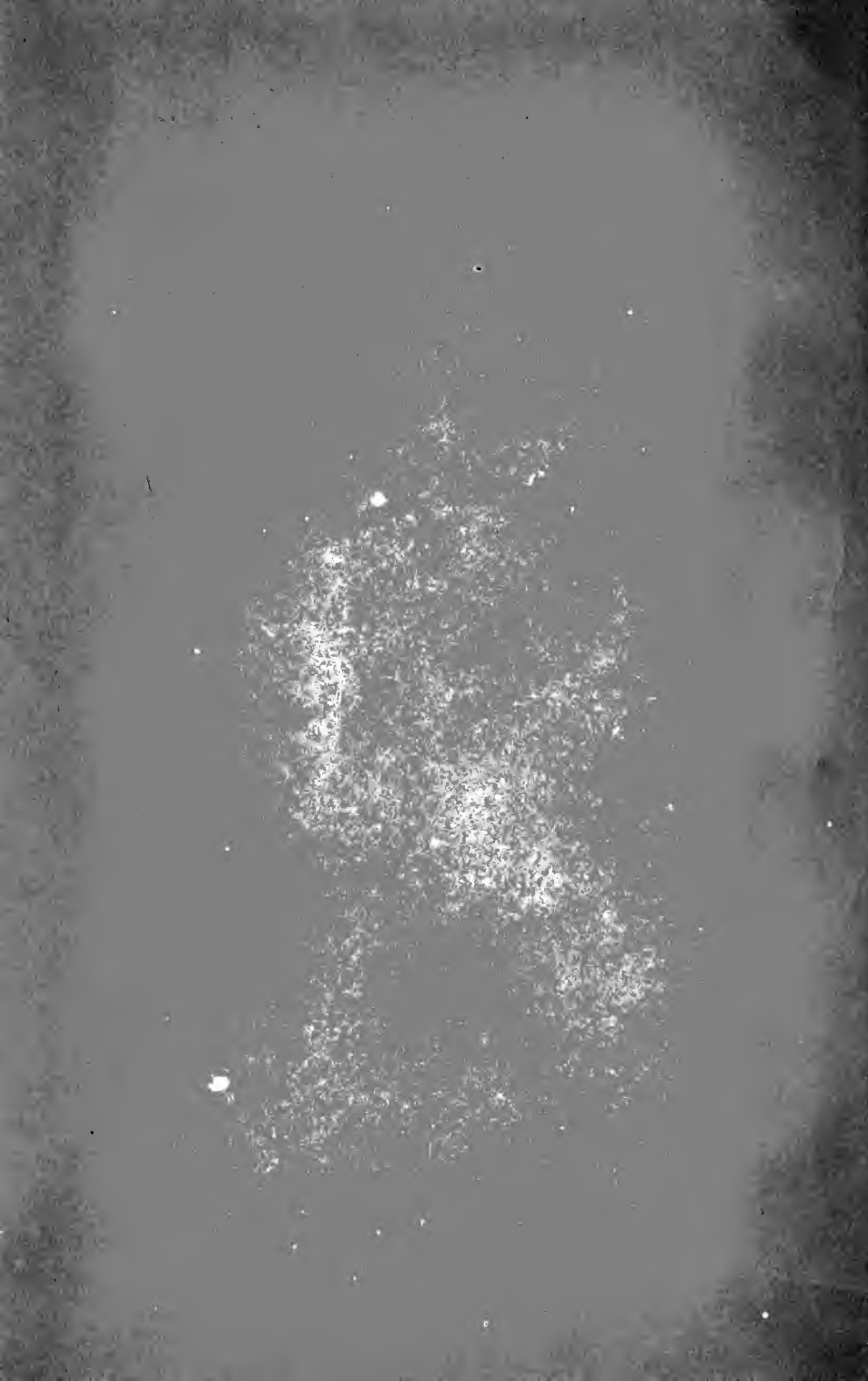
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EVERYBODY'S GUIDE
TO THE
INSURANCE ACT.

"This is the most complicated Bill of the last 100 years, and it touches more sets of people in more obscure and unanalysable ways than any measure which has ever yet been tried."—MR. BALFOUR, *in the House of Commons*, 25th October, 1911

BY
THOMAS SMITH,
BARRISTER-AT-LAW, OF THE INNER TEMPLE;
JOINT AUTHOR OF "POINTS FOR GUARDIANS AND THEIR OFFICERS."

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PREFACE TO THE SECOND EDITION.

IN so kindly a fashion has the First Edition of this work been received, that the Author has ventured to think that the book brought up to date with all the Regulations and forms recently issued by the Insurance Commissioners, together with other official information, would prove of utility to the many who are affected by this new Law. It has not been sought to condense to any great extent these Regulations, for it is conceived by a study of them alone it will be possible for the reader to appreciate, at any rate to some slight degree, what the Commissioners require of him.

THOMAS SMITH.

WOODFORD,

June, 1912.



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EVERYBODY'S GUIDE

TO THE

INSURANCE ACT

PART I.

CHAPTER I.

INTRODUCTORY.

THE objects of the Act are "to provide for insurance against loss of health, and for the prevention and cure of sickness, and for insurance against unemployment, and for purposes incidental thereto."

The Bill was introduced into the House of Commons by the Chancellor of the Exchequer on the 4th May, 1911, after, it has been stated, some two or two and a half years' care and thought had been expended on the formation of the scheme and on the drafting of the Bill. The importance of its proposals can hardly be exaggerated, and what ultimate effect it may have on the country at large, it is difficult to surmise.

A provision for proper and universal medical attention, for an allowance during sickness, and for payment during disablement, must strike an effective blow at poverty and at all the ills which poverty brings. It has been estimated that at least 30 per cent. of the pauperism of this country can be attributed to sickness, and a very careful examination of case-papers and history-sheets of those who have been compelled to resort to the Poor Law, induces one to believe that that figure is underestimated. Some 6,000,000 or 7,000,000 people in this country have made provision by insurance against sickness; under this Act some 14,000,000 will be brought into the scheme, either compulsorily or as volunteers; they are comprised as follows:—compulsory class and voluntary class who will join approved societies, 9,200,000 men, 3,900,000 women, total 13,100,000; deposit class, 638,000 men, 244,000 women, total 882,000.

It is no exaggeration, therefore, to say that there is hardly a home, or a factory, or workshop, or a public institution in which the effect of this Act will not make itself felt. In innumerable homes will be reaped the inestimable advantage of proper medical attention and advice; when the breadwinner is incapacitated all income to the house will not thereby cease, and many a family will be able to tide over the day of sickness without having, as of old, to come to the Poor Law for assistance.

Throughout all grades of society where the relationship of master and servant exists the burdens and benefits of the Act will be experienced, and every employer must of necessity make himself acquainted with its provisions, for upon him will devolve in the first instance the necessity of seeing that the employee contributes, and that the employer and employee alike pay their share. Undoubtedly the efficiency of the worker will be increased by this measure. In the past many must have hesitated to grapple with sickness in its early stages, from a variety of reasons: now that many of those reasons have disappeared, we should therefore have a healthier and a happier workman. The expenditure of the large annual sum contemplated cannot fail to make its effect felt on Poor Law Administration in years to come; there should follow fewer admissions to institutions of the able bodied, less resort to the out-relief list by the wives and families of sick husbands, and less chargeability of the consumptive poor. The establishment of Insurance Committees, in whom will be vested the administration of medical assistance must in the future considerably affect the work of Poor Law Guardians, and it can be no very great step to place under one authority all medical administration whether carried out in accordance with this Act or by voluntary effort such as public hospitals, or rate-aided such as is effected by Poor Law Guardians and Public Health Authorities. It would certainly be an advantage that the hospital and domiciliary treatment of the sick should be administered by one authority. What the ultimate effect of the Act will be on the wages of the community is difficult to determine, and is a question with which perhaps a Handbook to the Act is not immediately concerned: but it is to be feared that a compulsory levy on all "employed" persons who come within the provisions of the Act, coupled with a compulsory levy on all persons who employ them, must sooner or later tend to depreciate wages by that amount or put a corresponding increase on the price of materials or the like—in many cases where the employer has to contribute, so small is the margin of profit, that the business will hardly stand the compulsory tax without a corresponding wage-depreciation, and in many

others it is feared the one will follow the other as a business conclusion—and will provide one more illustration of the maxim that in the end the consumer or the workman pays the difference. It is questionable too whether the Trade Unions will find themselves in the strong financial position they have enjoyed in the past to fight the question of the workman's wage. The Act must have a very large bearing on the future of the Medical Profession on the one hand, and of Friendly Societies, Trade Unions and similar kindred Societies on the other.

With regard to Friendly Societies, for the first time it is proposed to introduce direct State control and State interference in this branch of their work: this is inevitable when the Government has called to its aid very largely the Friendly Societies in the administration of the Act. Through their agency and that of kindred institutions and the Trade Unions, contributions will be generally collected, and sickness and disablement benefit will be distributed. Over the entrance of such Societies into the scheme, and over the funds and accounts of such Societies government control is now established, and it is doubtful therefore whether they will retain the characteristics of their past history. It will be remarkable if they do. Even though their usefulness remain as of old, their independence must to some extent be undermined. The link between the society and its member cannot remain the same when the employer pays the contribution, and when as in the past the member paid it to the society himself and kept in direct touch with the society to which he belonged. Compulsory thrift of the future can never be the same thing as the voluntary thrift of the past. Under the Act a man may go from one society to another; in the past he remained in one usually for life, and the individual tie will probably never be the same.

Mr. Watson, the highest authority on friendly societies' actuarial work, has estimated that there are on the permanent benefit funds of the friendly societies of the United Kingdom about 4,500,000 people. This Act will deal with 15,000,000 people, all of whom, who can, will insure through the approved societies, on account of the advantages of so doing. Such figures alone testify to the far-reaching effect this Act must have on the work and administration of the societies, not only in the matter of their finances, but of their benefits and general policy.

A very serious diminution will be felt, we fear, in the subscription lists of our public and general hospitals and infirmaries. They rely for their very existence on the contribution of the wealthy and the poor alike. The employer who will now have to subscribe to the

compulsory insurance of his workmen, officers and servants will feel that he has done his share, even though his financial position would in some cases permit of contributions to both objects, whilst a double subscription from the employee will be out of the question.

There is also the question as to whether the rates now imposed will prove sufficient to provide the benefits that are at the present time anticipated, and those which a future generation will insist shall be part of a national scheme. In Germany the rate of insurance for sickness has since the commencement of the scheme increased considerably, and without doubt future legislation on the scheme will have to provide for old age pensions at an earlier age than seventy, and for benefits accruing to the widows and children of an insured person. Already much of the margin, existing at the time the Bill was introduced, has in fact disappeared.

Increase the benefits along the lines suggested and it is difficult to see what will be left for the Poor Law authorities of the future to regulate beyond the Poor Law hospitals and infirmaries and the flotsam and jetsam of our population. The Act must mean a large reduction in the Outdoor relief lists, it should mean the removal in time of the consumptive poor. It may or rather must take time to accomplish, but each year as it passes will remove from the list of pauperism more and more of the aristocracy of the poor.

In order to understand the scheme relating to Health Insurance aright, three main principles upon which it is founded must be clearly understood at the outset:—

(1.) It is founded on compulsion.

So far as is possible, all employed persons, who do not earn salaries or remuneration exceeding £160 a year are brought within the scheme.

(2.) It is based on the principle of admitting within one year all persons between 16 and 65 at a uniform rate of premium, and with certain exceptions with equal benefits.

As to how it has been found within the region of practical politics to accomplish this, is explained in the Chapter on the Financial position of the Act (p. 166).

(3.) The third underlying principle is that wherever possible advantages are given to the Friendly, Trade Unions, and other Societies, which under the scheme will become approved societies; the reserves they hold to-day on account of current risks will be released, and those who have belonged to such societies in the past will reap an immediate advantage. Those who join such societies in the future will have such considerable advantages, that only those will join the Post Office class to whom admission to an approved

society is an impossibility. It is the price the State has had to pay for the co-operation of those who in the past have voluntarily performed the task which Parliament to-day proposes to make compulsory.

The Act will come into operation on the 15th July, 1912, unless His Majesty in Council decides to substitute, should necessity arise, some subsequent date or dates, not being later than the 1st January, 1913, as respects Part I. of the Act now under review, and not being later than the 1st October, 1912, as respects Part II.

§ 1. The Compulsory Class (s. 1).

The Act extends to the whole of the United Kingdom, but does not include the Isle of Man (which has a separate Parliament) or the Channel Islands. As the Act rests very largely upon compulsion, it is necessary to ascertain at the outset who will be compulsorily insured, and from whose wages deductions must be made in accordance with its terms. Such compulsory insurance, with certain exceptions, applies to all persons of either sex, and of any nationality, between the ages of 16 and 65, provided they are "employed" within the meaning of the First Schedule. It will extend to all persons under contract of service express or implied, whether paid by the hour, the day, week, month or year, save those who earn other than by manual labour £160 a year and upwards.

"Employment" in reference to persons who are to be compulsorily insured is defined in the First Schedule (see Appendix). Artisans, mechanics, miners, clerks, shop assistants, servants, soldiers, sailors, seamen in the Mercantile Marine, certain un pensionable employees of local authorities, railway employees, golf caddies, waiters, cab-drivers working cabs for hire, and boatmen who work a boat for an employer, are all included. Persons under contract of apprenticeship come within the scheme, and this will apply to children bound apprentice by Poor Law Guardians. Persons are *employed* whether they are paid by time or by piece-work, or without any money payment, out-workers and cases of joint-employment, e.g. through gangers in a mine, are also included.

Further, the Insurance Commissioners have power by special Order with the consent of the Treasury to include within the meaning of persons employed any classes not so included at the present time (*vide* the proviso to s. 1 (2)). To the list of persons employed who come within the compulsory portions of the scheme are certain Exceptions which are to be found in the First Schedule, Part II., they include :—

(a) Persons employed in the naval or military service of the Crown—for whom special provision is made (see page 42). This does not apply to the Naval Reserves, the Army Reserves, and the Territorial Force except when called on actual service, or on permanent service or on embodiment.

(b) Persons employed under the Crown or other public authority where the Insurance Commissioners certify that the terms of the employment are such as to secure provision in respect of sickness and disablement on the whole not less favourable than the benefits conferred by this Act.

With regard to persons employed under the Crown to whom this proviso does not apply, provision is made for them in s. 53 of the Act which is dealt with on page 26. As to persons employed by local authorities what the actual result of this will prove to be in the administration of the Act is not quite clear. It will be apparently a question of fact for the Commissioners to determine with regard to each local authority or each of the several Superannuation Acts. Many such Acts contain no provision for the case of temporary sickness, whilst they do for permanent disablement, and many local authorities have in force schemes for the payment of half wages for specified periods during temporary sickness; it will therefore apparently be the task of the Commissioners to decide whether such provisions contain and confer benefits on the whole not less favourable than is the case under this Act. If they do so decide, the officers and servants will be exceptions to the compulsorily contributing class, and the authorities will be relieved from compulsorily contributing on their behalf.

Before the Commissioners will grant to any local authority a Certificate of Exception in respect of employees of that authority, they will require provision to be made for the payment of allowances to such officers during sickness and disablement at least equivalent in value actuarially to the sickness and disablement benefits (taken together) provided by the Act. They will also have to be satisfied that the provision so made is at least as well adapted to the needs of the employees generally as the above-mentioned benefits provided by the Act, and to be informed whether any, and if so, what provision by way of repayment of contributions to a superannuation fund, by gratuity or otherwise, is made with a view to providing employees leaving employment in the excepted class, and entering into insurance, with the capital sum required to enable persons entering into insurance above the age of sixteen, to qualify for benefits at the ordinary rate. Special consideration will have to be given to any cases in which women are required to

relinquish their employment on marriage (Official Circular X.—22nd of May).

The distinction between certificates of exemption and exception should be noted. In the former case an employer is not relieved from contributing in respect of an employee; in the latter case no contributions are payable either by employer or employee.

(c) Persons employed as Teachers to whom the Elementary School Teachers' Superannuation Act, 1898, applies.

(d) Persons employed as agents paid by commission and not being ordinarily employed by one employer only.

Where such persons are employed by one employer only, they will come within the scheme as compulsory insurers whether paid a regular wage or by commission or fees, provided they do not earn more than £160 a year.

(e) Employment in respect of which no wages or other money payment is made where the employer is the occupier of an agricultural holding and the employed person is employed thereon, or where the employed person is the child of, or is maintained by, the employer.

It should be noticed that there is no restriction as to the size of the agricultural holding as was the original intention when the Bill was drafted.

(f) Employment otherwise than by way of manual labour and at a regular salary or other rate of remuneration exceeding £160 a year or in the case of part time service only at a rate of remuneration which in the opinion of the Commissioners is equivalent to a rate of £160 a year for whole time service.

This exception excludes those earning more than £160 from the scheme entirely if their occupation is other than manual labour. Neither are persons whose income from all sources exceeds £160 entitled to join as voluntary contributors, *vide* proviso to s. 1 (3).

(g) Employment of a casual nature otherwise than for the purposes of the employer's trade or business, and otherwise than for the purposes of any game or recreation where the persons employed are engaged or paid through a club, and in such case the club shall be deemed to be the employer.

The latter portion of this exception will include the golf caddie and the like within the scheme but will exclude from the compulsory portion such persons as luggage porters, jobbing gardeners, and persons so casually employed. Except as provided by s. 49 persons over 65 years of age not previously insured are neither required nor able to become insured persons within this part of the Act, s. 1 (4).

(h) Employment as a clerk or other salaried official in the service of a railway or other statutory company, or of a joint committee of two or more such companies, where the Insurance Commissioners certify that the terms of employment are such as to secure provision in respect of sickness or disablement, on the whole, not less favourable than the corresponding benefits conferred by Part I. of this Act, and the person so employed is a member of a superannuation fund established by Act of Parliament for the benefit of persons in such employment.

(i) Employment of any class which may be specified in a special order as being of such a nature that it is ordinarily adopted as subsidiary employment only and not as the principal means of livelihood.*

(j) Employment as an outworker where the person so employed is the wife of an insured person and is not wholly or mainly dependent for her livelihood on her earnings in such employment.

(k) Employment as a member of the crew of a fishing vessel where the members of such crew are remunerated by shares in the profits or the gross earnings of the working of such vessel in accordance with any custom or practice prevailing at any port if a special order is made for the purpose by the Insurance Commissioners, and the particular custom or practice prevailing at the port is one to which the order applies.

(l) Employment in the service of the husband or wife of the employed person.

The general ground has now been covered as to what classes of persons form the "employed contributors" as they are to be known, as distinguished from the "voluntary contributors," who, as their title suggests, are not compelled, like the former class, to participate in the scheme. The compulsory class may effect their insurance in one of two ways, either

(i) Through an approved society, which term speaking generally will cover existing Friendly Societies, Trade Unions, Provident Societies, Sick Clubs and Dividing Societies (*vide* s. 22), or through new societies or separate sections of societies specially constituted under the Act; or

(ii) Through the Post Office, in which case they will be known as Deposit Contributors.

The Act has so been framed that to the former class attach considerable benefits which are not shared by the Post Office contributor. It has been said that the healthy will go to the approved societies, who will naturally have the pick of the good

* Two such special orders have been published, one relating to general occupations, the other to those connected with agriculture.

lives, and the others, the deposit contributors (the unhealthy), will go to the Post Office fund. The State is compelling these persons to contribute, it is compelling them to go to the friendly and kindred Societies, if they want the greatest return for the money they are contributing and for the money that is being contributed in respect of them, but it is not compelling the friendly societies to receive them; and if the friendly and similar societies reject them, all that is left for them is the post office deposit scheme (Chap. 5), with its comparatively second rate terms. One cannot ignore the fact that this has been the price which of necessity the State has had to pay to the Friendly Societies, who have in a large measure, outside the compulsory business, anticipated the State scheme.

As to the contributions to be paid by the compulsory class, the "employed contributors," and the benefits they will receive in return for those contributions, reference must be made to the subsequent chapters, in which such matters are dealt with under their specific headings.

It is estimated that 9,200,000 men and 3,900,000 women, or 13,100,000 in all, will join the compulsory class as members of approved societies, and 800,000 as members of the deposit class.

Temporary Unemployment of Employed Contributor.

We have seen that a person in employment belongs to the compulsory class, and pays the employed rate 7*d.*; what is his position when he falls out of work, and is no longer employed within the ordinary meaning of the term? The case is met by s. 79, which provides that a person whose normal occupation is employment shall for the purpose of reckoning his contributions be deemed to continue to be an employed contributor notwithstanding for the time being he is temporarily unemployed, *i.e.* he will continue to pay at the employed rate and not at the voluntary rate, and for other purposes will remain an employed contributor and will not become a voluntary contributor.

If, however, such period of unemployment extends beyond twelve months, he will not continue as an employed contributor, unless his society or the Insurance Committee, as the case may be, is satisfied that his unemployment is due to inability to obtain employment and is not due to any change in his normal occupation.

§ 2. The Voluntary Class (s. 1 (3)).

As will have been gathered, the participants in the Insurance Scheme are divided into two classes: the compulsory class (*i.e.* the

employed contributor) and the Voluntary Contributor. Persons not employed within the meaning of this Part of the Act who are entitled to become insured persons, include all persons over 16 but under 65 years of age whose income does not exceed £160, and who either—

(a) Are engaged in some regular occupation and are wholly or mainly dependent for their livelihood on the earnings derived by them from that occupation ; or

(b) have been insured persons for a period of five years or upwards.

Such persons when they take advantage of this Part of the Act are known as voluntary contributors.

Into this class of insurers will be admitted all such as are not employed for wages, but who are working on their own account, and whose total income from all sources does not exceed £160 per annum. The village blacksmith, the small tradesman, the publican in a small way, the village joiner and the like will come within the category. They have belonged to the Friendly Societies in the past, they will be able to continue their membership in the future, and reap the advantage of the State assistance, provided they pay the contribution ordinarily paid by the employer and their own, or a contribution in accordance with tables to be prepared. There is another class, who can take advantage of this provision, those who for at least five years have been employed by others, but have left that employment, and set up on their own account—so long as they have been contributors for five years—when ceasing to be so employed they may join the voluntary class. If a person has actually been a voluntary contributor, therefore not necessarily employed by another for over five years, and after such time ceases to possess the necessary qualifications, *e.g.* ceases to be engaged in some regular occupation, he may continue to be insured as a voluntary contributor. Persons who are treated as exceptions to the compulsory class, or who are excluded from that class by special order, may become voluntary contributors.

Further, provided on entry into insurance a person's income is under £160 a year, if subsequently he earns above that figure, he can remain insured. A. is earning £125 in some regular occupation, and is wholly or mainly dependent on that occupation for his living ; he becomes a voluntary contributor ; after contributing for over five years his income reaches £300 per annum. He is entitled to remain a voluntary contributor. If, however, his income exceeds £160 a year *before* the expiration of five years, he is unable to become

or remain a voluntary contributor, and the premiums he has already paid must be forfeited.

It must, however be apparent that a genuine difficulty has had to be faced with this class—the difficulty of allowing them to come in at any and at all ages. When a man belongs to the employed class, there is the safeguard of his employment for wages, and some guarantee, being a wage earner, as to his physical well-being, but with the voluntary class, without some such precaution, they would be at liberty to join at any age under 65, when almost immediately they might probably become a burden on the funds. This difficulty has had to be met by limiting the age at which they may join the scheme at the “flat,” *i.e.* the uniform rate. All who wish to join *within six months from the commencement of the Act* and who are below the age of 45 can come in at the uniform rate (*vide* s. 5 (1) (a)), *i.e.* man 4*d.* a week, woman 3*d.*; each sex paying in addition the 3*d.* weekly contribution usually paid by the employer, as they are not employed by anyone, and must therefore pay in the case of a man 7*d.* or £1 10*s.* 4*d.* per annum, or of a woman 6*d.* weekly or £1 6*s.* per annum. Those over 45 can only join at rates appropriate to their ages, and these will be in accordance with a table prepared by the Insurance Commissioners (see page 61).

Where a person, however, has been an employed contributor for at least five years, and embarks in employment on his own account, on joining as a voluntary contributor he will only have to pay the employed, *i.e.* the uniform rate, *vide* s. 5 (1) (b). This will apply also even if he does not take up employment on his own account. But a person who has been an employed contributor for *less* than five years and who is not qualified on leaving his employment to become a voluntary contributor apparently loses the advantage of his contributions during the period of his insurance.

No contributions have to be paid by a voluntary contributor after he has reached the age of 70, *vide* s. 5 (2).

The voluntary contributor is of course entitled to join an approved society, and without question a very large majority will adopt this course because of the advantages of so doing. But if a person, who wishes to become a voluntary contributor, cannot for some reason or another gain admission to a society, he is at liberty to become a Post Office contributor (s. 42). Originally that was not the intention of the Act, but the door of the Post Office was opened to the voluntary contributor during the course of the Bill through the Committee stage in the House.

Persons excluded from the compulsory class may join the voluntary class, provided they come within the provisions of s. 1 (3) herein,

e.g. an outside railway porter, luggage carriers, gardeners, costermongers and the like.

It will be noticed that two distinct tables have been prepared in relation to the contributions of voluntary contributors—one is a table fixing the voluntary rate, and the other is a table affecting persons who come into insurance within 6 months of the commencement of the Act, who are over 45 years of age (see pages 60, 61).

The mere fact that an employed contributor falls out of work does not thereby render him a voluntary contributor, he remains an employed contributor at least for 12 months.

The change from the class of an employed contributor to that of a voluntary contributor is dealt with in § 4 of this Chapter.

The position of the voluntary contributor who falls into arrear with his contributions will be found in § 3 of Chapter 3.

It is estimated that the number of persons eligible to become voluntary contributors at the initiation of the scheme is :—

Men	1,578,000
Women	542,000
Both sexes	<u>2,120,000</u>

Of this total it is estimated that in 1912-13 the number who will join approved societies will be 829,000, and that in 1927-28 that number will have been reduced to 765,000.

§ 3. Exemptions (s. 2).

Where any person employed within the meaning of this part of the Act proves that he is either—

- (1) in receipt of a pension or income of the annual value of £26 or upwards not dependent upon his personal exertions; or
- (2) ordinarily and mainly dependent for his livelihood upon some other person—he shall be entitled to be exempt from being insured under this part of the Act (*vide s. 2 (1) (a), (b)*).

The first exception is the person with an income or pension of £26, in addition to what he may be earning as an employed person, his outside sources of income render him to some extent independent, he is relieved therefore of the necessity of becoming a contributor—he may, in fact, only be employed a few weeks in each year, which was the case originally contemplated when the Act was first introduced.

The second exemption makes provision for those who, even

though they are employed, are ordinarily or mainly dependent upon some other person for their livelihood. It should be noted that in either case, during the time they are employed, the employer will be relieved from none of his liability to contribute on their behalf (s. 4 (4)); therefore no advantage will be gained by employing such people who are in receipt of a pension and the like in preference to others.

The exemption is to be obtained by means of a certificate granted by the Insurance Commissioners, to whom application should be made. The Insurance Commissioners can provide for claims being made to, and certificates granted by, the approved Societies and Insurance Committees (s. 2 (2)), and doubtless this is the procedure which will be adopted.

In the case of the migratory class of Irish labourers who, under certain conditions may obtain a certificate of exemption, reference should be made to page 184.

Claims for exemption may be made, and certificates granted, before as well as after the commencement of the Act (s. 2).

The regulations governing claims for exemption are known as the National Health Insurance (Claims for Exemption) Regulations, 1912.

The certificate is in the form prescribed by the Commissioners, which is as follows, and will be found in the exemption book, belonging to any person to whom such a certificate has been granted; it is not transferable:—

EXEMPTION CERTIFICATE.

No.....
 This is to certify that.....

 residing at.....
 is exempted or excluded from contribution under Part I of the National Insurance Act, 1911.

This Certificate is only valid when the person in respect of whom it is issued has signed his (or her) name below. It expires on 191....., when it must be returned to the Insurance Commissioners, London, S.W.

Signed
 Dated 191.....

A claim for exemption must be made in a form similar to the following, or such other form as the Commissioners may direct, and must be sent addressed to the Commissioners:—

NATIONAL INSURANCE ACT, 1911.

Claim for Exemption.

1. Full name of claimant.....
2. *Home address

* The postal address in full should be given.

3. Sex
 If a woman state whether you are—
 (a) single
 (b) married or
 (c) a widow
4. Employment
5. Name and address of employer
6. Do you claim exemption—
 (a) on the ground that you are in receipt of a pension or income of the annual value of twenty-six pounds or upwards not dependent upon your personal exertions, or
 (b) on the ground that you are ordinarily and mainly dependent for your livelihood upon some other person?
7. If you claim (a) on the ground of income state—
 (i) the source from which your pension or income is derived
 (ii) its gross amount
 (iii) the nature and extent of any deductions to be made from it
8. If you claim (b) on the ground of dependence state—
 (i) name of person on whom you are dependent
 (ii) his (or her) relationship (if any) to you
 (iii) his (or her) home address *
 (iv) the nature and extent of the support received from him (or her)
 (v) amount of any payment made in consideration of support received
 (vi) income derived from employment
9. Have you previously made a claim for an exemption certificate?
 If so, state the date on which the claim was made and the result of the claim

I have clearly understood the above questions, and to the best of my knowledge and belief all the statements made by me in this claim are correct, and so far as I know I am entitled to a Certificate of Exemption from health insurance.

Signature (or Mark) of Claimant

Witness to signature, or (where claimant is unable to write) to mark, of claimant,

Address of Witness

Date

To the National Health Insurance Commission (England).

If any person wilfully makes any false statement with a view to obtaining exemption, or is otherwise guilty of any contravention of or non-compliance with the Regulations of the Commissioners dealing with Exemption, he shall be for each offence liable on Summary Conviction to a fine not exceeding Ten Pounds.

* The postal address in full should be given.

Before the issue or renewal of a certificate of exemption every claimant must make a full disclosure of all the facts upon which he relies to show that he is entitled to exemption, and must furnish, by statutory declaration or otherwise, such further evidence in relation to his claim as the Commissioners may require.

Period for which Certificate is available.

A certificate of exemption will remain in force for such period not exceeding twelve months from the date of its issue or renewal as may be specified in the certificate.

If, however, during the currency of a certificate the circumstances of the holder alter in such a way as to disentitle him to exemption (e.g. he may cease to be "ordinarily and mainly dependent for his livelihood upon some other person"), in such case the certificate will become void.

Expiration of the period.

Upon the expiration of the period for which a certificate is issued, or upon the certificate becoming void as described in the preceding paragraph, the holder must within fourteen days surrender the certificate to the Commissioners or to such person as they may appoint.

Renewal of a Certificate.

Where the holder of a certificate desires to obtain a renewal, he may, not more than one month before the expiration of the period for which the certificate is in force, make a claim for its renewal by sending to the Commissioners an application in the form below, or such other form as the Commissioners may direct, and if they are satisfied that he continues to be entitled to exemption, they may issue to him a new certificate. In such case the existing certificate shall be surrendered to the Commissioners, or to such person as they may appoint :—

NATIONAL INSURANCE ACT, 1911.

Claim for Renewal of Certificate of Exemption.

I _____ of _____ of _____
claim a renewal of the Certificate of Exemption issued to me for the period
ending _____, and hereby declare that the said Certificate was
granted to me on the ground that I was _____ and that I am still
entitled to exemption for the same cause.

Signed.....

Witness.....
Address.....
Date

§ 4. Change from One Class to Another (s. 6).

One of the most complicated arrangements of the Act, for which provision has had to be made, is for the transfer of persons from the compulsory to the voluntary class and *vice versa*. In simplified language the provisions amount to the following stipulations:—

(a) An employed contributor for five years and upwards, becoming a voluntary contributor, will continue to pay the employed rate, e.g. a man has been employed at a trade over five years, and during that time has paid his 4*d.* weekly, his employer contributing the necessary 3*d.*; he leaves his trade and sets up in a small shop, and continues as a voluntary contributor. His rate will remain the employed rate, 7*d.*, and he will contribute in the future that amount himself (s. 5 (1, b)).

(b) Where an employed contributor for *less than* five years becomes a voluntary contributor (the same circumstances as the former example, except that he has not contributed for five years), for the purpose of calculating what his contribution or benefit should be, he is to be treated as if he had been a voluntary contributor from his entry into insurance, e.g. a man who, as an employed contributor, contributed 7*d.* per week (man 4*d.*, employer 3*d.*). At the end of three years he takes a shop and becomes a voluntary contributor. He will in future pay the voluntary rate applicable to his case, but he will also have to pay the difference between the 7*d.* which has been paid in the past and the amount which he would have had to pay if he had been a voluntary contributor from the commencement. This amount, which he would have had to pay, will of course depend upon his age, and will be found in the tables drawn up by the Commissioners. If he does not make good this amount, he will be treated as being in arrear, and will suffer a corresponding reduction in benefit. If the man had been paying 7*d.* a week, at the end of the three years he would have to his credit the reserve built up during that time by the payment of 7*d.* When at the end of three years he becomes a voluntary contributor, he will require a reserve built up by payments of some weekly sums, not of 7*d.*, to be ascertained according to his age at entry, and the difference between the two reserves he will have to make good: the difference between the reserve value which was credited to his society when he joined (*i.e.* for the purpose of bringing him in, as though he were sixteen) and the reserve value which would have been credited if he had originally become a voluntary contributor shall be cancelled (s. 6 (4)). An example may explain this. A is a voluntary contributor. If he is under forty-five and joins within six months he

is entitled to come in at a rate as though he were sixteen, but if he is over forty-five he must come in at a rate according to his age. A fraudulent person over forty-five might try to come in for a few weeks as an employed contributor and have the reserve appropriate to his age credited to his society. He might then transfer to the voluntary class and obtain the benefit of that reserve. The subsection prevents that by saying any difference in the reserve credited to a society in respect of him, and any reserve which would have been credited if, at the commencement, he had become a voluntary insurer (which in this case would be nil) shall be cancelled, and he would accordingly be deprived of the benefit of it.

(c) The case of a voluntary contributor who subsequently becomes employed.

This is the converse of the former examples, and in this case unless the person gives notice in the prescribed manner of his wish to be transferred to the employed rate, he will continue to contribute at the voluntary rate (s. 6 (1)). If he does not give this notice, the contributions payable by his employer will be at the employed rate (3*d.*) and such contributions will be treated in part satisfaction of the contributions payable by the insured person at the voluntary rate (s. 6 (3)). If the person fails to pay the balance (*i.e.* the difference between his employer's 3*d.* and the voluntary rate) he will be considered in arrear with his contribution to that extent.

(*d*) In the case of a voluntary contributor who becomes "employed" and gives notice that he wishes to be transferred from the voluntary to the employed rate, his contributions will in future be at the employed rate; but the rate of sickness benefit in respect of him shall be at a reduced rate, as though he had not been previously insured, subject to such addition as the contributions already paid by him may represent (s. 6 (2)). A Table will be prepared by the Insurance Commissioners dealing with this point and certifying the value of such contributions paid prior to transfer to the employed rate in a case of this nature.

As to the position of an employed contributor falling out of work and continuing at the employed rate, see page 9.

§ 5. Special Classes of Insured Persons (ss. 44-53).

Aliens (s. 45).

Aliens are not excluded from the scheme, but certain limitations apply to their position under the Act. If they are above the age of 16 they are to be excluded from the approved societies, except under certain conditions specified below. They receive no Government contribution towards benefits which in their cases are therefore

limited to seven-ninths in the case of men and three-fourths in the case of women of the rate of sickness, disablement or maternity benefit to which they would otherwise be entitled.

The conditions under which aliens may become members of an approved society are: (i) contributions payable by or in respect of them shall be credited to their society; (ii) the society shall pay to the Insurance Committee the sums payable in respect of them for medical and sanatorium benefit; (iii) the rate and conditions of sickness, disablement and maternity benefit shall be such as may be determined by the society; * (iv) regulations as to reserve values shall not apply to them.

With regard to (iii) the Commissioners have issued a circular (A. S. 23) as a guide to societies in relation to the benefits which may be adopted by them. Should a society submit some other Table not supplied by the Commissioners, the application for approval of that society should be accompanied by actuarial evidence in support of the soundness of the Table so submitted. The Table relates to aliens of the male sex, and the benefits will become payable at the times and under the conditions applicable to insured members who are British subjects:—

Age at entry to the Society.	Sickness Benefit.		Disablement Benefit.		Maternity Benefit.
	Rate per week.		Rate per week.		
	<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>	<i>£ s. d.</i>
17 and under 19	9	6	4	9	1 8 6
19 " 21	9	0	4	6	1 7 0
21 " 25	8	6	4	3	1 5 6
25 " 30	7	6	3	9	1 2 6
30 " 35	7	0	3	6	1 1 0
35 " 40	6	0	3	0	1 0 0
40 " 45	5	6	2	9	1 0 0
45 " 50	4	6	2	3	1 0 0
50 " 55	3	6	1	9	1 0 0
55 " 60	2	6†	1	3‡	1 0 0
60 " 65	2	0†	1	0‡	1 0 0

† In Ireland, 3*s.*

‡ In Ireland, 1*s. 6d.*

Exemptions from these provisions:—

1. An alien who on the 4th May, 1911 (the date when the Bill was introduced), was a member of a society which becomes an approved society, and who at that date had been resident in the United Kingdom for five years or upwards.

2. A woman, who having been a British subject before marriage,

* In the case of a Deposit Contributor, as there is no State grant, he will only be entitled to the benefits produced by his employer's and his own contribution.

has married or does marry an alien, and whose husband subsequently dies, or whose marriage is dissolved or annulled, or who has for at least two years been separated from or deserted by her husband.

3. A person transferred to an approved Society or the Post Office fund, in pursuance of an arrangement with the Government of any foreign state. This refers to the reciprocal arrangements which may be made under s. 31 (*vide* "Emigrants").

4. An alien under sixteen is treated exactly in the same manner as a British subject.

5. An alien who becomes naturalised will be credited with the full reserve due to him and come into insurance as a full British subject.

Civil Servants

are eligible to join the scheme as voluntary contributors, if they desire to do so, provided their income from all sources does not exceed £160.

Demented Persons (s. 12).

In the case of an insured person becoming demented, and confined in a public institution, sickness, and then disablement benefit will be paid to, or applied wholly or in part, for the relief or maintenance of the dependants of the insured person as the society or the committee administering the benefit may think fit. No part will be payable to the institution, and the dependants will have no absolute right to the whole. If possible the afflicted person is to be consulted as to the administration of the benefit.

Emigrants (s. 32).

Section 8 (4) of the Act limits the benefits under the Act to persons resident in the United Kingdom, but gives a Society or Committee power to distribute, in exceptional cases, benefits to persons who are not so resident. In the case of a person leaving the United Kingdom and joining a similar society in a British possession or foreign country, it will be possible, provided reciprocal arrangements have been approved under s. 31, for the liability of his old society in respect of him to be transferred to the colonial or foreign society which he joins. Until such mutual arrangements have been established, emigrants will unfortunately lose the benefits of their contributions, except as hereafter mentioned. All that can be said at the moment is that this is the first attempt to establish reciprocal treatment in insurance, and that if statutory insurance schemes are established in other parts of the world, the Government have taken power to enter into suitable arrangements on behalf of insured emigrants.

There is, however, a provision (s. 33) in relation to a person who

for at least five years has been a member of an approved society: if he ceases permanently to reside in the United Kingdom, and does not join a society, branch or institution in a British possession or foreign country, or any branch established outside the United Kingdom of an approved society, the following conditions may apply:—

1. If his approved society is willing for him to remain a member and become entitled to benefits independently of this Act, he shall be entitled to do so.

2. In such case, the society may, subject to regulations of the Commissioners, transfer from the account of the society under the Act to the credit of the society independently of the Act his transfer value. And if a reserve value has been credited in respect of him, that reserve shall be cancelled and the difference between the transfer value and the reserve value shall be credited to an account with the society in respect of him.

With regard to a deposit contributor's position, see page 140.

Hospital Nurses

will be compulsorily insured under the Act, unless the provisions as to persons in the employ of a local authority are applicable to their case. In the case of probationers who may not be in receipt of any salary, the contributions both in the case of the employer and the employee will be payable by the hospital or authority employing them. (See also page 31.)

Inmates of Charitable Homes (s. 51).

Where the managers of any institution carried on for charitable or reformatory purposes (e.g. Salvation Army Homes) prove the inmates receive maintenance and medical attendance when sick, a certificate of exemption may be granted to the managers by the Commissioners, and in such case the inmates employed in the institution shall not be deemed to be "employed" within the meaning of this Act.

Every such inmate shall, if he were insured before entering the institution, be suspended from benefit during his residence therein, and if he was a member of an approved society and has been an inmate for more than six months, the period of his residence in the home shall be disregarded for the purpose of reckoning arrears.* There is, however, a considerable liability upon the managers in respect of those persons who have been inmates of the institution more than six months; such liability is as follows:—

(a) In the case of a person entering the institution under the age

* Arrears will be calculated in respect of a residence of less than six months duration.

of 16 : on his leaving the institution they will be liable to pay such capital sum as will be sufficient to secure him benefits under this part of the Act at the full rate.*

(b) In the case of a person entering the institution over the age of 16, and who at that time was an insured person and a member of an approved society, they shall pay a sum equal to the value of the contributions which, apart from this section, would have been payable in respect of him during the time he was in the institution calculated in the prescribed manner. In the case of (a) the capital sum will be a sum equal to the transfer value he would need to have, at the date of his discharge, to bring him into benefit at the full rate; and to enable him to commence his insurance at the uniform rate, a privilege of which he was deprived at the age of 16 owing to his being an inmate of the institution. In the case of (b) the amount will depend upon the regulations to be issued in the matter.

Jobbing Gardeners

who work regularly for several employers will be entitled to join the scheme as employed contributors; the first employer in each week will be liable to make the deduction prescribed by the Act. Jobbing gardeners whose work is entirely of a casual nature, or by contract, are apparently excluded from the compulsory class, but will be entitled to come in as voluntary contributors.

Married Women, Widows and Quasi-Widows (s. 44).

I. Married Women.

The proposals with regard to married women were very considerably amended and improved in the course of the progress of the Bill through the House.

As the section stands to-day, its proposals are of a complicated nature and not easily understood, they provide as follows:—

Married women, insured before marriage, are during their married life suspended from receiving the ordinary benefits; and those who are members of an approved society have one-third of their transfer value carried to a separate account, to be known as the Married Women's Suspense Account, this is for the purpose of creating for them the right of re-entry into insurance when they become widows; without such a provision they would have to pay a premium according to their age on widowhood, which to many of them would be an exorbitant one, and would have precluded them from re-entry into the scheme. One-third of their transfer value is therefore set aside for this purpose.

* This will only be applicable if and when such person becomes an employed contributor, see also s. 9 (4).

But though married women are in this way suspended from receiving the ordinary benefits, yet there are several methods by which their insurance previous to marriage can be made of considerable utility to them; for the purpose of considering what these methods are, we may classify married women as follows:—

(a) Those who are unemployed during marriage, but who wish to insure.

(b) Those who are employed, and consequently must insure, and

(c) Those who are unemployed and have no wish to continue their insurance during married life.

(d) *Women unemployed during marriage but who wish to insure* (s. 44 (2)).

Such a woman, if she has been insured before marriage, within one month after marriage, if she is a member of an approved society, or if the society consent after the expiration of that month, may elect to voluntarily insure at reduced rates. For this, the premium she will have to pay will be 3*d.* a week, irrespective of her age, and the State will contribute one-fourth the cost of benefits equivalent to 1*d.*; a contribution, therefore, of 4*d.* in all—there will of course be no employer's contribution as she is unemployed; to her credit will stand the remaining two-thirds of her reserve value.

In return for this contribution she will receive the following benefits:—

(i) Medical benefit.

(ii) Sick benefit and disablement benefit, consisting of:— 5*s.* for the first 13 weeks, then 3*s.* whilst the sickness lasts, or until death of her husband. Disablement benefit 3*s.* a week. Sickness and disablement benefit shall not be payable during the two weeks before and four weeks after confinement, except in respect of a disease or disablement neither directly nor indirectly connected with childbirth.

(b) *Those who are employed during marriage, and consequently must insure.*

In the case of women who were employed before marriage, and then continue to be so employed there will be no suspension of benefits, but her life as an insured person will run its ordinary course—she will pay her 3*d.*—and her employer will pay a like sum weekly on her behalf.

But if a married woman was taking advantage of the special Voluntary Insurance described in paragraph (a), and for some reason or another subsequently becomes an employed person, she again can elect between two courses.

(i) She can either continue this special voluntary system, but being employed, there will be a weekly contribution of 6*d.*

coming in to her credit (her 3*d.* and her employer's 3*d.*), and of this 6*d.*, 3*d.* can be taken to pay her weekly premium, and the balance of 3*d.* can be applied to her benefit as the Society may determine. As the Society will be empowered to use this 3*d.* to cover a week's contribution, which she would otherwise have had to pay when she was not at work, she will when employed no doubt avail herself of this method. For she would be able to enjoy this advantage; if she worked one month, the contributions would amount to 2*s.*, of which sum 1*s.* would defray her ordinary contribution of 3*d.* a week for the month, and the balance could be used to pay the contribution for a month when she was not at work. For the purposes of effecting her insurance in this manner she is regarded as being exempt from liability to become an employed contributor and must obtain a certificate of exemption in the manner described on page 13.

(ii) Or as an alternative, if as before she becomes employed and a member of an approved Society during marriage, not having been previously insured, and was married to her husband on or before 15th July, 1912, she can become insured at the flat rate with full benefits for women; but if she is married subsequently to 1912, and was not previously insured, she must pay the contributions according to her age, which will be higher than the 3*d.* a week in proportion, as her age at entry is higher than sixteen (s. 44 (5)).

(c) *In the case of a married woman who does not wish to continue her insurance her position is as follows:—*

She is entitled to have two-thirds of her transfer value (one-third has been appropriated to the Married Women's Suspense Account) placed to her credit in her society, and it can be drawn upon as follows (Fourth Schedule, Part III.): 5*s.* a week on confinement (during a period not exceeding four weeks on any one occasion), 5*s.* a week during any period of distress; (subject to the discretion of the society or committee administering the benefit). She will have the whole of this money in one way or another, the society determining the period and the time. Providing that at the time of her entry into insurance no reserve value was credited to the society in respect of her: if that, however, was the case, the amount of the value for which credit was given must be deducted, and the balance only can be dealt with. A married woman with fifteen years' insurance at marriage, if she entered at 22 years of age, would have, say, £4 10*s.* to her credit. One-third must be

placed on one side to purchase her right of re-entry, and the balance (£3) will be placed to her credit in the society, to be drawn on, on the above-described deposit principle.

If prior to her marriage, instead of being a member of an approved society, she has contributed to the Post Office Fund, she will be entitled to have two-thirds of her balance applied in the manner described (Fourth Schedule, Part III.) until such balance is exhausted. As the Bill stood originally the deposit contributor lost the whole of her savings unless and until she became a widow. That has now, happily, been amended, and two-thirds of those savings will be at her disposal in the manner described. It is to be explained that one-third of her deposit is deducted, not in order to purchase her right to re-entry into insurance (for the deposit contributor that is unnecessary, as they need no reserve value, they merely return to their account in the Post Office), but in order that the Post Office should offer no attractions over and above the approved societies. That would be the case if, on marriage, the whole of their fund was made available for withdrawal. It should also be remembered that so far as the deposit contributor is concerned only those women who marry in the two and-a-half years before the Post Office Scheme is reconsidered, will be affected. What the position will be of those in the Post Office Fund who marry after 1st January, 1915, it is impossible for any one to conjecture.

II. *Widows.*

A widow has three alternatives to choose from on the death of her husband, or in the case of those women married before 15 July, 1912, there are four alternatives:—

(i) If she has been insured under the Act before marriage, and becomes employed at any time after the death of her husband, the period of her married life and one month after her husband's death, can, for the purposes of the insurance scheme, be considered as non-existing; she can, therefore, become an employed contributor with full benefits. No arrears will have accumulated during this period, and no increase in her contribution will be made, because one-third of her transfer value on her marriage purchased her right of re-entry into insurance on widowhood. If she is an invalid on her husband's death she can, accordingly, commence to receive benefit after one month, if the position of her contribution account would have entitled her to benefit on the day she married (s. 44 (1)).

(ii) If she was insured before marriage as a member of an approved society she can recommence as a voluntary contributor if she

elects to do so within one month of her husband's death with full benefit, if she is not in employment, and is otherwise qualified provided she pays the voluntary contributor's rate which would have been payable at the date of her original entry into insurance (s. 44 (3)).

(iii) If she was married on or before the 15th July, 1912, and if before or within one year after her husband's death, becomes an employed contributor and a member of an approved society she will be entitled to full benefits, whatever her age. This is very nearly akin to example (i), the difference being that she had no opportunity of becoming an insured person prior to her marriage.

(iv) If she elects within one month of her husband's death to commence or continue the special voluntary system, described above in paragraph (a), of contributing 3*d.* a week and obtaining the correspondingly reduced benefits, she shall be entitled to do so.

III. *Quasi-Widows.*

A woman whose marriage has been dissolved or annulled, or who has for a period of not less than two years been actually separated from, or deserted by her husband, shall be, for the purpose of insurance under the Act, in exactly the same position as if her husband had died at the date at which such dissolution or annulment took effect, or as the case may require, at the expiration of such period of two years (*i.e.* in the case of separation from or desertion by her husband) (s. 44 (14)).

Married women or widows in Institutions (s. 12 (2)).

Where a married woman or a widow is an inmate of any institution supported by voluntary subscriptions or charity, and is entitled to maternity benefit as well as sick benefit, the dependants are to receive no part of the sum which would have been payable as maternity benefit, but such sum may be paid to the hospital, convalescent home or infirmary of which she is an inmate in the same manner as if she had no dependants; the sick pay will therefore be available for the dependants, and the hospital, home or infirmary may have the benefit of the maternity allowance to help to defray the cost of her maintenance therein.

Members of Friendly Societies (s. 72).

Members of Friendly Societies will not, of course, be required to pay two contributions; all that will be required of them will be to pay the contributions under this Act. If, however, a member of a Friendly Society wishes to continue to pay his present contribution

in addition to the one under this scheme he may do so, subject to the rules of the society, and he will be entitled to two benefits; but the State grant will only be added to the benefits provided under the State scheme. If a member does not wish to continue his present contribution as well as the State contribution, the Act compels his society (if a registered Friendly Society) to submit a scheme to give him the advantages of his past contributions by the use of the existing funds in one or more of the following ways (but not to the prejudice of the solvency of the society):—

(a) In the payment of other benefits, e.g. on death, or on benefits before those under the Act are available;

(b) In the reduction of his contribution for benefits other than those provided for under the Act;

(c) In the payment of contributions under the Act.

If a person is a member of more than one Friendly Society, he will have to choose through which he will receive the State benefits and make his contributions accordingly (see also page 177).

Persons employed on Commission.

A person employed on commission by one employer is liable to be compulsorily insured if he is not ordinarily engaged in any other regular employment, provided his rate of remuneration does not exceed £160 a year. Persons employed on commission by more than one employer, or persons who do small commission work for one employer but have some other regular occupation, are entitled to insure as voluntary contributors, but are not compelled to insure as employed contributors.

But if a person is employed on commission by more than one employer and the commission earned from one employer provides in the main his means of livelihood, he will not be exempt, and the employer from whom he mainly derives his income will have to pay the employer's contribution on his behalf.

Persons entitled to compensation or damages (s. 11).

The provisions of the Act relating to insured persons who are entitled to compensation or damages, were the subject of acrimonious debates in the House of Commons. Many members feeling that a great hardship was being inflicted upon the working classes as compared with their position to-day, whilst others regarded Section 11 as very seriously undermining the influence and the authority of the trade unions. Compensation work has in the past been one of the great features of the trade unions' propaganda, and

their help to their members in this respect has undoubtedly been of inestimable service.

It must be remembered of the 14 millions whom the scheme for insurance will involve, some 2 millions are members of trade unions; the remaining 12 millions are to have the same facilities afforded to them through the friendly and other societies for taking such proceedings for recovery of compensation or damages that the trade unionist has had in the past through his union; but with this distinction applying to the whole of the 14 millions, for where in the past recovery has been made and the man has also been insured, he has received both damages or compensation and sick pay. In the future, however, where the amount recovered exceeds the sick pay or disablement benefit allowance, the sick or disablement benefit will no longer be paid, and in this respect the working man is adversely affected.

To consider the provisions in greater detail. Where an insured person (*i.e.* either an employed contributor or a voluntary contributor) has received or recovered, or is entitled to do so, whether from his employer or any other person, compensation or damages in respect of any kind of accident, injury or disease (whether under the Workmen's Compensation Act, the Employer's Liability Act, or at common law), no sickness or disablement benefit shall be paid him in respect of such injury or disease where the amount recovered or the weekly value of the amount is equal to or greater than the benefit. The enjoyment of medical benefit is not affected by the section. For instance, if a man recovers 13s. a week compensation and his sick pay is 10s., the latter is forfeited during the time the 13s. is being paid; but should the compensation be 8s. a week and the sick pay 10s., then 2s. a week sick pay only will be paid.

It will be noticed that this forfeiture will take place where the compensation or damages are recovered from persons other than the employer, as well as in the latter case. For instance, if a man is knocked down in the street by a cab or is injured in a railway accident, the provision will apply, and forfeiture or curtailment of the benefit will occur.

This, at first glance, appears to be somewhat harsh treatment. It was, however, defended by the Government on the ground that, with this clause in the Bill, a society can afford to pay 10s. a week sick pay. If the clause had been struck out, the funds of a society would only admit of 9s. being paid. In fact, the House had to choose between leaving an insured man to look to the Workmen's Compensation Act, and to maintain the general average rate of sick pay at 10s. a week, or to give the injured workman both compensation

and sick pay, and to reduce the latter to 9s. a week not only for him but for all others participating in that benefit. It must also be admitted that if the clause had been deleted the employer would have been paying twice over, first in his ordinary capacity as an employer in respect of the accident, and secondly as an employer contributing in respect of the employee to the insurance funds.

In a large majority of cases it is impossible to settle the question at the outset whether a man will be entitled to compensation or damages, and therefore the society or committee are empowered to pay benefit by way of advance. Such advance may be recovered by deductions from or suspension of benefits which may afterwards become payable to such person. In cases where the compensation or damages consist of a lump sum, the weekly value of such sum may be determined by the society or committee administering the benefits in the particular case.

Where an agreement is made as to the amount of such compensation and that amount is less than 10s. a week, or as to the redemption of a weekly payment by a lump sum under the Workmen's Compensation Act, 1906, the employer must within three days send to the Insurance Commissioners, or to the man's society or committee notice of such agreement and proviso (d) to paragraph (9) of the Second Schedule to the Workmen's Compensation Act shall apply. The meaning of this is, that where there is such an agreement as to the compensation, or to the redemption of weekly payments by a lump sum, notice must be sent to the Registrar of the County Court and that notice is recorded unless he considers the amount to be paid the injured person is inadequate; in that case he refers the matter to the Judge, who hears the employer on the question. In this way the society or committee will also be entitled to be heard on behalf of the insured person—for it will be to their advantage to obtain the most advantageous terms possible, as during the period to which the compensation will apply, their funds will be relieved.

As the employer will not necessarily know to what society or committee the injured workman may belong, he will in such cases send the notice to the Commissioners, who will forward it to the society or committee concerned.

Where an insured person is entitled to compensation or damages, and refuses or neglects to take the necessary proceedings to enforce his claim, the society or committee can either take proceedings in the name and on behalf of such person, or they may withhold payment of any benefit to which the person would otherwise have been entitled. If they take proceedings successfully, the damages

or compensation recovered shall be held in trust for such person, but if they fail in the proceedings they shall be responsible for the costs, as though they had claimed on their own account.

The whole point of the enactment is to force the insured person or the committee or society on his behalf, to claim his rights under the Compensation Act, and that employers should not be spared in respect of claims under that Act at the expense of the insurance funds. With regard to the costs of such action if the society or committee loses, they will have to bear the expense; if they succeed the expenses will come from the other side, and in County Court actions they usually cover the costs of the action.

Undoubtedly the clause will come as a boon to clerks, domestic servants or agricultural labourers, and the like, who in the past have not had the Trade Unions to take action on their behalf as has been the case with members of those organisations; in the future they will have the friendly or other societies to which they belong, or the Insurance Committees able and willing to assist them to recover compensation or damages, which in countless cases in the past they have been entitled to, but have not succeeded in securing, either through want of means or lack of knowledge as to the course to be pursued to achieve that end.

There will of course be no reason why, where there is ability to pay, an employee should not insure himself outside the operation of this Act, to secure the sick pay benefit as well as the compensation under the Workmen's Compensation Act, and so safeguard himself against being in a worse position should he meet with an accident than would have been the case in the past; at the present time for the 10s. a week he is paying 6*d.* or 6½*d.* a week. Under the State scheme the charge is 4*d.*, and with a proportion of the balance of 2*d.*, he can put himself in a better position even with regard to this point than has been his lot in the past.

Persons in the employ of Local or Public Authorities.

The exemption from the compulsory class of insured persons of those employed by a local or public authority applies only where the Insurance Commissioners certify that the terms of the employment are such as to secure provision in respect of sickness and disablement on the whole not less favourable than the corresponding benefits conferred by Part I. of the Act. (First Schedule, Part II. (b).) The position is more fully dealt with on page 6.

Persons employed in Seasonal Trades (s. 50).

In many trades, or businesses, as for instance in the making of straw hats, skates, and the carrying on of a seaside hotel business,

employment is subject to periodical fluctuation in each year; in such cases the Commissioners are empowered by s. 50 to issue a special order relative to the persons employed in such occupations. Such special order will provide for a decrease in the employed rate of contributions payable during that portion of the year when the trade or business is depressed, and for increasing the rate of contribution to a corresponding extent and for a corresponding period during the remainder of the year.

The order may contain such incidental, supplemental, and consequential provisions as may appear necessary for adapting the other provisions of this Part of the Act to cases under this section.

The arrangement is obviously to the advantage of a person employed the whole year round in such occupations, who will work short time when the trade is depressed; with regard to the man employed only in the busy season, the order will doubtless provide for the reduced payment if he is thrown out of work during the slack season. Whilst with regard to the man who might be employed in the slack season and lose his post before the busy period, the order will, it is presumed, provide for an employee being considered in arrear until he has placed himself in the position in which he would be if no reduced scale of contribution had been made in his case.

Persons in the service of the Crown (ss. 46 and 53).

With regard to persons in the service of the Crown, the naval and military forces are dealt with by special provisions in s. 46, p. 48. Persons employed under the Crown where the Commissioners certify that the terms of the employment are such as to secure provision in respect of sickness and disablement on the whole not less favourable than the corresponding benefits conferred by Part I. are exceptions to the persons coming within the meaning of employed persons, and are therefore removed from the compulsory class; there would not appear to be any reason if their income comes within the limit of £160 why they should not become voluntary contributors should they desire to do so. Persons in the employ of the Crown to whom these provisions do not apply, will come within the definition of employed contributors provided that their salary or remuneration does not exceed £160 a year. Where they are liable to compulsory deductions from their pay as employed contributors, they will be in the same position as if their employer were a private person. And in respect of those persons in the private service of the Crown, the head of the department of the Royal Household in which such persons are employed shall be deemed to be the employer. The provisions of the Act relating to

reduced insurance where the employer is liable to pay wages during sickness (s. 47) extend to persons in the service of the Crown, where two-thirds only of the full remuneration is payable for not less than three months in any year.*

Persons in excepted employments who ultimately become insured persons.

Part II. of the First Schedule to the Act enumerates certain employments, with regard to which persons employed therein do not come within the scheme, such as for instance persons in the employ of the Crown or public authorities under certain conditions. The question naturally arises as to what will be the position of such persons if they leave employment of this character and become employed in the ordinary walks of life to which the provisions of the Act apply. The answer apparently is that on such a change taking place they will become compulsorily employed, and will pay the employed rate of 4*d.* per week; but if this change does not transpire within twelve months from the commencement of the Act they will not receive the ordinary sickness and maternity benefits, but at a reduced rate to be fixed by the Commissioners, having regard to their age at entry into the scheme, but such benefits shall in no case be lower than 5*s.* a week for sickness, unless prior to the certificate of exception being granted, the employer undertook to provide the necessary sum to secure the ordinary benefits of the Act at the ordinary rate of contribution (see page 6).

Persons in Hospitals and Institutions (s. 12).

It will be remembered that apart from sanatorium treatment or such other treatment for tuberculosis or such other diseases as the Local Government Board may sanction, the contributions of an insured person do not cover hospital or institutional treatment; it has, therefore, been necessary for the Act to stipulate what the position will be with regard to a man's benefits whilst he is an inmate of a hospital, asylum, or workhouse. In some respects it would have been preferable for the insurance premium to have entitled an insured person to hospital treatment, and for the Insurance Committees to have made arrangements, and been responsible for his maintenance whilst undergoing such treatment; yet, on the other hand, one cannot ignore that if this had been the case, control of the public hospitals in a large measure must also have been handed over to the State, a proceeding to which there are innumerable objections.

* Reference should also be made to the Report of an Inter-Departmental Committee on Employment under the Crown as affected by Part I. of the Act.

The Act provides that no sickness, disablement or maternity benefit shall be paid to or in respect of any inmate of a workhouse, hospital, asylum, convalescent home, or infirmary (whether supported by the rates or by charity or voluntary subscriptions), or of a sanatorium or similar institution approved by the Local Government Board under this Act, subject however to the following provisions:—

(a) If a person is an inmate of any one of the institutions referred to, the sum which would otherwise have been payable shall be paid wholly or partly in relief of his dependants, in such manner as the society or committee administering the benefit, after consultation with the assured shall think fit. The insured is to have the right to express to the society or committee his wishes as to how the money shall be distributed amongst his dependants, and as to who are dependent upon him is entirely a question of *fact* for the society or committee themselves to determine. Relationship or legitimacy need not necessarily enter into the question; the fact to be determined will be, are the people the insured man is anxious should have the benefit those who, whilst he has been at work, have been dependent wholly or in part upon his earnings (s. 79)? It will be observed the whole of the sick pay need not necessarily be handed over; for instance, a man may have only one person dependent upon him, e.g. an aged mother to whom he has been paying 5s. a week; his sick pay is 10s.; there is no necessity for her to be placed in a better position than when her son was well, and 5s. only would probably be paid over.

(b) Where the insured person is an inmate of a sanatorium or approved institution, and has no dependants, if he is a member of an approved society, the sum which would otherwise have been payable as a benefit shall be handed over to the Insurance Committee administering the sanatorium benefit, and will help to defray the cost of same. The three specific conditions should be noticed. The provision only applies to inmates of sanatoria and specially approved institutions: the insured person must have no dependants: and he must be a member of an approved society. It would obviously be unfair to apply this provision to the Post Office contributor, and to hand over the whole of his fund to the extent of 10s. a week to the sanatorium authorities, leaving it almost certain that on his discharge his credit would be absolutely exhausted.

(c) Where the insured person is an inmate of an institution supported by charity or voluntary subscriptions, has no dependants and is a member of an approved society, if an agreement has been made between the society or committee and the institution, the benefit payable in respect of him shall be paid wholly or in part

towards his maintenance in such institution. Again, it will be noticed the provision does not apply to the Post Office contributor, and it will only apply in cases where the insured person has no dependants. A workhouse or infirmary or asylum supported out of the rates recovers nothing in respect of the maintenance of insured persons: but the rates will to some extent be relieved if the dependants receive his sick pay, for in the past many of them have of necessity become a charge on the outdoor relief list (see also page 25).

Persons in prison and convicts.

A prisoner or convict has no right to be an insured person as he is not "employed" under any contract of service. An employed contributor whose employment is interrupted by imprisonment will fall into arrear for that period, and will be entitled to the same privileges with regard to the arrears, as if he had fallen out of employment through any other cause.

Persons in receipt of relief (s. 109).

Poor Law out-relief will not disqualify a person from the benefits of the Act. Persons, however, in Poor Law Institutions are themselves deprived of the benefits (see under Persons in Hospitals, etc.).

In granting out-relief to a person in receipt of or entitled to receive any benefit under the Act, a Board of Guardians shall not take into consideration any such benefit except so far as such benefit exceeds 5s. a week. A similar provision exists at the present time with regard to sick pay from any Friendly Society.

There have been two similar Acts bearing on the matter with regard to the administration of out-door relief.

The Friendly Societies Act, 1894, enacted that in estimating the amount of relief which Boards of Guardians in England may grant to a member of a Friendly Society, it shall be in the discretion of the Guardians whether they will or will not take into consideration the amount which may be received by him from such Friendly Society.

The Out-door Relief (Friendly Societies) Act, 1904, enacted that in granting out-door relief to a member of any Friendly Society the Board of Guardians shall not take into consideration any sum received from such Friendly Society as *sick pay*, except in so far as such sum shall exceed 5s. a week. With regard to amounts over and above this sum, or any other form of benefit except sick pay, the discretion of the Guardians remains uncontrolled as heretofore.

Under the Insurance Act, however, the restriction is not confined

to sick pay, but applies to any benefit receivable under the Act; Guardians are therefore precluded, in fixing the amount of out-relief to an applicant in receipt of 7s. a week unemployment benefit, from taking such sum into consideration as income of the applicant, except so far as the benefit exceeds a sum of five shillings a week.

Persons over 65 years of age (s. 49).

No person over 65 years of age is required or authorised to become an insured person under the Act, s. 1 (4), with the following exception provided for by s. 49. The exception applies only to persons between the age of 65 and 70 at the commencement of the Act, who are employed persons. They are to become employed contributors, but not on the same terms as are applicable to the ordinary members of that class, but to them the following stipulations will apply:—

(1) Until they reach the age of 70 an employer will contribute in respect of such person the sum of 3*d.* weekly, the employee will contribute 4*d.* in the case of a man, 3*d.* in the case of a woman.

(2) In respect of every 7*d.* so contributed, Parliament will add thereto a sum of 2*d.*: 9*d.* a week in all for a man, 8*d.* for a woman, but no part of the benefits in respect of such person shall be contributed by Parliament. The contribution of 2*d.* by the State is in substitution for the usual $\frac{2}{3}$ ths (or $\frac{1}{2}$) of the benefits received.

(3) With regard to the administration of benefits for such person.

(a) If he joins an approved society, all contributions received in respect of him shall be credited to the society without the usual deduction of 1*½d.* per week towards defraying the cost of the reserve value usually created. In his case there will be no reserve value. He will in respect of these contributions become entitled to such benefits as the approved society may determine.

(b) If he does not become a member of an approved society he must become a deposit contributor, and all contributions in respect of him will be credited to his account in the Post Office: in respect of those contributions he will be entitled to such benefits as the Insurance Committee may determine.

It will be observed that it is for the approved society to determine what benefits this class may receive in respect of their contributions. The Insurance Commissioners have issued a Circular (A. S. 29) containing alternative Tables as a guide to societies in the matter.

Should a society submit some other Table, the application for approval must be accompanied by actuarial evidence in support of the soundness of the Table submitted.

First Alternative.

Sickness Benefit.

ENGLAND, SCOTLAND AND WALES.

Men—

First 13 weeks' sickness	6s. per week.
Second 13 weeks' sickness	5s. per week.

Women—

First 13 weeks' sickness	5s. per week.
Second 13 weeks' sickness	4s. per week.

IRELAND.

Men—

First 13 weeks' sickness	5s. per week.
Second 13 weeks' sickness	4s. per week.

Women—

First 13 weeks' sickness	4s. 6d. per week.
Second 13 weeks' sickness	3s. 6d. per week.

The sickness benefit is payable after the first three days' sickness for not more than 26 weeks in succession, and where a member, having been in receipt of benefit up to 26 weeks, ceases to receive it, any subsequent sickness shall be deemed to be a continuation of the previous sickness, unless in the meantime an interval of at least 52 weeks has elapsed. There is the usual waiting period of 26 weeks after the entry into insurance.

Persons who are over 69 years of age at entry will be entitled to benefit during sickness, after the waiting period of 26 weeks, for as many weeks as those for which contributions have been paid by or in respect of them, even though during the whole or any part of such number of weeks they may be over the age of 70. Contributions are not payable during periods of sickness whether the benefit is paid or not. No penalty is attached to any omission to pay contributions during periods when the member is unemployed, provided that on the date of any claim of sickness benefit, not more than seven weekly contributions have been so omitted in the preceding 52 weeks (or, in the first year of insurance since entry). If the number of contributions so omitted exceeds seven, the amount of contributions representing the weeks in excess of seven must be deducted from the sick pay at the beginning of the claim,

Second Alternative.

ANNUAL ALLOWANCES DURING LIFE (PAYABLE IN QUARTERLY INSTALMENTS)
TO PERSONS ENTERING AN APPROVED SOCIETY AT THE COMMENCEMENT
OF THE ACT AT AGES BETWEEN 65 AND 70. CONTRIBUTIONS CEASE
AT AGE OF 70.

Age.	England, Scotland and Wales.		Ireland.	
	Men.	Women.	Men.	Women.
65	<i>s.</i> 12 <i>d.</i> 0	<i>s.</i> 10 <i>d.</i> 0	<i>s.</i> 10 <i>d.</i> 0	<i>s.</i> 8 <i>d.</i> 0
65 and 6 months	12 0	9 0	9 0	7 0
66	11 0	9 0	8 0	7 0
66 and 6 months	10 0	8 0	8 0	6 0
67	9 0	7 0	7 0	5 0
67 and 6 months	8 0	6 0	6 0	5 0
68	6 0	5 0	5 0	4 0
68 and 6 months	5 0	4 0	4 0	3 0
69	3 0	3 0	3 0	2 0
69 and 6 months	1 0	1 0	1 0	1 0

The first quarterly instalment, being in each case one-fourth of the allowance above shown, will become due six months after the entry of the member into the Society under the Act.

Expenses of administration up to the age of 70 are provided for at the same rates as are provided for insured persons in the Regulations of the Joint Committee as to the Administration Account of an approved society.

The contributions are not payable during any periods of sickness, of which satisfactory evidence is forthcoming. No penalty is attached to any omission to pay contributions during periods when the member is unemployed in the course of any year, dating from the date of entry, provided that not more than seven weekly contributions have been so omitted during that year. If in any such year the number of contributions so omitted exceeds seven, the amount of contributions representing the weeks in excess of seven must be deducted from the benefit, the next following quarterly instalments of which must be accordingly suspended until such amount has been made good.

No other benefits are provided than those above set forth.

NOTE.—This Table is deemed specially suited to the case of existing members of friendly societies, as the allowances made to them under the Table during life will enable them to pay a portion of whatever contributions to their Society they are chargeable with independently of the Act.

(4) Contributions cease at the age of 70, s. 4 (3)

(5) The 3*d.* payable by the employer and the 2*d.* payable by the

State may be utilised by a society in reducing such a person's contributions for existing voluntary benefits.

(6) Such persons, if members of a friendly society at the date of the passing of the Act, will be able to obtain through their society, if it becomes approved, medical attendance and treatment on the same terms as though they were insured persons (s. 15 (2) (e)).

We have seen that no person over 65 years of age is authorised to become an insured person with the exception of those who, being between 65 and 70 years of age, were employed persons at the commencement of the Act. It is obvious, therefore that a class of persons will arise who, being over 65 years of age, and who were not employed persons at the commencement of the Act, may subsequently become employed. In the early history of the Act such persons will not have been previously insured, and it is important to note that, although they themselves pay no contribution, yet their employer is in no way relieved from his liability to contribute, and must pay the like contribution as would have been payable if such an employee had been an employed contributor. Such contributions will be payable by affixing stamps to an Exemption card (see page 72).

Persons under Sixteen Years of Age.

Persons under the age of sixteen are outside the scope of the Insurance scheme, and no boy or girl under that age will be entitled to become an insured person either as a voluntary contributor or as an employed person (s. 1).

It is feared by many that the release in this manner of employers from their liability to contribute in respect of a person under the age of sixteen will to some extent place a premium upon the employment of child labour.

Persons whose Employer is liable to pay Wages during Sickness.

Section 47 makes provision for those persons for whom the employer has, in the past, been liable to pay wages during sickness. Such persons may roughly be divided into the three large classes of agricultural labourers (in certain districts), of clerks and shop assistants, and of domestic servants.

With regard to the legal liability of the employer in such cases, such liability differs very much in respect to each individual class, and at the best is very undecided and vague, and contains nothing in the nature of a complete legal guarantee. To take for instance the case of the agricultural labourer the liability has been established according to custom in certain decisions of Courts of Law, but as applicable only to *parts* of Scotland; in the South of

England the liability may be "nil." This means that in the vast majority of cases, there is no legal provision for sickness in the case of the agricultural labourer. In the case of the clerks, the liability is very doubtful; and in the case of domestics there is no provision for permanent disability and the provision for sickness is not a secure one. In spite of all that has appeared in the press, therefore, it cannot be denied that the Act in such classes changes certainty for uncertainty; and will in many cases confer benefits which have not yet been realised.

The section provides that the Commissioners may make special orders specifying any classes of employment in which a custom or practice of payment of wages during disablement or sickness prevails, and specifying, where such custom or practice is confined to certain localities, in which such custom is in force. It will then be lawful for any employer (in the class specified in the Order) who wishes to avail himself of the provisions of the section to give to the Commissioners the required notice, and in such case the position of employer and employed will be as follows:—

(a) The employer will be liable to pay full remuneration inclusive of board, lodging, etc., or the equivalent monetary value to every person in the class named in the order during any period or periods not exceeding six weeks in the aggregate in any one year during which the employee may be suffering from disease or disablement, commencing whilst such person is in his employment.

(b) If the person is engaged for a term of not less than six months certain, the employer will be liable to pay full wages during any sickness lasting less than six weeks, and for the first six weeks of any illness lasting more than six weeks, even though the aggregate exceeds six weeks, but where such period extends beyond the term of the engagement, the liability of the employer will cease on the termination of the engagement.

(c) Whilst an employer is paying full wages in this way during sickness, no sick pay from the society or Insurance Committee shall be paid; but at the expiration of the six weeks the ordinary sickness benefit will commence. Other benefits of the Act will in no way be interfered with.

(d) The employed rate in all such cases shall be reduced by 2d.; or in the case of a woman by 1½d., and will therefore be

Employer	.	.	.	2d.	2½d.
Employed	.	.	.	3d. (man).	2d. (woman).
				<u>5d.</u>	<u>4½d.</u>

(e) The contributions will not however be paid by either party for the period of sickness during which full remuneration is paid by the employer.

(f) The rules of a Society or Insurance Committee may apply as to notices and proof of disease and disablement, in the case of those insured persons, who are receiving full remuneration under this section during such periods of disease or disablement.

(g) The Government grant will be paid in full in such cases, (*i.e.* not on the reduced rate of contribution described in paragraph (d), but on the ordinary rate of the employed contributor, and consequently upon the ordinary scale of benefit.) The method by which this is accomplished is described fully on p. 188 in the case of the Irish contributor.

(h) None of the provisions of this section shall apply with regard to any person employed at a rate of remuneration which is less than 10s. a week.

(i) Where any employers wish to avail themselves of these provisions with regard to the persons employed by them in any class of employment, (*i.e.* in cases or localities which are not included in the special order or orders before described), they may apply to the Commissioners, and that body may, after ascertaining the views of the employees, if they think fit, make a special order extending the provisions of the section to them (s. 46 (7)).

It has been pointed out that generally speaking the section will apply to agriculturists, clerks, hospital nurses and domestics; with regard to the last class it is estimated there are 800,000 families with servants, of these 60 per cent. have only one servant, 20 per cent. have two, and one-fifth of the whole employ three or more. In all such cases where the class is included in a special order it will accordingly be optional to the employer either

(i) To give the requisite notice and avail himself of the section, and in that case pay the reduced contribution, but make himself liable for the first six weeks' pay during sickness to the full amount, or for payment during sickness in the aggregate not exceeding six weeks in any one year. He will be liable for sickness which commenced before an employee left his service, and will remain liable for the full period even though the employee left that service before the expiration of the six weeks. In the case, however, of an engagement for not less than six months certain, the liability will not continue after the expiration of that term of service.

(ii) Or the employer may decide not to take advantage of this section, in which case he and his employee will pay the usual rate of contribution and the employee will be entitled to the benefits upon the usual scale from his Society or Insurance Committee as the case may be.

The probability will be that most employers will regard the matter from a business point of view.

They will recognise that by exercising this option they are only getting (as far as *they* are concerned) a deduction off the usual employer's contribution rate of $1d.$ per week (if the employee is a man), and $\frac{1}{2}d.$ (if the employee is a woman)—*i.e.* $4s. 4d.$ and $2s. 2d.$ respectively per annum; against this, there is the possibility of their having to pay, taking wages at $15s.$ a week, the sum of $\pounds 4 10s.$ during six weeks' sickness for each employee. Doubtless many will prefer the ordinary employer's contribution of $3d.$

It must be noticed that the scheme can only be put into operation by the employer, and he has to take the initiative throughout, and only in the special cases described in (i) has the consent of the employed to be obtained. The scheme must apply to all persons in any one class of employment; it will not therefore be competent for any employer to select A, B, C, D of any particular class and leave out E, and F; all persons in his employ in that class must be included, the probability therefore will be that where the employer takes advantage of the section and pays the reduced contribution he will select as his employees those persons, who, as far as can be ascertained, will be unlikely to constitute a heavy claim upon him during sickness.

With regard to a person engaged for a term of not less than six months certain, if he falls ill during the last week of his employment, the employer will only be liable for full wages during that week, and the employee will not be able to receive his ordinary sick benefit for a period of five weeks, when he will receive his $10s.$ a week, and be reckoned as though he were receiving that sum for the seventh week—it will be remembered that this will not apply to the ordinary term of engagement, but that in such case the employer will be liable for the full six weeks even though the employee falls sick in his last week of service.

Any question as to whether an employer is entitled to avail himself of this section as respects any persons employed by him, shall be determined by the Insurance Committee, and there shall be a right of appeal from their decision to the Commissioners (*ib.* (8)).

An employer who has availed himself of the section may, by giving three months' notice to the Insurance Committee, withdraw his notice from the commencement of the next calendar year, and in such case the section shall cease to apply to him in respect of persons employed by him in that class of employment to which the notice of withdrawal relates.

This section shall not apply as respects any person employed at a rate of remuneration which is less than 10s. a week. In arriving at the rate of remuneration, the value of board and lodging and the like must be added to the wages actually paid (*ib.* (10)).

The position remains to be considered of persons whose employer has taken advantage of the section, when they (*a*) become temporarily unemployed or (*b*) cease to be employed.

(*a*) When such person becomes temporarily unemployed he shall continue to pay at the reduced rate, *viz.* 5*d.* in the case of a man, 4½*d.* in the case of a woman, without any diminution, however, of the State grant in respect of benefits.

Such person will not be entitled to sickness benefit during the first 6 weeks of any period of disease or disablement, which commences after he becomes temporarily unemployed, but for the purpose of calculating the rate and duration of the benefit it shall be deemed to have been paid in respect of those 6 weeks (*e.g.* sickness benefit will therefore be payable from the seventh week for a period of 20 weeks only). His position compared with the ordinary contributor is improved in one respect, for a disease or disablement shall not for the purpose of sickness benefit be treated as a continuation of a previous disease or disablement unless the practitioner attending such person certifies that it is in fact so (*cf.* position of ordinary contributor, s. 8 (5)).

Apart from the provision as to sickness benefit, he will be entitled to the ordinary benefits of the Act.

(*b*) Where such person ceases to be employed, and is entitled to become a voluntary contributor paying contributions at the employed rate (*e.g.* after being 5 years an employed contributor, s. 5 (1)(*b*)) he may continue to pay at the reduced rate of 5*d.* or in case of a woman 4½*d.*, and the provisions of the former paragraph as to sickness benefit, and as to the continuation of a previous disease or disablement shall apply in his or her case.

Or if such person wishes to become an ordinary voluntary contributor with ordinary full benefit, he or she may do so after the payment of twenty-six weekly contributions at the full rate, that is to say at 7*d.* (or 6*d.*) or at a rate proportionate to his or her age, whichever the facts shall warrant. The Society of which such person is a

member may, however, consent to this course after the payment of any such less number of contributions as they may appoint.

Domestic Servants.

- The position of domestic servants (to whom the section under consideration applies) has been so freely and in some cases unfairly criticised, that possibly it would be well to deal separately with the Act from their point of view. There are two alternative courses open to a master or mistress and their domestic staff:

(i) To pay the usual contribution; or,

(ii) Under certain specified conditions the payment of a reduced rate of contribution is allowable.

(i) Here the employer will pay 3*d.* and the domestic 3*d.* weekly (or 4*d.* if a male). This will not be payable by either during the servant's illness. During unemployment, if she wishes to avoid falling into arrears and so being compelled to accept a reduced rate of benefit, a servant must pay the whole contribution of 6*d.* herself; if she fails to do so the conditions as to arrears of contributions will apply to her (see Chapter 3, § 3). The mistress must pay the whole tax, re-imbursing herself as to 3*d.* weekly from the servant's wages.

In return for this contribution the servant will be entitled to:—

7*s.* 6*d.* a week sick benefit for 26 weeks.

5*s.* a week disablement benefit, at the expiration of that 26 weeks, whilst she is incapable of work.

Maternity benefit.

Medical attendance.

Sanatorium treatment (if recommended by the Insurance Committee).

In many households it has been customary to pay a servant's wages during sickness: it remains therefore to consider the position, now that a servant will be entitled to 7*s.* 6*d.* a week from her society during sickness. One point stands as unquestionable: an employer cannot dismiss or get rid of a servant without giving her a month's notice or a month's wages in lieu of notice; he cannot therefore summarily dismiss a servant when she is ill unless she is given a month's wages in lieu of notice, and few employers will be sufficiently inhumane to take this course. Ordinarily therefore the servant when sick will be receiving 7*s.* 6*d.* a week sick pay and will be boarded at her place of employment. What of her wages during that period? Strictly speaking they must be paid, but there would apparently be no legal objection to an employer putting the case to his domestic in this way: "Now that you are sick you will draw

7s. 6d. a week sick pay, and I think it unreasonable that in addition to this sum you should be also drawing wages in full from me at the same time; I am loath to give you notice, and if you care to stay in my employ, I will provide you with board on condition that you release me from paying wages whilst you are receiving this sick pay allowance, or I will pay you during the period of your illness the difference between your-sick pay and your usual wages."

The position of the servant then would be, she would have free medical attendance from the doctor on the local panel, whom she may choose to select, and would receive 7s. 6d. sick pay from her society from the fourth day of her illness, and would be boarded in her employer's house at his expense.

It is assumed she will be a member of an approved society; preferably one composed of persons in her own class of employment. If, however, owing to the state of her health or for any reason other than old age she is unable to gain admission to a society, her position will be far less secure and the continuance of her sick pay allowance will be strictly limited to the amount standing to her credit in the Post Office account.

(ii) In the alternative position we have the following altered circumstances:—

The employer must make himself liable to pay for six weeks full wages and board during his servant's illness, and in consequence of this he will be entitled to pay a reduced contribution as follows:—

	In case of a Male Servant.	In case of a Female Servant.
Employer	2d.	2½d.
Servant	3d.	2d.

[For the purposes of this section it is being assumed that domestic servants will be included in the special order already referred to.]

The position of a domestic when ill will accordingly be this. During the first six weeks her ordinary wages will be paid and her board be provided by her employer; from the seventh up to and including the twenty-sixth week (twenty-six weeks in all) she will receive 7s. 6d. sick pay from her society, and if she is still incapable of work then 5s. weekly until she recovers. During the whole period of her illness she will be entitled to medical attendance from a doctor as in (i), and the other benefits there specified will also apply in her case.

The employer's liability to pay her wages is confined to six weeks a year on an average. If, therefore, a servant was ill from 1 Jan.—14 Jan., and in the same year from 1 Nov.—30 Dec., the employer

would only be liable for six weeks in the one year, and in the seventh week the domestic would draw benefit from her society. In the case of the ordinary terms of service the liability for the six weeks illness does not cease in respect of illness commencing before a servant leaves her employment. In the former example if on 1st Jan. she was under notice to terminate her employment on 14th Jan., and on 1st Jan. she became ill, the employer would be liable to pay her full board-wages for a further month (making six weeks in all) after the servant left on 14th Jan., if after that date she remained incapable of work.

In connection with both (i) and (ii) it should be remembered that an approved society has power, with the consent of the Commissioners, to vary the benefits of a certain class of their members (p. 86). Accordingly it would be legal for such a society to stipulate that as domestics are as a class healthy and but seldom in need of sick pay, instead of paying sick allowance they will substitute for that benefit some other and more suitable one, *e.g.* annuity at 60 years of age. In such cases sick pay would be abolished and a pension be payable at 60 years of age of such sum as the proportion of the weekly contributions usually devoted to the provision of sick pay would secure.

*Seamen** (s. 48).

The members of the Mercantile Marine Service form a special class under the Act. The provisions relating to their position are as follows:—

1. They come neither within the category of members of an approved society, nor of the deposit contributor class, but are established members of a special fund to be known as the Seamen's National Insurance Society. This fund is to be administered by the Board of Trade assisted by a committee upon which the ship-owners and the seamen will have equal representation. This system has been found to be necessary, as owing to the absence of the seamen from the country, it would be impracticable for them to administer the fund, as is the case with other insured persons. The Board of Trade are to formulate the scheme referred to, and the approval of the Commissioners to such scheme will be necessary.

2. A seaman in full employment serving in the foreign trades is absent from the country for four-fifths of each year; during such period he is provided by the shipowner with medical benefit and sick pay, or the equivalent. The scheme will provide for the contribution

* See also official publication, "Mercantile Marine" (Cd. 5942).

of such men, and the calculation of arrears on this basis, *i.e.* every four contributions paid are to be treated as five.

3. The shipowners are to be exempt from contribution in respect of any person not a native of or domiciled in the United Kingdom whilst serving on a ship engaged in regular trade on foreign stations. They will, however, contribute in respect of the crews of all other ships (s. 48 (3)).

4. As it would be impossible to administer benefits in respect of Asiatics, Lascars and other foreigners, whose place of residence is situated abroad, the employer's contribution in respect of these seamen will be paid into the Seamen's Fund for the benefit of insured British seamen, this proposal will increase the fund available for those insured in this way.

5. With regard to *contributions*.

It is proposed that the rate for insured seamen engaged in the foreign trade shall be: Employer 2*d.*; seaman 3*d.* But as the seaman's contribution will only be spread over a maximum period of forty-two weeks, 4*d.* for that period is taken as the equivalent of 3*d.* for fifty-two weeks. No reduction will be made in the case of coasting and home trades, such contribution will therefore remain at the employed rate of: Employer 3*d.*; seaman 4*d.* = 7*d.*, calculated on a year of fifty-two weeks.

6. As to the surplus which will be provided by the 2*d.* paid by the shipowners in respect of Asiatics, Lascars and uninsured foreigners (paragraph 4), this will be credited to the Seamen's National Insurance Society and should provide a substantial surplus. It is proposed to utilise this sum in securing additional benefits, and more particularly a pension benefit for seamen with long service, preferably in the foreign trade.

7. Special provision will have to be made in the scheme for seamen when they leave their occupation and are unable to obtain membership of an approved society; in such cases a man will be allowed to continue his membership in the Seamen's Fund, and will be entitled to the ordinary benefits of a member of an approved society in return for the ordinary contributions.

8. The Committee of Management of the Seamen's Fund will be vested with the powers of an approved society under the Act.

9. Nothing in the section shall prevent a seaman joining any approved society other than the Seamen's Insurance Society, should he so desire it (*ib* (4)). And if he is a member at the commencement of the Act of a society, which becomes approved, he may

TABLE 1.—SHOWING RATES OF CONTRIBUTION.

	Paid by Government.	Paid by Owners.	Paid by Seamen.			
Foreign Trade :—						
129,000 British seamen	} 2-7ths of total contributions.	} 2d. for average of 42 weeks.	} 4d. for maximum of 42 weeks.			
7,000 domiciled foreigners				Nil.	Ditto.	Ditto.
14,000 foreigners not domiciled				Nil.	Ditto.	Nil.
29,000 Lascars not domiciled				Nil.	Ditto.	Nil.
8,000 foreigners in vessels trading entirely abroad				Nil.	Nil.	Nil.
15,000 Lascars in vessels trading entirely abroad				Nil.	Nil.	Nil.
Home and Coasting Trade :—						
38,000 British seamen	} 2-9ths of total contributions.	} 3d. for maximum of 52 weeks.	} 4d. for maximum of 52 weeks.			
1,000 domiciled foreigners				Nil.	Ditto.	Ditto.
1,000 foreigners not domiciled				Nil.	Ditto.	Nil.
Fishing Vessels :—						
32,000 British seamen	} 2-9ths of total contributions.	} Ditto.	} 4d. for maximum of 52 weeks.			

TABLE 2.—SHOWING BENEFITS UNDER INSURANCE SCHEME.

Foreign Trade :—	
129,000 British seamen	Full benefits. But while on articles sick and medical benefits are provided by owner and not by insurance.
7,000 Domiciled foreigners	Seven-ninths of full benefits ; but while on articles sick and medical benefits are provided by owner and not by insurance.
14,000 Foreigners not domiciled	No benefits.
29,000 Lascars not domiciled	No benefits.
8,000 Foreigners in vessels trading entirely abroad	No benefits.
15,000 Lascars in vessels trading entirely abroad	No benefits.
Home and Coasting Trades :—	
38,000 British seamen	Full benefits.
1,000 Domiciled foreigners	Seven-ninths of full benefits.
1,000 Foreigners not domiciled	No benefits.
Fishing Vessels :—	
32,000 British seamen	Full benefits.

TABLE 3.—ANNUAL INCOME provided by CONTRIBUTIONS, assuming 42 WEEKS' EMPLOYMENT in the FOREIGN TRADE and FULL EMPLOYMENT in other TRADES.

	Paid by Government.	Paid by Owners.	Paid by Seamen.	Total.
Foreign Trade.—	£	£	£	£
129,000 British seamen . . .	54,180	45,150	90,300	189,630
7,000 Domiciled foreigners . .	Nil.	2,450	4,900	7,350
14,000 Foreigners not domiciled .	Nil.	4,900	Nil.	4,900
29,000 Lascars not domiciled . .	Nil.	10,150	Nil.	10,150
8,000 Foreigners in vessels trading entirely abroad.	Nil.	Nil.	Nil.	Nil.
15,000 Lascars in vessels trading entirely abroad.	Nil.	Nil.	Nil.	Nil.
Home and Coasting Trades :—				
38,000 British Seamen . . .	16,467	24,700	32,933	74,100
1,000 Domiciled foreigners . . .	Nil.	650	866	1,516
1,000 Foreigners not domiciled . .	Nil.	650	Nil.	650
Fishing Vessels :—				
32,000 British seamen . . .	13,867	20,800	27,733	62,400
	84,514	109,450	156,732	350,696
	24·1 %	31·2 %	44·7 %	

Income on account of foreigners and Lascars not domiciled (£15,050) = 8 per cent. of income on account of British seamen in foreign trade.

continue to be a member of such society for all purposes other than pension, and may become a member of the Seamen's Society for that purpose alone (see paragraph 6 supra).

10. Members of the Seamen's Society shall be deemed to reside in England, and medical benefit and sanatorium benefit shall in their case be administered by the society and not by the Insurance Committee.

11. The preceding Table will be found to contain an interesting summary as to the contributions to be paid by the Government, by the shipowners and by the seamen respectively :—

Tables 1 and 2 show the contributions payable and the benefits receivable by seamen under the special scheme.

The third Table shows the income which will be derived from the contributions of the State, the shipowners and the men.

It must be borne in mind in dealing with this class of insured persons, that under the Merchant Shipping Act of 1906, the shipowner is bound to provide at his own cost in every case of hurt, injury or illness, "the expense of providing the necessary surgical

and medical advice and attendance, and medicine, and also the expense of the maintenance of the seaman until he is cured or dies or returns to a proper return port, and of the cost of his conveyance to the port, and in the case of death the expense of his burial." Further, the shipowner is liable to pay to the incapacitated seaman his full wages until his discharge before the proper authorities at home or abroad.

The period of sickness during which medical and sickness benefits are to-day provided differ in the different services in which they are employed, but men serving on vessels engaged in the foreign trades on the average are employed, and therefore provided with such benefits apart from this Act during four-fifths of the year. It is therefore apparent that the contribution of the seaman must be somewhat reduced, compared with the ordinary employed rate of contribution, as benefits are provided in the manner explained for four-fifths of the time men are employed. At the same time the ratio of sickness for the one-fifth of the year spent on land will be considerably higher than for the 42 weeks spent at sea. It has accordingly been decided to take the sickness for which the owner is liable, and from which the fund will be relieved at two-thirds of the cost of medical and sickness benefit, this will be equivalent at the age of 16 to a weekly contribution of $2\frac{1}{2}d.$ As already has been stated, it is proposed to reduce the contribution by $2d.$, so that there is every probability of an accumulation of a surplus to the Fund.

Initial reserves will have to be credited the Fund at the outset, in order that all contributors may come in at what has been decided to be the equivalent of a uniform rate; such reserves will be the same as in the case of a member of an approved society, and the Seamen's Society will be under the obligation to provide the full reserved values whenever a seaman is transferred to an ordinary approved society.

*Soldiers and Sailors (s. 46).**

Special provision has been made in the Act for soldiers and sailors in the service of the Crown.

The provisions apply to every seaman and marine within the meaning of the Naval and Marine Pay and Pensions Act, 1865, and to every soldier of the Regular forces, and are as follows:—

(1) The contribution on the part of the men will be $1\frac{1}{2}d.$, and this is to be deducted from their pay.

(2) The Admiralty and the Army Council will pay in respect of

* See also Official Publication (Cd. 5943).

a man who has joined an approved society $1\frac{1}{2}d.$ a week, and in respect of those men who are not members of approved societies such sums per week as shall be prescribed. This amount has now been determined by Regulations made by the Joint Committee (Admiralty and Army Council contributions), dated 28th May, 1912, at $1\frac{1}{2}d.$ a week.

3. No deduction will be made from the pay of a seaman, marine or soldier who has completed the period of his first engagement (12 years), and has re-engaged for pension unless he so elects within the prescribed time. Contributions during this second engagement are therefore optional. No contribution shall be made by the Admiralty or Army Council in respect of any week in respect of which a deduction is not made. The position differs somewhat as to this special class from the point of view of whether or not they are members of an approved society.

(a) Soldiers and sailors who are insured persons and members of approved societies before entry or enlistment, or who become members within six months of enlistment, or in the case of existing soldiers and sailors who become members before 15th January, 1913, may have their contributions credited to their own approved societies. They will be in the same position as their civilian brethren, save that for them, the employed rate will be $3d.$ weekly instead of $7d.$ until their discharge, and that with the exception of maternity benefit, the ordinary benefits of the Act will be suspended so far as they are concerned until the time of their discharge. With regard to the maternity benefit, this will be payable, even though both the insured person and his wife are resident outside the United Kingdom. It will also apply to married women not on the strength; the approved society may arrange for the administration of the benefit through the Admiralty or Army Council.

With regard to the reserve values, the Commissioners will retain out of each weekly contribution of $3d.$, $1d.$ in respect thereof, instead of $1\frac{2}{3}d.$ as in the case with the ordinary employed contributor, who is a member of an approved society (see Chap. IX., § 1): the remaining five-ninths of a penny is to be paid out of the Navy and Army Fund. On his discharge such soldier, sailor or marine will be entitled to the ordinary benefits from his society, sickness pay $10s.$ a week, disablement $5s.$, and the like as though he were a civilian.

It should be noted that the societies will receive weekly contributions during the periods of sickness of the contributor, and there will be no loss arising from periods of unemployment. When compared with the conditions under which ordinary contributions

are payable, the actuarial report on the subject estimates this as equivalent to an addition to the contributions of $6\frac{1}{2}$ per cent. per annum. With regard to the liabilities to be met out of the weekly contribution these will consist of the maintenance of the reserves and the payment of medical benefit. The former is calculated at an average contribution of $1.08d.$ for both services, and the maternity benefit at $0.28d.$ per man, or in all $1.36d.$ This sum will leave a substantial profit to the societies out of the $2d.$ which will be paid to them, but as against this profit must be put the probability that members of the services on the date of their discharge may not on the average be quite such good lives for insurance as the general body of civilians. A further point to be noted is that an approved society will not receive from the Government the amount of two-ninths of the benefits in respect of a man on service, as is the case with the civilian. The Navy and Army Fund is not, however, to be deprived of this contribution. Originally in the case of a member of an approved society it was proposed that $1\frac{1}{2}d.$ from the weekly contribution should be retained by the Commissioners in respect of his reserve value; that has now been altered to $1d.$ —thereby giving an additional $\frac{1}{2}d.$ a week to the approved society, and in order to keep the account with the Commissioners in respect of him solvent, five-ninths is transferred from the Navy and Army Special Fund; in this way equalising matters between that fund and the approved societies in respect of the two-ninths of the benefits which is to be paid to the special fund but not to the approved society.

(b) Soldiers, sailors or marines who do not become members of an approved society; in their case is set up the Navy and Army Insurance Fund. Into this account will be paid by the Commissioners the balance of the sums deducted weekly and the contributions paid in respect of them, after deducting $1d.$ per week in respect of their reserve values. There will also be paid into this account out of moneys provided by Parliament a sum equal to two-ninths of the amount which would have been payable in that year, in respect of medical, sanatorium, sickness, and disablement benefit including administration expenses, had the members of this special fund been members of approved societies and entitled to such benefits as employed contributors.

The weekly contributions to be made by the Admiralty and Army Council in respect of such men shall be such sums as may from time to time be required to keep the fund solvent. This is instead of the fixed amount of $1\frac{1}{2}d.$ a week which would have been contributed if a man were a member of an approved society.

In the case of a man serving at the commencement of the Act

there shall be credited to the Navy and Army Insurance Fund the reserve value which would have been credited to an approved society if at that date the man had become a member of a society as an employed contributor.

Maternity benefit shall be paid out of this fund whilst a man is on service in the same manner as though he had insured in an approved society; the benefit shall be administered either through the Admiralty or Army Council or through Insurance Committees.

In the case of a man who was at the date of entry or enlistment a Post Office contributor, his account shall be transferred to the Navy and Army Fund as though that fund were an approved society, and he had at the date of his entry or enlistment become a member of that society. This method of transfer is in accordance with s. 43, and is described on p. 131.

The position of the soldier, sailor or marine *on discharge* is as follows:—

(a) If he is a member of an approved society, or becomes one within the prescribed time after his discharge, there shall be debited to the Navy and Army Fund the transfer value which would have been payable in respect of him had he been a member of an approved society during his period of service, and if all his contributions had been paid in full, and this sum shall be credited to the approved society: this proviso should offer no difficulty to a man on discharge gaining admission to a society. If, however, his health is such as to render it impossible for him to gain admission to a society, the Commissioners may allow him instead of becoming a depositor contributor to remain a member of Navy and Army Fund: this application must be made within three months of taking his discharge, or within such longer time as may be prescribed. All benefits shall be paid out of the Navy and Army Fund, and shall be administered by the Insurance Committee or otherwise as may be prescribed by regulations: any contributions shall be paid into that fund.

In the case of a man who entered into insurance after 17 years of age, or who is in arrears, sickness benefit shall be reduced as though he were an employed contributor and a member of an approved society who entered into insurance at a like age, or who is in arrears to a like extent; in no case however is the sickness benefit to be reduced below 5s. a week. Sections 9 (4) and 10 (2) regulate the case of an employed contributor under these circumstances and are fully discussed on p. 103. This will not apply to men in the service at the present time.

The State shall contribute to the special fund a sum equal to

two-ninths of the amount expended out of the fund in benefits and administration. No reduction in benefits shall be made on the ground that a man whilst in receipt of such benefit is also in receipt of a pension.

(b) If a man on discharge fails within the period named to become a member of an approved society, or if an approved society will not admit him on any ground other than the state of his health, there shall be transferred to the Post Office Fund in respect of him the same transfer value as would have been the case if he had been a member of an approved society, and the reserve value, if any, credited to the Navy and Army Fund in respect of him shall be cancelled.

Naval Reserves, Army Reserve, Territorial Force.

These Regulations, described as above, as to the position of a sailor, marine, or soldier during their term or service shall apply also to men in the Naval Reserves, when employed during war or any emergency, to men in the Army Reserve when called out on permanent service, and to men of the Territorial Force when called out on embodiment: where however men in these forces are called out merely for training, they shall be deemed to be in the service of the Crown, and under the First Schedule, Part II. (a) they will not be held to be exempt, but the Crown will be treated as the employer and will be responsible for making the weekly deduction and contributing the employer's share (s. 53).

Teachers (s. 52)

Are within the scope of the National Insurance Scheme, except

(1) Teachers to whom the Elementary Teachers Superannuation Act, 1898, or a scheme under Section 14 of the Education (Scotland) Act, 1908, or the National School Teachers (Ireland) Act, 1879, applies, or

(2) Teachers employed under any local or other public authority where the Commissioners certify that the terms of the employment are such as to secure provision in respect of sickness and disablement on the whole not less favourable than the corresponding benefits conferred by the Act [First Schedule, Part II. (b)].

There is a provision in s. 52 which applies to those teachers who have been insured persons, as employed contributors whilst employed by an Education Authority, who having held such an appointment become certificated teachers to whom the Elementary School Teachers (Superannuation) Act, 1896, applies. They then

cease to be employed persons within the meaning of Part I. of the Act, and unless they become voluntary contributors in the ordinary way their insurance would lapse. Provision is, however, made for such cases by the section which enables them :—

(1) Either to remain insured persons as voluntary contributors ; or

(2) To have transferred from the Approved Society or Post Office Fund, as the case may be, a sum equal to the value calculated in the prescribed manner, of the contributions paid by (if voluntary contributors), or in respect of (if employed contributors) them since they first began to teach in a public elementary school. If the amount standing to any such person's credit in his society or in the Post Office Fund is less than the value of the amounts contributed by, or in respect of him, then the whole of the sum so standing to his credit shall be transferred.

The sum so transferred shall be paid to the Board of Education and shall be placed to the teacher's credit in the Deferred Annuity Fund. The sum will enable the superannuation allowance payable at 65 years of age to be increased.

A person therefore on becoming a certificated teacher, after having previously been a teacher in a public elementary school will be able to elect, either to remain insured as a voluntary contributor or to claim his or her transfer value being carried to the superannuation account.

Widows.

(See under Married Women, p. 24.)

CHAPTER II.

§ 1. Contributions of the Compulsory Class.

THE contributions payable by and in respect of an employed contributor are found in the Second Schedule to the Act, and such rate of contribution is to be known as the employed rate. Such contributions are at a uniform rate for employees between 16 and 70 years of age, provided that where the wages do not exceed 2s. 6d. a working day, and no board and lodging is provided by the employer, a different rate of contribution is to be enforced if the employee is over 21 years of age. Contributions, both of employer and employee, cease at 70.

An employer contributes the same amount in respect of men and women, so that no premium is placed on the employment of female labour. Women, however, pay 1d. less a week than men.

The contributions are to be paid weekly or at other prescribed intervals, and the employer in the first instance must pay both his own contribution and that of the employee, and the latter he must recover by deduction from the wages (s. 4 (2)).

The employed rate of contribution is as follows:—

In the case of men, 7d. a week.

In the case of women, 6d. a week.

(A calendar week being the period from midnight on one Sunday to midnight on the following Sunday.)

Of this a man pays 4d., and his employer 3d.; a woman 3d. and her employer 3d.; and the State contributes two-ninths of the benefits and of the cost of administration in the former case, in the latter, one quarter (s. 3).

Persons over 65 years of age are dealt with specially (see p. 34), and the State contribution is not paid in respect of persons of foreign nationality who have not become naturalised (*vide* s. 44 (1) (b)).

Where an employed contributor of either sex is over 21, and the wages or other remuneration do not exceed 2s. 6d. a day, and the employee is not provided with board and lodging, the above scale does not hold good, but is as follows (see Table opposite).

MEN.

Wages or other Remuneration <i>per working Day.</i>	Rate of Contribution <i>per Week.</i>		
	Employer.	Contributor.	The State.
	<i>d.</i>	<i>d.</i>	<i>d.</i>
Not exceeding <i>s. d.</i> 1 6	6	0	1
" " 2 0	5	1	1
" " 2 6	4	3	0
Exceeding 2 6	3	4	0

WOMEN.

Wages or other Remuneration <i>per working Day.</i>	Rate of Contribution <i>per Week.</i>		
	Employer.	Contributor.	The State.
	<i>d.</i>	<i>d.</i>	<i>d.</i>
Not exceeding <i>s. d.</i> 1 6	5	0	1
" " 2 0	4	1	1
" " 2 6	3	3	0
Exceeding 2 6	3	3	0

With regard to those persons who but for s. 1 (4) of the Act would contribute, and those who have obtained the necessary certificate of exemption which they still hold, in such cases the employer is in no way relieved from paying his contribution: and the amount of contribution he will have to pay will be governed by the several rates referred to above. The contributions paid by an employer in respect of such persons are to be carried to such account and dealt with in such manner as may be prescribed by regulations of the Commissioners, and such regulations may provide for applying the sums standing to the credit of the account, for the benefit of any persons in respect of whom contributions have been so paid, in the event of such persons subsequently becoming employed contributors: *e.g.* though A might hold a certificate of exemption owing to the fact he had from some source a small income of over £26 per annum, his employer would not be relieved from his liability in respect of him. If subsequently A lost his small income, he would then, under the proposed regulations, be enabled to have the benefit of the sums so paid on his behalf placed to his credit when he became an insured person and paid his own contribution in the ordinary way (s. 4 (4)). An employer is also liable to contribute in respect of a person between 65 and 70 years of age, even though

that person fails to come within the scheme and to contribute himself (s. 4 (4a)). It will be remembered s. 1 (4) excludes persons over 65 years of age, not previously insured, from the operation of the Act, with the exception of those persons between 65 and 70 years of age, at the commencement of the Act, who are employed and for whom special provision is made (see page 34).

Where a contributor is employed by more than one employer in any calendar week, the person first employing him in that week shall be deemed to be the employer for the purpose of making the contribution in respect of that week (*vide* Third Schedule (5)).

This statement is subject to the provisions of the Regulations of the Commissioners on the matter, which provide that where persons are ordinarily employed by more than one employer in a calendar week the employers or any class or group of such employers may, if they think fit, submit to the Commissioners a scheme for the payment of the contributions under the Act. In such case, if the Commissioners approve the scheme, the employers who are parties thereto are to be regarded as jointly to be the employer of any insured person to whom the scheme may apply, but if the scheme relates merely to one employed person the sanction of the Commissioners would not appear to be essential, provided that the employers of the person signify the making of the arrangement by signing a form of agreement issued by the Commissioners for the purpose. The simplest example of such an arrangement would be where A, a charwoman, is employed regularly by four employers on four days in each week. In the example, if A is employed in any week, before any contribution has been paid in respect of her by one of the four parties to the arrangement, the person so employing A will be liable for the contribution in respect of her. If, however, one of the parties to the arrangement is the first employer in the week, the person liable for the contribution will be the one whose signature to the agreement appears first in order, and in any subsequent week by that one of the parties to the arrangement employing A during that week, whose signature to the agreement is next below that of the person who paid the last weekly contribution payable by the parties to the arrangement, the signatures being read in rotation. Any one of the four employers in the example may cease to be a party thereto immediately after paying a contribution by striking out his or her signature to the agreement and writing at the end of same his or her initials, with the date. In a similar way, if at the time of any such withdrawal any other employer wishes to become a party to the arrangement, he or she may do so by signing the agreement with the date after the signatures of the parties to the

original agreement. Any such agreement must be in the following form:—

We, the undersigned, employers of hereby agree to pay in rotation all contributions due from us or any of us in respect of him under the National Insurance Act, 1911, in the manner and upon the conditions set out in the regulations of the Insurance Commissioners and printed in this book.

Signatures

Date

Where the contributor is not paid wages or other money payable by his employer or any other person, the employer is liable to pay both his own contribution and that of the employee, and he is not entitled to recover any part from the employee (*vide* Third Schedule (7)).

Where a contribution paid by an employer on behalf of an employed contributor is not recoverable by means of deductions from his wages, it shall become recoverable summarily as a civil debt, but proceedings must be instituted within three months of the date when the contribution was payable. An employer is not entitled to deduct from the wages of or otherwise to recover from a contributor the contribution payable by the employer, and any contract entered into to that effect is null and void, *vide* Third Schedule (4) (8).

Under the Act a man employed one day in a week will have to pay a full week's contribution, as also will his employer. In the case of casual labour of this kind, the employer first employing a man in each week will have the week's contribution to pay, the week beginning at midnight on the Sunday: thus a person employing a charwoman on the Monday and Tuesday will have 6*d.* to pay, 3*d.* on his own behalf and 3*d.* on behalf of the woman employed, even though she is only employed two days in each week, but when once the contribution has been paid in respect of a week, no further contribution will be payable either by the employee or any subsequent employer. In the dock industry, in the building and engineering trades, there are thousands of men taken on for a day, or a very limited period, to whom this week's contribution from an odd day's employment will apply.

The object of this handbook is by no means to criticise, even if it were, a far greater measure of praise possibly, than of adverse criticism would be afforded to the proposals, and all that is attempted is to clearly examine the position, but it is impossible to pass by the subject of the compulsory contributions without examining the position a little more closely.

It is obvious that on the one side of the account the compulsory

contribution is going to hit the casual worker very harshly; 4*d.* a week, or 3*d.* in the case of a woman (for the moment the unemployment premium of 2½*d.* is not considered), is a very large percentage on the earnings of the casual labourer, who is always the stumbling-block in the path of social reform. It has been said that there are more than 2,000,000 families in this country with incomes less than £1 a week; it is therefore obvious on the face of it that in such homes 4*d.* cannot be spared from the income of the week without making an inroad into household necessities, which cannot possibly be dispensed with.

Admittedly there are benefits on the other side of the account, considerable benefits, but are they not mostly what the casual labourer has had in the past from the Poor Law for nothing? It is impossible to overlook the fact that this compulsory levy of 4*d.* every week from the wages of the casual worker will be much resented, particularly as the more casual the labour, the greater will be the arrears and the less the benefit.

Then as to the direct tax upon the employer. This will operate very differently amongst different classes of employers and different kinds of trades. It must be a direct incentive wherever possible to resort to machinery and dispense with paid labour. Again, too, by increasing the employer's contribution when the wages paid are low, it might be assumed that the profits are necessarily high in trades, &c., where low wages are the rule and not the exception. Very frequently wages are low because if they were higher all margin for profit would have disappeared. The answers to these criticisms are of course obvious—for instance, that if a different rate had been suggested the result would have been to put a premium on cheap labour, and they only help one to realise the difficulties, almost insuperable, which have beset those who have had to evolve this measure.

Again, too, the result to different classes of employers will vary very considerably. Mr. Snowden informed the House that in Lancashire in certain conditions in the cotton trade, "taking the average profit of the trade at 10 per cent., the contributions would be equal to an Income Tax of 2*s.* in the £, and if the profit were less, as it would be in bad times, the burden would be all the greater. In the case of a large industry where there is a smaller amount of labour employed in proportion to the output, the tax reduced to terms of Income Tax, would be enormously less in the case of railway companies would work out at about 5*d.* in the £, and in the mining industries at about 2½*d.*" The contribution from employers will vary from 20 per cent., therefore, in some industries to a fractional percentage in others.

So far the contribution of the employer and the employed has been dealt with in relation to the compulsory class. What of the contribution of the State? It has been frequently stated that the State will pay $2d.$ As a matter of fact, the State will pay two-ninths in the case of men, and in the case of women one-fourth of the benefits provided by the Act and of the cost of their administration; in respect of medical benefits (s. 15) one-half of the excess expenditure; and in connection with s. 16 (Sanatorium benefit) a sum not exceeding $1d.$ a year for every insured person. In connection with s. 46 there are also certain payments by the State in respect of persons in the Army or Navy. As a matter of fact, it has been calculated that the State's contribution in 1912-13 will be about $\frac{1}{2}d.$, in 1917-18 it will be $1\frac{1}{2}d.$, and up to 1927 will not amount to more than $1\frac{1}{2}d.$

§ 2. Contributions of the Voluntary Class.

The contributions of the Voluntary Class depend upon the age of the persons at the date of becoming insured. A Table is to be prepared by the Insurance Commissioners which will specify what the rate is for entry into insurance at any particular age (s. 5); this will be known as the "voluntary rate." Contributions cease at 70 years of age for voluntary insurance. If, however, within six months after the commencement of the Act any person insures as a voluntary contributor, if his age be under 45, he will be allowed to come in at the employed rate, *i.e.* $7d.$ weekly, in the case of a man, $6d.$ for a woman, the whole of which will be payable by the person insured, as there will of course be no employer to pay the $3d.$ contributed as in the case of an employed contributor; if, however, the person is over 45, and joins within six months after the commencement of the Act, he will have to contribute according to another special Table which has been prepared by the Insurance Commissioners, and the amount will have to be sufficient to cover seven-ninths in the case of a man, and three-quarters in the case of a woman of the benefits conferred by the Act. In all cases of voluntary insurance, the State makes the same contribution in respect of the benefits and their administration as in the case of the employed contributor. It will be seen there are really three possible rates in respect of a voluntary contributor: (1) if he is under 45 and joins before the 15th January, 1913, the rate will be the employed rate. (2) If he is over 45 and joins before 15th January, 1913, the rate is the special rate given below and is dependent upon his age. (3) All other voluntary contributors will pay a rate according to their age at entry into insurance.

Table 1.

The Table applicable to all male persons insured, whether in Great Britain or Ireland, who being of the age of 45 and upwards, enter into insurance as voluntary contributors before the 15th January, 1913. This rate has been determined by the Joint Board of Commissioners as being sufficient to cover seven-ninths of the benefits conferred by Part I. of the Act, the remaining two-ninths being supplied by the State.

ENGLAND, SCOTLAND, AND WALES.

Male Voluntary Contributors.

Age.	Weekly Contribution.	Age.	Weekly Contribution.
45 and under 46 . . .	s. d. 0 9	55 and under 56 . . .	s. d. 1 0½
46 " 47 . . .	0 9	56 " 57 . . .	1 1
47 " 48 . . .	0 9½	57 " 58 . . .	1 1½
48 " 49 . . .	0 10	58 " 59 . . .	1 2
49 " 50 . . .	0 10	59 " 60 . . .	1 2½
50 " 51 . . .	0 10½	60 " 61 . . .	1 2½
51 " 52 . . .	0 10½	61 " 62 . . .	1 3
52 " 53 . . .	0 11	62 " 63 . . .	1 3½
53 " 54 . . .	0 11½	63 " 64 . . .	1 3½
54 " 55 . . .	1 0	64 " 65 . . .	1 3½

IRELAND.

Age.	Weekly Contribution.	Age.	Weekly Contribution.
45 and under 46 . . .	s. d. 0 7	55 and under 56 . . .	s. d. 0 10½
46 " 47 . . .	0 7	56 " 57 . . .	0 10½
47 " 48 . . .	0 7½	57 " 58 . . .	0 11
48 " 49 . . .	0 8	58 " 59 . . .	0 11½
49 " 50 . . .	0 8	59 " 60 . . .	1 0
50 " 51 . . .	0 8½	60 " 61 . . .	1 0
51 " 52 . . .	0 8½	61 " 62 . . .	1 0½
52 " 53 . . .	0 9	62 " 63 . . .	1 0½
53 " 54 . . .	0 9½	63 " 64 . . .	1 0½
54 " 55 . . .	0 10	64 " 65 . . .	1 0½

Table 2.

The following is a most important Table, being the one fixed by the Joint Board of Commissioners determining the weekly rate of contribution for male voluntary contributors under the Act who do not enter into insurance until or subsequent to the 15th January, 1913:—

ENGLAND, SCOTLAND, AND WALES.

Age.	Weekly Contribution.	Age.	Weekly Contribution.
16 and under 17 . . .	<i>s. d.</i> 0 7	41 and under 42 . . .	<i>s. d.</i> 0 9½
17 " 18 . . .	0 7	42 " 43 . . .	0 10
18 " 19 . . .	0 7½	43 " 44 . . .	0 10
19 " 20 . . .	0 7½	44 " 45 . . .	0 10½
20 " 21 . . .	0 7½	45 " 46 . . .	0 10½
21 " 22 . . .	0 7½	46 " 47 . . .	0 11
22 " 23 . . .	0 7½	47 " 48 . . .	0 11
23 " 24 . . .	0 7½	48 " 49 . . .	0 11½
24 " 25 . . .	0 7½	49 " 50 . . .	0 11½
25 " 26 . . .	0 8	50 " 51 . . .	I 0
26 " 27 . . .	0 8	51 " 52 . . .	I 0½
27 " 28 . . .	0 8	52 " 53 . . .	I 0½
28 " 29 . . .	0 8	53 " 54 . . .	I 1
29 " 30 . . .	0 8	54 " 55 . . .	I 1½
30 " 31 . . .	0 8	55 " 56 . . .	I 2
31 " 32 . . .	0 8½	56 " 57 . . .	I 2½
32 " 33 . . .	0 8½	57 " 58 . . .	I 3
33 " 34 . . .	0 8½	58 " 59 . . .	I 3½
34 " 35 . . .	0 8½	59 " 60 . . .	I 4
35 " 36 . . .	0 9	60 " 61 . . .	I 4½
36 " 37 . . .	0 9	61 " 62 . . .	I 4½
37 " 38 . . .	0 9	62 " 63 . . .	I 5
38 " 39 . . .	0 9½	63 " 64 . . .	I 5
39 " 40 . . .	0 9½	64 " 65 . . .	I 5
40 " 41 . . .	0 9½		

IRELAND.

Age.	Weekly Contribution.	Age.	Weekly Contribution.
16 and under 17 . . .	<i>s. d.</i> 0 5½	41 and under 42 . . .	<i>s. d.</i> 0 8
17 " 18 . . .	0 5½	42 " 43 . . .	0 8
18 " 19 . . .	0 6	43 " 44 . . .	0 8
19 " 20 . . .	0 6	44 " 45 . . .	0 8½
20 " 21 . . .	0 6	45 " 46 . . .	0 8½
21 " 22 . . .	0 6	46 " 47 . . .	0 9
22 " 23 . . .	0 6	47 " 48 . . .	0 9
23 " 24 . . .	0 6	48 " 49 . . .	0 9½
24 " 25 . . .	0 6	49 " 50 . . .	0 9½
25 " 26 . . .	0 6	50 " 51 . . .	0 10
26 " 27 . . .	0 6½	51 " 52 . . .	0 10½
27 " 28 . . .	0 6½	52 " 53 . . .	0 10½
28 " 29 . . .	0 6½	53 " 54 . . .	0 11
29 " 30 . . .	0 6½	54 " 55 . . .	0 11½
30 " 31 . . .	0 6½	55 " 56 . . .	I 0
31 " 32 . . .	0 6½	56 " 57 . . .	I 0
32 " 33 . . .	0 6½	57 " 58 . . .	I 0½
33 " 34 . . .	0 7	58 " 59 . . .	I 1
34 " 35 . . .	0 7	59 " 60 . . .	I 1½
35 " 36 . . .	0 7	60 " 61 . . .	I 2
36 " 37 . . .	0 7	61 " 62 . . .	I 2
37 " 38 . . .	0 7	62 " 63 . . .	I 2
38 " 39 . . .	0 7½	63 " 64 . . .	I 2
39 " 40 . . .	0 7½	64 " 65 . . .	I 2
40 " 41 . . .	0 7½		

[NOTE.—The Voluntary Rate applicable to Women will be found in the Appendix, page 257.]

§ 3. Collection of Contributions.

The system provided for the collection of contributions will be carried out in the following manner (*vide* Third Schedule). The employer of any person liable to deduction from wages will be responsible for paying that person's contribution as well as his own in respect of him, and may recoup himself the amount of the former's contribution (but not the latter) by deductions from the insured person's wages. Such a deduction will only be allowed at the time when the wages are paid, for the period for which they are paid. If the employed person is not paid by the person employing him but by other persons, the employer will be responsible for seeing that he is insured. If the employed person receives no wages from anybody, then the employer will be responsible himself for paying the whole amount. When an employed person is out of employment or ill, the contributions are not required to be paid; but, as to the contributions in time of unemployment, attention should be paid to the provisions dealt with under Arrears and Benefits. The payment is to be effected by means of adhesive stamps, which the employer will be able to obtain at any post office, they must be affixed to a card belonging to the employed person, or if such person has no card, upon a special emergency card to be obtained by the employer; and the stamps must be cancelled by writing the date upon them. The insured person will be responsible for obtaining the card and producing it to the employer to be stamped. On entering employment he may hand over his card to be kept by his employer, but if that course is followed, the employer must deliver the card back to him after a prescribed interval stamped up to date. When the card is in this manner left with the employer, the employer will be saved the trouble of stamping the card every week.

To secure the due payment of contributions in the case of casual workers, it is laid down as a general rule that the first employer in the week should be responsible for the payment of the contributions. The employee will be freed from further deductions from wages in the same week by producing his stamped and dated card to any subsequent employer. A workman is required to produce his card to his employer at the time when wages are paid, and, if he omits to do so, then the employer will be empowered and required to obtain a card for him. The card will be the property of the workman, the employer having no right to retain it without his consent, or to write any comment whatever upon it. The cards will be made current for a fixed period and will be handed over at

the end of the period by the insured person to his society or to the post office (in the case of a person not a member of an approved society), and he will receive a new card in exchange. The stamped card becomes a voucher furnishing evidence that the contributions have been duly paid, as it passes first from the employer to the insured person, then from him to his society, and finally from the society to the post office or the department having custody of the Insurance Fund. The societies will, through the agency of the Insurance Commissioners, under whatever banking arrangements are found most convenient, collect the value of the stamps paid in just as the value of a postal order is collected through the post office. From the amount so collected and placed to their credit representing the joint contributions of the employers and of the members (supplemented by the State grant of two-ninths of the cost of benefits and the expenses of management) the societies will draw from time to time whatever amounts they require for the payment of benefits and the cost of administration.—(Official Statements of Mr. Lloyd George.)

The Regulations of the Commissioners governing the collection of contributions are known as the National Health Insurance (Collection of Contributions) Regulations, 1912, their chief provisions are as follows:—

§ 4. Payment of Contributions.

Every contribution payable under the Act, by or in respect of a contributor, is to be made by affixing a stamp to the card of the contributor in the space provided for the purpose. The ordinary postage stamps will not be available for the purpose, only National Health Insurance stamps will be accepted in payment; they will be on sale at all post offices.

A weekly contribution is payable by the employer for each week, commencing Monday during the whole or any part of which the contributor has been employed, but only one contribution is payable in respect of each week, and no contribution is payable by the employer in respect of any week during which the contributor renders no service—and either (a) receives no remuneration, or (b) receives sickness benefit for the whole or part of the week.

The employer is required to affix to the card, on a day not later than the day on which wages are paid, a single National Health Insurance Stamp of the value of the joint contribution due from himself and from the contributor, for every week for which a contribution is payable, and in respect of which a stamp has not already

been affixed. Therefore, where wages are paid monthly, it will suffice to affix the stamps monthly, in respect of the weeks which have intervened since the wages were last paid and the stamps last affixed.

§ 5. Issue of Contribution Cards.

Every person who is liable to compulsory insurance must apply to the society of which he is a member, or if he is not a member of a society, to the postmaster of any post office in his district, and every person who desires to become a voluntary contributor shall apply to his society or the Insurance Committee for the district in which he resides, if he becomes a deposit contributor, for the issue to him of an appropriate card, and upon this card must be inscribed the name and address of the person about to enter into insurance. At the commencement of the Act in July, it will be necessary for all persons to whom the scheme applies, to obtain the requisite card on or before the 8th July, and the card must be presented to the employer to be stamped for the first occasion on Monday, the 15th July. The cards are made available for 13 weekly contributions, and prior to the expiration of the period, application must be made to the society or postmaster for the issue of a new card for the succeeding period. The following classes of cards will be obtainable, to be distinguished by their colour ;—

CLASS A.—For employed contributor (male), to which the special 7*d.* stamp will be affixed each week, or at other suitable periods. Of this sum 3*d.* is payable by the employer, and 4*d.* by the employee.

CLASS B.—For soldiers and sailors.

CLASS C.—For voluntary contributor (male under 45).

Rate of contribution 7*d.* per week.

CLASS D.—For voluntary contributor (male 45 years and upwards).

Rate of contribution in accordance with the prescribed rate (see p. 60) for the age of the insured person when entering into insurance.

CLASS E.—For employed contributor (female).

Rate of contribution 6*d.* ; of this sum 3*d.* is payable by the employer and employee respectively.

CLASS F.—For voluntary contributor (female under 45):

Rate of contribution 6*d.*

CLASS G.—For voluntary contributor (female 45 years and upwards).

Rate of contribution in accordance with the prescribed

rate for the age of the insured person when entering into insurance (see Appendix).

CLASS H.—For voluntary contributor (married woman).

Rate of contribution 3*d.*

There is also a form of card known as an

Emergency Card,

which is defined as “a card issued by the Commissioners in accordance with the Regulations for the purpose of having a stamp affixed to it in payment of a contribution payable in respect of an employed contributor who fails to deliver a card to his employer in accordance with these Regulations.” If, therefore, on the 15th July, or upon any subsequent date, an employee fails to present a card for stamping, it will be the duty of the employer to obtain from the nearest post office an emergency card, upon which the employer must affix the requisite stamps and cancel it by writing across the face the name of the employee and the date, and then deliver the card to the contributor so stamped.

It will be remembered that the liability to contribute in respect of Part I. of the Act is placed upon the employer, and not upon the contributor, the former being empowered to recoup himself, so far as the contribution of the latter is concerned, from his wages: hence the emergency card. But the insured person is placed at a disadvantage by having failed to obtain a card himself and thereby cause his employer to procure an emergency one—for many approved societies have provision in their rules as follows: “Any insured member, who without sufficient reason given, deposits or produces more than one card or book shall be liable to a fine not exceeding 10*s.*” It will, accordingly, place an insured person who without sufficient reason has neglected to provide himself with a card and so is compelled when the period for the deposit of the card arrives, at a disadvantage, for he will be compelled to lodge with his society or the post office two cards, one being the emergency one, and the second the card he will be subsequently compelled to obtain himself from his society or the post office.

§ 6. Issue of a New Card.

The Regulations contain the following provisions relating to the issue of a new card during the currency of a card already issued. In such case, a new card must be obtained in the following instances:—

(1) When an insured person is transferred from one society or branch of a society to another society or branch.

(2) When such person changes his residence from one part of the United Kingdom to another.

(3) When a member of an approved society becomes a deposit contributor.

(4) When a deposit contributor becomes a member of a society.

(5) If the card of an insured person is lost, destroyed or so damaged as to become useless.

In all such cases he must fill up one of the two following forms:—

FORM OF APPLICATION No. 2.
NATIONAL HEALTH INSURANCE.

Application to an APPROVED SOCIETY for the issue of a new contribution card to replace a card previously issued.

I (*insert name*).....
of (*insert address*)
hereby declare that—

Strike out the lines not applicable.	{	<p>(a.) The contribution card issued to me for the current quarter has been lost (or destroyed) (or damaged) (or defaced).</p> <p>(b.) I have changed my employer.</p> <p>(c.) I have surrendered my card to (<i>insert name of Society or Post Office</i>).....</p> <p>(d.) I have changed my place of residence from.....to the above address</p>
---	---	---

and I hereby apply for the issue to me of a new card.

Signature of applicant.....

Date191.....

NOTE.—When making this application, the applicant must surrender the card he wishes to exchange.

It will be observed the card intended to be replaced must accompany the application form, or if the card has been lost, a declaration of its loss in the proper form must also be made.

If an employed contributor who is a member of an approved society has not, on his application, obtained a card from his society, he may apply for one at the post office by filling in the above form.

Where a card has been issued to a voluntary contributor, no further card shall be issued to him except on the surrender of his card for the period of currency last terminated, or upon a declaration of its loss or surrender.

In the instances above quoted it is incumbent upon the insured person to apply for the issue of a fresh card, but where a person during the currency of a card changes his employment he *may* apply for a fresh card to produce on entering his new employment, and can secure this by filling in the appropriate form above given.

§ 7. Production of Card to Employer.

An employer of an employed contributor may at any time require the production of the employee's card then current, and it is the duty of the latter to produce the card when so demanded; further, he must deliver up the card at such times as the employer may reasonably require it for the purpose of stamping; any card so delivered up he must keep in his safe custody. If both the employer and employee agree the card may remain in the custody of the former during the period of its currency, and at the expiration of that period it must be returned to the employee duly stamped. The employer must also return any card in his possession to the contributor, duly stamped, at each of the following times, viz. :—

- (1) Upon the termination of the employment;
 - (2) Upon the expiration of the period of currency of the card;
- and
- (3) Where the insured person so requested, within forty-eight hours after the receipt of the request.

§ 8. Stamping of Cards.

The rules as to the stamping of the cards by an employer provide, that where money payment is made by the employer, the necessary stamp or stamps shall be affixed in respect of the period for which the contribution is payable before the money payment is actually made, e.g. if wages were paid monthly, the requisite stamps would have to be affixed for the period intervening since the last payment of wages, if the insured person had been continuously employed during that period. Stamps must also be affixed by the employer before the termination of the employment, and before the expiry of the period of currency of the card, or at any other time if the contributor so demands, in such cases a sufficient number must be affixed to make payment for all the weekly contributions payable in respect of the period ending at the expiry of the currency of the card, or the termination of the employment, or the demand of the insured person. As has already been stated, if the contributor does not produce a card, the stamps must be affixed to an emergency card to be obtained by the employer.

Stamps affixed to a card must be cancelled by writing or stamping the date across the face of the stamps, upon which they are affixed to a card.

The Commissioners are empowered, if they think fit, to approve

any arrangement whereby stamps are affixed or contributions paid in a manner other than those prescribed by the regulations, but no such arrangement shall authorise the payment of any contribution at a date later than that upon which the wages for the period, in respect of which the contribution is payable, are paid.

In the case of a voluntary contributor, the duties which are imposed upon the employer in relation to the stamping of the cards shall be performed by the contributor himself.

§ 9. The Production and Surrender of Cards.

(a) Employed Contributors.

1. When making any claim for benefit an employed contributor shall, if required, produce his card to his society, or, if he is a deposit contributor, to the postmaster or Insurance Committee, as the nature of the benefit, for which application is being made, may demand.

2. Every employed contributor shall surrender his card to his society, or, if he is a deposit contributor, to the postmaster, on the following occasions:—

- (i) Upon joining an approved society;
- (ii) Upon transferring from one approved society or branch to another approved society or branch;
- (iii) Upon ceasing to be a member of an approved society;
- (iv) Upon changing his place of residence from one part of the United Kingdom to another;
- (v) Wherever the card has been defaced in a manner not authorised by the Regulations;
- (vi) Within 14 days after the expiration of the period of the currency of the card; and
- (vii) Upon becoming a voluntary contributor.

(b) Voluntary Contributors.

With regard to voluntary contributors the above rules will apply except—

(i) Seven days is substituted for 14 days as the period after the expiration of the period of currency of a card within which it must be delivered up to the approved society, or to the postmaster, as the case may require;

(ii) A voluntary contributor shall produce his card whenever required to do so by his approved society, or, if he is a deposit contributor, by the Insurance Committee.

NOTE.—Every employed person surrendering a card must sign

§ 10. Death of an Insured Person.

Upon the death of any insured person, any person having possession or thereafter obtaining possession of his card or insurance book must forthwith deliver the same to the approved society or Insurance Committee, or, as the case may require, to the Commissioners.

§ 11. The Insurance Book.

The insurance book to which every insured person will be entitled, contains a summary of the contributions paid during each quarter for the period in respect of which the book is issued; it will also contain a record of the arrears due from and paid by him and of the benefits which he has received under the Act. It should be noted that the employer cannot demand the production of the book, which remains the exclusive property of the insured person. The contribution card which he must produce to his employer will contain no reference to the society to which he belongs, and therefore the employer will have no means of obtaining that knowledge against the wishes of the contributor.

A contributor must deposit his book with his society (or with the Insurance Committee, if he is a deposit contributor) (*a*) upon surrendering his contribution card, (*b*) when he gives notice of disease or disablement, and (*c*) whenever the Society or Insurance Committee require it for production to an inspector or other authorised person. The book must also be produced when a claim is made for maternity benefit. The society or Insurance Committee, to whom the book is delivered, with notice of disease or disablement, shall retain it until the termination of the illness.

Whenever a society issues a card to any member joining the insurance scheme, or upon accepting any contributor as a member within the three months prescribed by the Commissioners for joining a society, and whenever an Insurance Committee receives an insurance card surrendered by a contributor who has entered into insurance during the period of currency of the card, they shall cause to be entered in an insurance book the particulars required by the Commissioners and shall issue the book to the person in respect of whom the insurance card is so issued or by whom it is so surrendered.

An approved society may insert in the book any matter relating to the society, or to any transactions between the society and the member, as they may think fit.

When a contributor, on surrendering his card, deposits his

insurance book with his society, or with the postmaster, to be transmitted to the Insurance Committee if he be a deposit contributor, the society or Committee shall return the book to him within 21 days after such deposit, or if the contributor requires his book for claiming unemployment benefit, within seven days after he makes application for it, for if the contributor is a workman in an insured trade the book must be produced when a claim for unemployment benefit is made, or when it is required by a Labour Exchange.

When the period for which the book is issued expires, it must be deposited with the society or Insurance Committee, as the case may require, similarly when the book is so defaced as to render it useless for the purpose for which it is issued, and the society or committee shall thereupon issue a new book and return the book deposited within 21 days, or within seven days if application is made for it for the purposes of Part II. of the Act. An insured person must also surrender his book, if during its currency he transfers from one society or branch to another, or becomes a deposit contributor, or in the case of a deposit contributor if he becomes a member of an approved society.

If a contributor loses his insurance book he must at once make application to his society or Insurance Committee, if he is a deposit contributor, in the proper form, and the society or Insurance Committee shall issue to him a new book containing the requisite particulars; application must be made on whichever of the two following forms is appropriate to the case:—

FORM OF APPLICATION NO. 4.
NATIONAL HEALTH INSURANCE.

Application for the issue of a new Insurance Book to replace an old book.

To the.....Society.

I (insert name).....
of (insert address).....
hereby declare that:—

Strike out the }
line which } (a) I have lost the Insurance Book issued to me.
is not } (b) The Insurance Book issued to me has been destroyed
applicable. }

and I hereby apply for the issue to me of a New Insurance Book. }

Signature of applicant.....

Date.....191

FORM OF APPLICATION NO. 5.
NATIONAL HEALTH INSURANCE.

Application for the issue of a new Insurance Book to replace an old book.
To the.....Insurance Committee at.....

I (*insert name*).....
of (*insert address*).....
hereby declare that :—

Strike out the }
line which } (a) I have lost the Insurance Book issued to me.
is not } (b) The Insurance Book issued to me has been destroyed
applicable. }

and I hereby apply for the issue of a new Insurance Book.

Signature of applicant.....

Date.....191.....

§ 12. Collection of Contributions in respect of a person
exempt or excluded from Insurance.

In this matter the Commissioners, as empowered by s. 7 and s. 65 of the Act, have issued Regulations, known as the National Health Insurance (Collection of Contributions Exempt Persons) Regulations, 1912, in which an exempt person means a person in respect of whom an employer is liable to pay contributions by virtue of sub-s. 4 of s. 4 of the Act.

They provide that the employer shall pay the contributions payable in respect of an exempt person by affixing a stamp to a proper Exemption Card, which will be supplied by any postmaster to an employer upon his application. The card must in no case be handed to the employed person by the employer. It will be used in respect of persons—

(1) Who have been granted a certificate of exemption from compulsory insurance; or

(2) Who were under the age of 65 on the 15th July, 1912, and not having previously been insured persons, have become employed after attaining the age of 65.

The employer will have to pay the like contribution, as would have been payable if the person employed had been an ordinary employed contributor. When an employer affixes a stamp to an exemption card, he must thereupon, or as soon as may be thereafter, record the payment in the exemption book, which will be in the possession of the employee; this record will be made by signing

against the weeks in respect of which payment has been made on the exemption card. The exemption book must be produced to the employer, at any time on demand, and must be delivered to him whenever he requires it, for the purpose of recording payment of contributions.

No exemption book will be valid until the employee, to whom it is issued, has inscribed his signature in the space provided in the book for the purpose.

A person to whom an exemption book has been issued, must surrender the book to the Commissioners within 14 days after the expiration of the period for which the book is available, for the purpose of recording the payment of contributions, or within 14 days of his ceasing to be an exempt person, whichever first happens.

The Regulations relating to the production of contribution cards (see page 68) shall apply to exemption books, as though they were the contribution card of an ordinary employed contributor.

§ 13. Neglect of Employer to pay Contributions.

In the case of an employer failing or neglecting to pay contributions in respect of a person who is a member of an approved society, and by such failure or neglect the insured person has been deprived of any benefits which he would otherwise have received, such insured person is entitled to take proceedings against the employer, and in any such proceedings the employer may be ordered to pay the Commissioners a sum equal to the value so ascertained. This sum shall be placed to the credit of the society of which the insured person is a member, and he shall be entitled to receive benefits at the same rate as if his contributions had been regularly paid, together with the difference between the amount of the benefits he has actually received prior to the proceedings and what he would have received during that period if his contributions had been regularly paid (s. 70 (1)).

Three points call for attention in reference to the section:—

(a.) Proceedings under this section may be taken as well as proceedings under s. 69; the civil proceedings being no bar to criminal proceedings being taken (see page 144).

(b.) The section would appear to apply only in the case of the insured person being a member of an approved society. It would, therefore, be inapplicable to an employed contributor who was a deposit insurer.

(c.) A member of an approved society may not institute

proceedings under this section unless and until he has been deprived of his right, wholly or in part, to any benefits under Part I. of the Act.

§ 14. Contributions in the case of low paid Labour.

The Second Schedule to the Act provides in the case of low paid labour for an increase in the contribution of the employer, a corresponding decrease in that of the contributor, and an additional contribution on the part of the State. In the case of persons whose wages or other remuneration does not exceed 2s. a day, and who are not provided with board and lodging, the contribution is—

	Men.	Women.
Employer	5 <i>d.</i> ...	4 <i>d.</i>
Contributor	1 <i>d.</i> ...	1 <i>d.</i>
The State	1 <i>d.</i> ...	1 <i>d.</i>

If the wages, &c., do not exceed 1s. 6*d.* a day the contribution is—

	Men.	Women.
Employer	6 <i>d.</i> ...	5 <i>d.</i>
The State	1 <i>d.</i> ...	1 <i>d.</i>
Contributor	Nil ...	Nil

Section 4 (1) of the Act provides that in the case of employed contributors of 21 years of age or upwards whose wages or other remuneration does not exceed 2s. a day, and who are not provided with board and lodging, there shall be provided by the State towards contributions payable in respect of them the sum of one penny per week in the manner stated in the Second Schedule to the Act.

This will exempt entirely from contribution a person in receipt of 1s. 6*d.* a day or less, whether man or woman (see above Table), and will reduce to 1*d.* a week the contribution of a person in receipt of remuneration, which does not exceed 2s. a day.

§ 15. Intermediate Employers.

The regulations of the Commissioners, known as the National Health Insurance (Intermediate Employers) Regulations (England), 1912, relate to persons working in a coal mine, a metalliferous mine, or in factories or workshops other than shipbuilding yards, within the meaning of the Factory and Workshops Act, 1901. They provide that where a contributor, employed in any one of the mentioned places, works under the general control and management of the

lessee or owner of the mine or the occupier of the factory or workshop, such lessee, owner or occupier (in the Regulation called the principal employer) shall, although he may not be the immediate employer of the contributor, be deemed to be his employer for the purposes of the Act. The principal employer, therefore, will be entitled to deduct the amount of any contribution, other than the employer's contribution, which he has paid from any sums payable by him to the immediate employer, and the immediate employer will be entitled to recover from the employed contributor the like sum and in the like manner as if he had paid the contribution.

CHAPTER III.

BENEFITS AND THEIR ADMINISTRATION.

§ I. Minimum Benefits.

THE minimum or average benefits to which an insured person is entitled are medical, sanatorium, sickness, disablement and maternity benefit; such benefits are dealt with *in extenso* under their several sub-headings. One of the criticisms which could originally, and can in part to-day be attached to the provisions relating to benefits, is that as the scheme is a stereotyped one for all classes, an insured person is not at liberty to make a selection of those benefits, which would be desirable in his own particular case; for instance, it might be that he would much prefer that his contributions should command a payment to his dependents at death or an annuity for himself at the age of 65 in preference to sick pay, yet he is compelled to accept the payment during sickness, subject to the provisions of s. 13 (see § 5 of this Chapter), and to forego the benefits which in his case would be the more serviceable to him. It is also a matter of conjecture whether the benefits will compare favourably with those paid in the past by the Friendly Societies, who have had during the past the choice, of more or less picked lives, whereas the National scheme must to some extent take the good with the bad, though at the outset the latter may be segregated into one particular class—viz., the deposit contributors. The enjoyment of the benefits is qualified in certain cases by various restrictions, such as date of commencement of the benefit, age disqualification, benefits in excess of two-thirds of the usual wage, provisions as to residence, and the like.

The restriction as to residence should be particularly noticed. Generally speaking, no insured person is entitled to any benefit during any period when he is resident either permanently or temporarily outside the United Kingdom. A person *temporarily* resident in the Isle of Man or the Channel Islands shall whilst so resident not be disentitled to benefits other than medical benefit; and a person temporarily resident outside the United Kingdom elsewhere than in the Isle of Man or the Channel Islands may, if

the society or Insurance Committee consent, allow him whilst so resident to continue to receive (*i.e.* the illness must have been contracted prior to becoming so temporarily resident) sickness or disablement benefit. A person resident outside the United Kingdom shall not lose the benefit of the maternity allowance in respect of a wife confined within the United Kingdom (s. 8 (4)).

The minimum benefits under the Act consist of :—

(i) Medical Benefit,

which is defined as “medical treatment and attendance, including the provision of proper and sufficient medicines and such medical and surgical appliances as may be prescribed by regulations to be made by the Insurance Commissioners” (s. 8 (1) (a)). (Medical benefit does not include any right to medical treatment or attendance in case of a confinement.)

This, in a word, constitutes for the insured free medical attention and medicine. It will not at the commencement include dental treatment, but will provide for the supply of the minor form of surgical appliances, such as spectacles, elastic stockings, belts, and trusses. As to the class of appliances which may be provided, this will depend upon the rules to be prescribed by the Insurance Commissioners; but articles of diet will apparently not be included.

No one will be entitled to medical benefit during the first six months after the commencement of the Act, therefore not before 15th January, 1913 (s. 8 (8)). But after this waiting period of six months has expired, a person will be entitled to medical benefit from his entry into insurance, and in this respect the administration of this benefit differs from that of sickness, maternity and disablement, where a waiting period must always intervene between the entry into insurance and the enjoyment of the benefit. After this date, however, there will be no waiting period for the benefit, which will be obtainable immediately on entry into insurance for both classes of contributors. In a large majority of cases at least six months will be required to make the medical arrangements, but those who were members of friendly societies prior to the passing of the Act will not of necessity suffer an interregnum in this matter. Under the Act, by the release of their funds, there will be large gifts to the friendly societies, and from the funds so released it will be quite competent for them to pay for medical attendance on those members who by their subscriptions in the past are entitled to it, until under the present Act, after the expiration of the stipulated

period of six months, they will be entitled to benefit under this section.

The right to medical benefit does not cease at 70, and is applicable to young people over 16 years of age. This will in process of time prevent old age pensioners having recourse to the Poor Law, except for infirmary treatment, when ill; to-day the majority have to obtain a medical order for the slightest ailment.

The right to benefit is forfeited by being in arrear with contributions on an average of twenty-six contributions a year since entry into insurance (see under "Arrears" and s. 10).

The administration of medical benefits is in the hands of the Insurance Committees (s. 14). This is the case whether the insured is or is not a member of an approved society. Every Insurance Committee will, therefore, have to make arrangements with duly qualified medical practitioners to carry out this work in accordance with regulations made by the Insurance Commissioners. Where any local medical Committee has been formed for the area for which an Insurance Committee is administering medical benefit and has been recognised by the Commissioners, such local committee shall be consulted by the Insurance Committee on all general questions affecting the administration of medical benefit, including the arrangements made with medical practitioners giving attendance and treatment to insured persons (s. 62). These regulations shall provide, that the arrangements made shall be subject to the approval of the Commissioners, but any scheme submitted must provide for the following:—

(1) The preparation and publication of lists of medical men who have agreed to attend insured persons resident within the area to which the list relates.

(2) A right on the part of any qualified medical practitioner to be included in such list, but if after he has been so included, the Commissioners are satisfied that his continuance in the list would be prejudicial to the efficiency of the service, they may remove him from the list. Inquiry with regard to his case will be confined to the time after he has been included in the list, and from the decision of the Commissioners there will be no appeal.

(3) A right on the part of any insured person of selecting, at such periods as may be prescribed, the practitioner by whom he wishes to be attended; the practitioner must on his part be willing to attend him, and his name must appear upon the list. Whilst the insured in this way is given a free choice of doctors, yet it would render the Act unworkable if he were at liberty to be changing his medical man from day to day, therefore the words "at such periods as may be

prescribed" have been inserted, and, subject to that reservation, the insured will be able to select any practitioner on the list to attend to him.

(4) In the case of those who fail to make any selection, or who have been refused by the medical practitioner whom they have selected, such persons will be distributed as far as possible amongst the medical practitioners on the list.

Medical attendance and treatment must also be provided on the same terms as those arranged for insured persons, for those members (at the date of the passing of the Act) of any friendly society which becomes an approved society, who are not entitled to medical attendance under the Act owing to one of the two following reasons:—

(i) Because they are 65 years of age or upwards at the date of the commencement of the Act; or

(ii) Because at the commencement of the Act they are subject to permanent disability rendering them incapable of work, and so unable to become insured persons.

This establishment of a medical panel will in all cases be compulsory upon the Insurance Committees unless, after enquiry, the Commissioners are satisfied that the practitioners included in any list are not such as to secure an adequate medical service for the insured in that area, in that case the provision may be dispensed with, and an Insurance Committee may make such other arrangements as the Commissioners may approve (proviso to s. 15 (2)). This suspension of the administration of medical benefit through the practitioners on the local panel, may apparently be a complete or a partial suspension. For instance, if in a particular area the medical practitioners composing the panel declined to attend insured persons earning more than 30s. a week, the Insurance Committee might suspend the benefit so far as that class of persons might be concerned, leaving those earning less than the 30s. free to select from the local panel in the ordinary way, whilst those earning in excess of that figure might receive from the Committee a sum equal to the estimated cost of the benefit, or might receive the benefit in accordance with such other arrangements as the Committee might make, as an alternative to the usual course of procedure by means of the local panel. To this general scheme for the administration of medical benefit two very important exceptions should be noticed.

(a) Persons whose income exceeds a limit to be fixed by each insurance Committee.

In such cases, the Insurance Committee may require, and in

other cases they may allow, such persons instead of receiving medical benefits from one of the doctors on the local panel, to make their own arrangements with whomsoever they may choose for receiving medical attendance and treatment (including medicines and appliances).

In this way a compromise was effected which it was hoped would be acceptable to the medical profession, leaving it a matter of local option at what figure the insurance premium (originally based on 6s. a head throughout life) should fail to provide medical attendance and medicine without an additional contribution from the pocket of the insured. The compromise has the drawback that there will be little uniformity in the matter, one Insurance Committee may fix on a weekly wage of 25s., another £2, another £2 5s., as the parting of the ways, and one cannot ignore the fact that the real explanation is, that if it were not for these additional fees, the doctors would not be prepared to treat at an all round rate those in each locality under the income to be fixed.

In all such cases the Insurance Committees will contribute towards the cost of medical attendance and treatment of such persons, such sums, not exceeding in the aggregate the amounts which the Committee would otherwise have expended in providing medical benefit for them, if this arrangement had not been in force (s. 15 (3)).

(b) The regulations may provide that in the case of persons who are receiving medical attendance and treatment through any system or any institution *existing at the time of the passing of the Act*, and approved by the Commissioners and the Insurance Committee, such medical attendance and treatment may be treated as, or as part of, their medical benefit under this Act, and the Committee may contribute such sums towards the expenses as they would have contributed if the persons were making their own arrangements for medical treatment as under paragraph (a). No insured person shall, however, be deprived of his right, if he so desire, to select a practitioner to attend him from the local panel of medical men. The object of this exception is to safeguard the interests of the medical institutes which have been established by the friendly societies; such institutions exist at Birmingham, Cambridge, Leicester, and elsewhere. It will also apply to the large medical associations connected with industrial enterprise and large works in the country, in fact, the word "Institution" must be interpreted in its widest sense (s. 15 (4)).

The following are the principal medical associations established by the friendly societies—which will come within the definition of the section.

Friendly Societies' Medical Associations.

With Names of Medical Officers and Addresses of Secretaries.

* Denotes—Registered under the Friendly Societies' Act. † Has a building of its own.
U—United. F—Friendly. M—Medical. A—Association. M.O—Medical Officer.

- *ACCRINGTON Medical Dispensary (1874), Paradise Street. M.O., H. L. Gordon, Esq., L.R.C.P. & S. (Edin.), L.F.P.S. (Glas.). Secretary, Mr. J. T. Smathurst, 4, Pansey Street.
- *†BANBURY F. S. M. A. (1889), Broad Street, Banbury. M.O., H. Beattie, Esq., M.R.C.S., L.R.C.P., &c. Dispenser, Mr. Albert J. Knight. Secretary, Mr. H. R. Webb, Broughton Road.
- BARROW-IN-FURNESS A. F. S. M. A., Bull Hotel. M.O., J. H. Thomas, Esq., M.R.C.S., L.R.C.P.E., L.M. Secretary, Mr. H. B. Herdman, 45, Cheltenham Street.
- *BARNLEY AND DISTRICT F. and T. S. M. A. (1905), back of 14, Regent Street, Barnsley. M.O., A. A. Kates, Esq., L.R.C.P. & S., L.F.P. & S., M.R.C.S. (Lon.), L.R.C.P. Secretary, Mr. J. Taylor, 11, Park Road, Worsbro Bridge, Barnsley.
- BASINGSTOKE AND DISTRICT M. A. S. (1909). M.O., Dr. W. A. Rees-Thomas and Dr. H. A. Ahrens. Secretary, Mr. L. G. Butler, 76, George Street, Basingstoke.
- BATH Amalgamated F. S. Medical Institute (1884), 3 and 4, Bath Street, Bath. M.O., W. J. Bacque, Esq., M.R.C.S., M.R.C.P. Dispenser, Mr. G. Kingston. Secretary, Mr. W. A. King.
- *†BIRMINGHAM F. S. Provident Medical Association (1876), 80, Dale End, Birmingham. M.O., G. C. Belcher, Esq., M.B., B.Ch., M.R.C.S. (Eng.), L.R.C.P. (Lon.), and D.P.H., Dr. J. F. Bridge, M.B., B.S., D.P.H. Dispenser, Mr. T. Morris. Secretary, Mr. G. C. Lewis, Hawthorne Villa, 86, Dollman Street, Vauxhall, Birmingham.
- *BRADFORD F. S. M. A. (1872), 42, Little Horton Lane. M.O., J. T. Brereton, Esq., F.R.C.S., &c. Dispenser, Mr. J. Driver. Secretary, Mr. John Pearson, Whittaker Buildings, Bradford.
- *BRISTOL (Shepherd's) Medical Institute, 71, Old Market Street. M.O., J. Morton Evans, Esq., M.R.C.S., L.R.C.P. Resident Dispenser, Mr. W. B. Lewis. Secretary, Mr. E. Sage, 24, Mivart Street, Easton.
- *BRISTOL (Rationals') Medical Institute (1895), 25, Coronation Road, Bedminster, Bristol. M.O., L. More O'Ferrall, Esq., F.R.C.S., D.P.H. Secretary, Mr. Chas. A. Poole, Sid Vale, Wick Road, Brislington, Bristol.
- *†BRISTOL (Foresters) Medical Institute (1876), 14, St. James' Square. M.O., T. A. Collinson, Esq., M.R.C.S., L.R.C.P., &c. (Lon.). Resident Dispenser, Mr. W. Herring. Secretary, Mr. W. J. Bunn, 10, Westbourne Grove, St. Mark's, Bristol.
- BRIDGNORTH F. S. M. (1890), Town Hall, Bridgnorth. M.O., W. W. Craig, Esq., L. E. Dickson, Esq., J. C. Padwick, Esq. Secretaries, Mr. W. J. Meyrick, St. Mary's Street, and Mr. J. A. Meredith, Rose Lane.
- *†BURTON-ON-TRENT Amalgamated F. S. M. A. (1880), 1, Duke Street. M.O., James Marshall, Esq. Dispenser, Mr. T. Newbald. Secretary, Mr. Jos. Matkin, 83, Derby Road.

- *†CAMBRIDGE F. S. M. A. (1883), Friendly Societies' Institute, City Road. M.O., W. J. Harris, Esq., M.R.C.S., L.R.C.P., I.S.A., W. Shackleton, Esq., M.D., M.C.H. Dispenser, Mr. T. J. Mallet, Secretary, Mr. G. H. Kirkup, 21, East Road.
- *†CHELTENHAM F. S. M. (1892), Harley House, Cambray. M.O., T. Campbell Grey, Esq., F.R.C.S. (Eng.), L.R.C.P. (Lon.). Secretary, Mr. Wm. T. Newman, 23, Sherborne Place.
- *†COVENTRY Provident Dispensary, The Dispensary, Coventry. M.O., W. J. O'Farrell, Esq., M.R.C.S., J. A. Loudon, Esq., M.B., C.M., J. I. Langley, Esq., M.D.; M.R.C.S., L.R.C.P., A. P. B. Ellis, Esq., L.S.A., A. St. Lawrence Burke, Esq., L.M.R.C.P. & S.I. Dispensers, Mr. D. M. Lengden and Mr. G. Ward. Secretary, Isaiah Farren, 20, London Road.
- *†DARLINGTON F. S. M. A. (1902), East Mount, Haughton Road. R.M.O., A. B. Carey Orchard, Esq., L.R.C.P. & S. (Edin.), L.M. (Dub.), L.F.P. & S. (Glas.). Dispenser, Mr. J. R. Stewart, M.P.S. Secretary, Mr. G. M. Hillary, 13, Greenbank Road North.
- *†DERBY Amalgamated F. S. M. A. (1872), 25, Macklin Street. Resident M.O., J. F. Saunders, Esq., M.R.C.S. (Eng.), L.S.A. (Lon.), F. R. Howse, Esq., M.R.C.S. (Lon.), L.R.C.P. (Edin.), I. A. Mescall, Esq., L.R.C.P., S.I. Dispenser, Mr. F. Martin, A.S.A. Secretary, Mr. Thomas M. Cooper, 13, Otter Street, Derby.
- *†ECCLES AND DISTRICT M. A. (1885), 13, Byron Street, Patricroft. M.O., Chas. H. Thorpe, Esq., M.R.C.S., L.R.C.P. Dispenser, Mr. J. H. Barker. Secretary, Mr. J. E. Ramsdale, 15, Byron Street, Patricroft.
- *EXETER F. S. M. A. (1880), 34, Southernhay, Exeter. M.O., H. Child, Esq., M.R.C.S. (Eng.), L.S.A. and Dispenser. Secretary, Mr. C. H. Yeo, 7, Haldon View Terrace, Heavitree.
- *†GAINSBOROUGH F. S. M. A. (1880), 1, Caskgate Street, Lord Street, Gainsborough. M.O., L. Levinson, Esq., M.D., L.R.C.P. Secretary, Mr. P. Wheeler, 6, Cobden Street.
- *GILLINGHAM AND DISTRICT Invicta Medical Benefit Society, 180, Richmond Road, Gillingham. M.O., J. B. Coumbe, Esq., M.D., D.C.H., M. & F.R.C.S. (Eng.), L.R.C.P. & L.M. (Edin.), F. G. Aldrich, Esq., L.S.A. Secretary, Mr. W. C. Reynolds.
- *GLOUCESTER F. S. M. A. (1887), Foresters' Hall, Longsmith Street. M.O., W. H. Davies, Esq., M.B.C.M., &c. Secretary, Mr. J. T. Laidler, 26, New Jersey Road.
- *GOOLE F. S. M. A. (1891), 13, East Parade. M.O., O. Donnell, Esq., M.R.C.S. (Ire.). Secretary, Mr. J. Simpson, 34, Sotheran Street.
- *GRANTHAM Friendly and Trade Societies' Institution, 45, Swinegate, Grantham. M.O., P. J. Quinn, Esq., M.B. Dispenser, Mr. Whysall. Secretary, Mr. A. J. H. Wand, 58a, Manthorpe Road.
- *GREENOCK Amalgamated F. S. M. A. (1874), 47, Regent Street. M.O., J. B. Conner, L.R.C.P. & S. (Edin. and Glas.). Dispenser, Mr. Robert Hendry. Secretary, Mr. W. Martin, 27, Dempster Street, Greenock.
- *HALIFAX F. G. S. M. A. (1901), 33, St. James' Road. M.O., J. Boyd, Esq., M.B., C.M. Dispenser, W. H. Fisher. Secretary, Mr. Geo. S. Clayton, 20, Cromwell Terrace.
- *†HULL F. S. M. Institution (1875), 3, Sylvester Street, Hull. M.O., J. J. Hanley, Esq., M.R.C.S., L.R.C.F.L. Secretary, Mr. James W. Windas, 8, Spencer Street.

- *†**KIDDERMINSTER** Amalgamated F. S. and General M. A. A. (1880), 4, Lion Street. M.O., J. S. Martin, Esq., L.R.C.P., L.R.C.S. (Edin.). Secretary, Mr. C. L. Porter, 159, Offmore Road.
- *†**LEAMINGTON SPA** Amalgamated F. S. M. A. (1880), 4, Portland Street. M.O., John T. West, Esq., L.M.S. & L.M. Dispenser, Mr. Charles Spencer. Secretary, Mr. Jos. Smith, 6, Russell Street.
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Closely allied to the arrangements Insurance Committees have to make for the services of medical practitioners, are those which they must institute for the provision of *Drugs, Medicines and prescribed Appliances*. They must make provision in accordance with regulations made by the Commissioners so as to enable insured persons to obtain such drugs, medicines and appliances as may be ordered by the doctors attending them. They must arrange for each area a system which will secure the publication of lists containing the names of all persons, firms and bodies who have agreed to supply drugs according to the scale of prices fixed by the Committee. The insured person will therefore be enabled to take his prescription to any pharmacist, or any person or firm who is on the panel, and any properly qualified person or firm shall, as in the case of the doctors, have a right to appear on such panel, except where the Commissioners after inquiry are satisfied that his inclusion or continuance in the list would be prejudicial to the efficiency of the service. The list will be open to all co-operative societies and institutions which comply with the Pharmacy Act by having qualified people to do their dispensing. This system may be dispensed with, where the Commissioners are of opinion that the persons or firms on the list are not such as to secure an adequate and reasonable supply of drugs; in such cases they may authorise the Insurance Committee to make such other arrangements as they may approve. The regulations shall prohibit an arrangement being made with a doctor under which he (and not a chemist on the panel) is to provide drugs or medicine, except with the consent of the Commissioners, which consent they shall not give unless the circumstances of a locality shall make it expedient for them so to do. For instance, in some localities the distance to the nearest chemist might be so great as to render it almost imperative that the doctor attending an insured person should provide as well as prescribe the medicine he might require: or again in any emergency case, a doctor to save the life of a patient might have to resort to emergency drugs; all such cases would be covered by the proviso referred to.

As to who are qualified to be placed on the chemist's panel; any persons, firms or bodies who are entitled to carry on the business of a chemist or druggist under the Poisons and Pharmacy Act, 1908, who undertake that all medicines supplied to insured persons shall be dispensed either by or under the direct supervision of a registered pharmacist or by a person who for three years immediately prior to the passing of the Act has acted as a dispenser to a duly qualified medical practitioner or a public institution, will have a

right to be included on such panel, provided that the Commissioners after inquiry do not object to them (s. 15 (5)). Nothing in the Act is to interfere with the rights and privileges conferred by the Apothecaries Act, 1815, upon any person qualified under that Act to act as an assistant to any apothecary in compounding and dispensing medicines.

In connection with this side of medical benefit, a Committee of the Pharmaceutical Society of Great Britain has been formed, with Mr. P. F. Rowsell, of Exeter, as Chairman, and Mr. W. J. U. Woolcock as Secretary, with a view of securing a uniform and consistent arrangement with respect to the pharmaceutical tariff and the regulations governing the general supply of medicines.

The Financial side as to Medical Benefit.

The funds for defraying the expenses of medical benefit will be paid to each Insurance Committee by the societies in that area in respect of insured persons who are members of an approved society; the amount in each case being such sum in respect of each member as may be agreed upon, or in default of any agreement such sum as may be determined by the Commissioners. In the latter case the sums in respect of medical benefit would not be credited to a society, which did not come to an agreement with an Insurance Committee, but such sum per head as the Commissioners might agree would be diverted at its source and paid direct to the Insurance Committee. The sums payable in respect of deposit contributors shall be deducted at the commencement of each year from the amounts standing to their credit in the Post Office Fund, and in respect of medical benefit will be such sum as the Insurance Committee may, with the consent of the Commissioners, determine (s. 42).

The amount allowed by the Government Actuaries in their estimate was a sum of 6s. per annum in respect of men and of women contributors.

If in any year the amount payable to any Committee is insufficient to meet the estimated expenditure in respect of all persons on medical benefit, the deficiency may be made up by the Treasury and the County Council, or Council of the County borough, as the case may be—in the former case out of moneys provided by Parliament, and in the latter out of the county or borough rate. The expenditure must apparently be passed by both the Treasury and the Council as reasonable and proper, and the proportion of the excess payable by each will be one-half (s. 15 (8)).

There seems every possibility, that this method of defraying excess expenditure, will in many localities be enforced. The arrangement for placing administration of medical benefits in the hands of the Insurance Committees, leaving it to them to make the best arrangements they can with the doctors, will relieve the societies from defraying out of their funds any excess expenditure which may arise. If it is impossible in certain localities to come to terms with the doctors on the panel commensurate with the actuarial soundness of the scheme as an insurance scheme, half of any excess thereby incurred will be met out of the pocket of the taxpayer, the remaining half out of the pocket of the ratepayer. It is to be hoped that a very close and critical check will be maintained by the authorities on any such excess expenditure. The Chancellor himself has said, and rightly so: "Medical benefit is a thing of which you cannot estimate the cost. All you know is that the tendency is for it to go up, and not down, and these societies will be only too glad to make an arrangement with the Insurance Committees by which they will get rid of an increasing charge on a limited fund." The danger in the proposal is obviously, that the increasing charge is removed from a limited fund to a public purse, where due regard may not be paid to the comparison between expenditure upon the insured and the income derived from the premiums paid by them, provided that the concurrence of the Treasury and the Council is obtained.

Sanatorium Benefit

is defined as "treatment in sanatoria or other institutions or otherwise, when suffering from tuberculosis, or such other diseases as the Local Government Board with the approval of the Treasury may appoint" (s. 8 (1) (b)). The treatment may be either in sanatoria or in tents or shelters, or may be through the medium of dispensaries or at home, *e.g.* to carry out the tuberculin process of treatment; further, though the sub-section (1) (b) is in the first instance provided to grapple with the scourge of consumption, the Local Government Board may, with consent of the Treasury, enlarge the field of action to fight the diseases of cancer, syphilis and the like.

The right to sanatorium treatment does not cease at 70, neither is there any waiting period after a person's entry into insurance. A person who is in arrear with his or her contribution to an amount greater than 26 contributions a year on the average since his entry into insurance is suspended as regards sanatorium benefit (see under "arrears").

It will be open to existing sanatoria and institutions other than those controlled by Poor Law Authorities to apply in due course for the approval of the Local Government Board to qualify as sanatoria under the Act: such approval will probably carry with it conditions as to inspection and supervision.

Administration of Sanatorium benefit.

The administration of this benefit has been entrusted to the Insurance Committees, both in respect of members of approved societies and of post-office contributors (s. 16 (1)). The Committees are to make arrangements to the satisfaction of the Commissioners with persons or local authorities, other than Poor Law Authorities, having the management of sanatoria or other institutions, with a view to providing treatment in such institutions for insured persons; and with a view to providing treatment other than in sanatoria they shall make arrangements with persons and local authorities, other than Poor Law Authorities, undertaking such treatment in a manner approved by the Local Government Board. A local authority in such cases may provide for the treatment of those resident outside the area of the authority. It should be noticed that where sanatoria or institutions are concerned (as the Bill was originally drafted) arrangements might be made, amongst others, with Poor Law Guardians; that, however, was altered on the Report stage, and now those bodies are expressly excluded from any arrangement, whether the treatment is in sanatoria or otherwise than in institutions.

An insured person is not entitled to sanatorium benefit unless the Insurance Committee recommends the case for such benefit; and a committee may out of the funds available for this benefit defray the travelling expenses of any insured person to or from the sanatorium or institution to which he is sent for treatment, or may advance the money for that purpose (s. 16 (3)).

The Financial position with regard to Sanatorium benefit.

The funds available for the provision of sanatorium benefit are derived as follows (s. 16 (2)), namely:—

(a) 1s. 3d. in respect of each insured person annually throughout life payable out of the funds out of which benefits are paid under this Act.

(b) A capital sum of £1,500,000 provided by Parliament to be used in making grants for building sanatoria, on condition that funds are also raised locally (s. 64).

(c) An additional yearly grant of 1d. per member to the Sanatorium fund from moneys provided by Parliament, making the total

income available 1s. 4d. per head annually; there is, however, this reservation, that the Commissioners may retain the whole or part of the proceeds of this 1d. grant for the purposes of research.

Departmental Committee on Tuberculosis.

Sanatorium benefit contains great possibilities for the improvement of the health of the community, and so divergent have been opinions as to the best method of the treatment of the disease of consumption, against which the benefit was primarily intended, that little surprise was created, when shortly after the passing of the Act an influential Committee was appointed by the Chancellor of the Exchequer to report at an early date upon the considerations of general policy in respect of the problems of tuberculosis in its preventive, curative and other aspects which should guide the Government and local bodies in making or aiding provision for the treatment of tuberculosis in sanatoria or other institutions or otherwise.

The Committee consists of:—

- Waldorf Astor, Esq., M.P., Chairman.
- Christopher Addison, Esq., M.P., M.D.
- N. D. Bardswell, Esq., M.D.
- David Davies, Esq., M.P.
- A. Mearns Fraser, Esq., M.D.
- A. Henderson, Esq., M.P.
- A. Latham, Esq., M.D.
- W. Leslie Mackenzie, Esq., M.D.
- J. C. McVail, Esq., M.D.
- W. J. Maguire, Esq., M.D.
- Sir George Newman, M.D.
- A. Newsholme, Esq., C.B., M.D.
- James Niven, Esq., LL.D., M.B.
- Marcus Paterson, Esq., M.B.
- R. W. Philip, Esq., M.D.
- H. Meredith Richards, Esq., M.D.
- T. J. Stafford, Esq., C.B., F.R.C.S.I.
- Miss Jane Walker, M.D.
- J. Smith Whitaker, Esq.
- F. J. Willis, Esq.

O. B. Clarke, Esq., is the Secretary to the Committee.

The Committee thus constituted have issued an interim Report. They have formulated a scheme for the prevention, detection and treatment of the disease which it is hoped will complete public health administration in respect of tuberculosis. The scheme is

based on the establishment and equipment of two units, of which the first consists of the tuberculosis dispensary, and the second consists of the sanatoria hospitals, &c., in which institutional treatment is given. The Committee are of opinion that the dispensary should be the common centre for the diagnosis and for the organisation of the treatment of tuberculosis in each area, and should be linked up to the sanatoria hospitals, farm colonies, open-air schools, &c., for which it will act as a clearing house.

The Report concludes with the following summary of their principal recommendations.

SUMMARY OF PRINCIPAL RECOMMENDATIONS.

42.—(1) That schemes dealing with the whole population should be drawn up by councils of counties and county boroughs* or by combinations of these bodies at the earliest possible date on the lines recommended in this report, with due regard to the incidence of the disease and the special conditions and circumstances of the area.†

(2) That the early establishment in working order of an adequate number of tuberculosis dispensaries is essential.

(3) That, so far as possible, grants in aid of tuberculosis dispensaries should only be given where such institutions will eventually form constituent parts of complete schemes.

(4) That, in framing complete schemes, regard should be had to all the existing available authorities, organisations, and institutions with a view to avoiding waste by overlapping and to obtaining their co-operation and inclusion within the schemes proposed.

(5) That special regard should be given to securing the co-operation of medical practitioners in the working of the schemes, particularly in relation to the early detection of the disease and its domiciliary and dispensary treatment.

(6) That special attention should be paid to securing suitably qualified and experienced medical practitioners for the senior appointments in connection with institutions established, as the ultimate result obtained by the treatment recommended must depend to a great extent upon their medical and administrative qualifications.

(7) That, in erecting or adapting institutions local authorities and other bodies should avoid pretentious and extravagant buildings, and should aim rather at providing institutions of a simple and inexpensive character. It would seem desirable that provisions similar to those of section 3 of the Education Act, 1911, should be made applicable, and that due regard should be had to any Town Planning schemes.

(8) That inasmuch as the opportunities which are now afforded in general hospitals to students of medicine for the observation of the course and treatment of tuberculosis are insufficient to secure provision of an adequate number of expert medical officers, advantage should be taken of the extended opportunities which will be afforded under the proposed scheme to obtain additional instruction.

* In Scotland by the councils of counties, and, in burghs with a population of 20,000 and upwards at the census of 1911, by the town councils.

† In its application to Wales this recommendation should be read subject to the modifications which may be rendered necessary owing to the existence of the Welsh National Memorial Association.

Sickness Benefit

is defined as "periodical payments whilst rendered incapable of work by some specific disease or by bodily or mental disablement, of which notice has been given, commencing from the fourth day after being so rendered incapable of work, and continuing for a period not exceeding twenty-six weeks" (s. 8 (1) (c)). To be entitled to this benefit a person must have actually ceased work and must submit a doctor's certificate to the effect that he is suffering from some specific disease or bodily or mental disablement, which prevents him following his usual employment.

The right to sickness benefit does not accrue unless and until twenty-six weeks have elapsed after a person's entrance into insurance, and at least twenty-six contributions have been paid by or in respect of him (s. 8 (8) (b)).*

Generally speaking, a person must be resident in the United Kingdom to enjoy this class of benefit; he is, however, not to be disentitled to it if he is temporarily resident in the Isle of Man or the Channel Islands—and should he be temporarily resident elsewhere outside the United Kingdom, the society or committee administering the benefit have the discretion to allow it to him, should they see fit. Sick pay will commence from the fourth day of the illness (that is, from the fourth day after the insured person has actually been incapable of work, there will accordingly be an interval of three days between leaving work on account of illness, and the receipt of any sickness benefit on that account), and notice of the disablement, with a doctor's certificate, must have been given to the Society or Committee. The benefit will run from day to day and will be paid periodically. After an illness has continued twenty-six weeks, the sick pay expires, and in its place is substituted disablement benefit. To commence to pay sick benefit from the first day of illness would have cost an additional £600,000, and the House decided that such an amount could be appropriated to more serviceable benefits to the insured; the custom of friendly societies has been to pay sick benefit from the first day's illness, and considerable disappointment and discontent was aroused by the decision of Parliament in this matter.

Persons under 21 and unmarried and those over 50 (subject to conditions), are entitled to sick pay at a reduced rate, enumerated hereafter, and for persons over 70 sick pay ceases altogether (s. (8) (3)).

The ordinary rate of sick benefit is as follows:—

Men, 10s. for 26 weeks; Women, 7s. 6d. for the same period.

* But in the event of illness occurring before a member has qualified for benefit, same will become payable as soon as he is so qualified.

The benefit in the case of young persons under 21, unmarried, is :—

Men	6s. a week for first 13 weeks
"	5s. " second 13 "
Women	5s. " first 13 "
"	4s. " second 13 "

Disablement benefit—

Men	...	5s. a week ;	Women	...	4s. a week.
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Provided that where any person being under the age of 21, unmarried, and a member of an approved society, proves that one or more members of his family are wholly or mainly dependent upon him, the society shall dispense with this restriction as to reduced rates. The society has no option in the matter, as such unmarried persons under the age of 21 will be treated as though they were married ; they will, however, have to prove to the satisfaction of the society the fact that members of their families are dependent upon them (s. 9 (1)).

Again where the sickness or disablement benefit for any insured person under this Act exceeds two-thirds of the usual rate of wages or remuneration earned by such person the rate may be reduced to such an extent as the society or committee administering the benefit may with the consent of the Commissioners determine, but where such reduction is made, the grant of one or more additional benefits of equivalent value, shall with the like consent be made to the person in whose case the reduction has been made. This is to prevent a man receiving more money when sick than when in work and is a safeguard against malingering ; but every halfpenny which is deducted in the one case will have to be added to his benefit in another form to be approved by the Commissioners, e.g. in medical attendance for his family. The society or the committee is the authority who shall determine whether this reduction shall take place, and it will be optional to them as to whether such a rule is made obligatory in cases where they are satisfied that the sick pay exceeds two-thirds of the usual wages. Only benefits provided for in the Act can be affected, and benefits arising under contracts outside the Act must remain unassailed. The provision applies to sickness and disablement but not to maternity benefit (s. 9 (2)).

Sickness benefit will also be reduced when any insured person becomes an employed contributor within one year from the commencement of the Act, and at the date he becomes such a contributor is over 50 years of age, and has not at the date of any claim by him for sickness benefit paid at least 500 weekly con-

tributions (s. 9 (3)) or at least 500 weekly contributions have not been paid in respect of him. Such reduced rate is as follows:—

Where the person is over 50 and under 60:—

Men 7s. for 26 weeks; women 6s. for 26 weeks.

Where the insured person is over 60:—

Men and women 6s. for the first 13 weeks; 5s. for the second 13 weeks (Fourth Schedule, Table C).

The voluntary contributor is not affected, neither is an employed contributor who is under 50 when he insures and joins within one year after the commencement of the Act (*i.e.* before 15th July, 1913).

After one year from the commencement of the Act any person over the age of 16 not having previously been insured, who becomes an employed contributor, and who has not spent the period from his 16th birthday to the payment of his first contribution in the completion of his education, or in apprenticeship or the like, shall suffer a reduction in sick pay allowance in accordance with tables to be prepared by the Insurance Commissioners, but in any case the benefit shall not be less than five shillings a week: he may, however, secure the full benefit by agreeing to pay the difference between the voluntary and the employed rate, or he may pay to the society through the Commissioners such capital sum as will entitle him to the benefit in full (his position is further explained upon p. 103).

Disablement Benefit

is defined as follows: "In the case of the disease or disablement continuing after the determination of sickness benefit, periodical payments so long as so rendered incapable of work by the disease or disablement" (s. 8 (1) (d)).

The disablement benefit consists for men and women and boys of 5s. a week, and of 4s. in the case of spinsters under 21, and follows, as a matter of course, after 26 weeks' sick benefit, provided the insured person is totally incapacitated from work.

No person is entitled to disablement benefit unless and until two years have elapsed since his entry into insurance and at least 104 weekly contributions have been paid by or in respect of him (s. 8 (8) (c)). The right to disablement benefit ceases at 70; at that age, subject to the question of means, &c., the right to an old age pension accrues.

The provisions as to residence are the same as for sick benefit, to the remarks upon which reference should be made (*vide supra*).

Unless in the meanwhile a period of at least 12 months has elapsed and at least 50 weekly contributions have been paid by or in respect of him, where any person having been in receipt of sick benefit recovers, but subsequently suffers from any recurrence of the disease or disablement, or any subsequent disease or disablement, such recurrence or fresh sickness shall be considered a continuation of the previous one, and the scale of benefit will operate accordingly; further the benefit on the second and subsequent occasions will be payable from the first day of the illness, and no waiting period of three days will be necessary as is the case when sickness benefit is first received. The actual result of this can easily be ascertained: Suppose a man, not in arrears, falls sick in January and remains ill till the end of March, and then returns to work. He continues to contribute until 1st July and again falls sick. During the first 3 months he will draw his sick pay according to scale, 10s. a week. But on his relapse in July, he will not be entitled to commence again with 10s. a week for 26 weeks, but from the first day of the recurrence of the illness he will be entitled to 10s. a week for 13 weeks only, not for a period of 26 weeks, as would have been the case had he not drawn sick pay from January to March, and at the expiration of the 13 weeks his sick benefit will cease and he will commence disablement benefit at 5s. a week (s. 8 (5)).

It is against this invalidity payment that much criticism will, it is feared, be directed. Only those totally incapacitated from work can receive this invalidity allowance, and in this respect the Act compares unfavourably with the German system, where the invalidity qualification is that the insured person shall be unable to earn more than one-third of his usual wage. In the English scheme he must be able to earn nothing, unless the societies place a different interpretation on the Act: their interpretation will of necessity be largely guided by the funds at their disposal, and it has not been established that the actuaries in their report have taken as the basis for their calculations any estimate other than that of complete invalidity, or that the numbers of the semi-crippled and of those partially incapacitated have been included in their calculations. It will be admitted that a vast difference must occur between the numbers of those who are bedridden, crippled and wholly disabled and those merely of a non-able-bodied class, who can only earn one-third of their previous wages. (For further illustration and comment on this point reference should be made to a series of very able and instructive articles which appeared in the *Times* during August and September, 1911.) As to the expression "incapable of work" only those connected with Poor Law administration can appreciate the difficulty of its

interpretation. It is very closely akin to the terms "able-bodied" and "non-able-bodied," the definition of which has been all-important in the interpretation of the Outdoor Relief Prohibitory and Regulation Orders.

The Departmental Committee appointed by the President of the Local Government Board upon the Orders relating to Outdoor Relief reported in the following terms in relation to the use of the term "able-bodied" (paragraphs 65, 66, 67, 68 of their report).

65. The grounds for making the change are to be found in the frequent discrepancies of interpretation which are commented upon by the Royal Commission; and on considering the available evidence, and having obtained the opinion of the Legal Adviser of the Local Government Board on this point, we found no conclusive argument in favour of the continued use of the term "able-bodied."

66. It may be well briefly to mention some of the difficulties which have arisen as to the interpretation of the displaced term.

67. No attempt appears to have been made in the period following the passing of the Poor Law Amendment Act, 1834, to interpret the term "able-bodied." It is clear from various forms of clause in the earlier Orders, that the question whether a man was able-bodied was not supposed to depend upon his age. A passage in the 22nd Annual Report of the Poor Law Board deals with the uncertainty of the term for statistical purposes. It appears that they would have interpreted it as "ordinarily able to earn a livelihood." In evidence officially given before a Scottish Departmental Committee in 1903, an able-bodied man is described as being a man "ordinarily capable of earning his own living, although at the time he may be temporarily disabled."

68. Notwithstanding such official definitions as have from time to time been given, we understand that in practice the interpretation of the term often depends upon the traditions of the particular union concerned. In some the physical condition of the pauper is the criterion, and even in these unions difficulties arise as to the precise character or degree or infirmity that will exclude the application of the term in any particular case; in others its application depends upon more or less arbitrarily selected limits of age.

In view of their evident desire to dispense with the term "able-bodied" on account of the variety of the interpretations placed upon the word, it is interesting to find in an Act of Parliament designed to pave the way of social reform, an expression "incapable of work," which in time may be the thorn in the flesh of the Commissioners that the term "able-bodied" has been to the Poor Law Authorities. Medical certificates that a man is capable only to do light work, incapable of doing a full day's work, unable to perform his ordinary work—will be as frequent under the Insurance Act as they have been under the Poor Law of old.

In the case of women under 21 who are unmarried, disablement benefit is to be at the reduced rate of 4s. weekly, but where such person is a member of an approved society, and has one or more

members of her family wholly or mainly dependent upon her, this reduction shall not operate. There is no reduction in disablement benefit for a man under 21.

There may be a reduction in the disablement benefit at the option of the committee or society, where the benefit exceeds two-thirds of a person's usual wage (this is dealt with more fully under sickness benefit ; see above, p. 93).

Maternity Benefit

is defined as "payment in the case of the confinement of the wife, or where the child is a posthumous child, of the widow of an insured person, who is not herself an insured person, or of any other woman who is an insured person, of a sum of thirty shillings" (s. 8 (1) (e)). Residence must be in the United Kingdom, but if a person is temporarily resident in the Isle of Man or the Channel Islands, this benefit is not forfeited, whilst a person resident out of the United Kingdom shall not be disentitled to maternity benefit in respect of the confinement of his wife, if at the time of such confinement she is resident in the United Kingdom.

No maternity benefit will accrue unless and until 26 (or in the case of a voluntary contributor, 52) weeks have elapsed since his entry into insurance, and at least 26 (or in the case of a voluntary contributor, 52) weekly contributions have been paid by or in respect of him (s. 8 (7)).

Where a person is in arrear to an amount greater than 26 contributions a year on the average since his entry into insurance, his right to maternity benefit shall be suspended. But arrears are to be disregarded in the case of an insured woman for two weeks before and four weeks after confinement, or in the case of a posthumous child, between the death of the father and the birth of the child, where the father was an insured person.

Where a woman is herself an insured person, but is unmarried, she shall not be entitled to sickness or disablement benefit in respect of her confinement for a month after such confinement, unless suffering from disease or disablement not connected with her confinement ; but this does not affect the right of a married woman who is an insured person (nor a widow in the case of a posthumous child) to sickness benefit or disablement benefit during such four weeks. In this case the men's fund will bear the cost of the 30s. maternity benefit, and the wife will get her sick pay, 7s. 6d. a week, in her own right.

The 30s. is to cover medical benefits during the confinement.

It would obviously have been a most difficult matter to have arranged with the medical profession for the medical benefit for a man to have included medical attendance for his wife on confinement. In fact, medical benefit does not include any right to attendance or treatment in respect of a confinement (s. 8 (6)). Therefore the maternity benefit is set up apart from medical benefits, and the woman will receive 30s. to cover the expense of a doctor, nurse, or midwife, as the case may be, and comforts during her confinement.

It will be noticed that in the case of an unmarried mother who is insured, in the case of her confinement she is entitled only to the maternity benefit, 30s., not to the sick benefit, as in the case of her married sister, also insured, who is fortunate enough to draw £3 in all (s. 8 (6), Fourth Schedule).

With regard to maternity benefit in the case of soldiers and sailors, reference should be made to page 48.

Pooling of Maternity Benefit.—Section 40 (2) provides that the rules of any society with branches may provide for the branches re-insuring with the society their liabilities in respect of the benefits under Part I. ; but as regards maternity benefit, there is a possibility of the risk being pooled for the whole country under a special order of the Commissioners making provision for such re-insurance. The birth-rate differs so very materially in various parts of the country as to make some such arrangement desirable, particularly as maternity benefit does not afford any opportunity for people improperly drawing out of the funds by malingering. For instance, the birth-rate in Durham is 33 per 1,000 of population, whilst in Sussex it only amounts to 19. The responsibility of deciding whether there shall be such a central fund for the purpose, rests entirely with the Commissioners, who may, if they think fit, by special order provide for the re-insurance with them of the liabilities of all approved societies (the provision does not extend to the deposit class) in respect of maternity benefit, and the order may provide for the method of calculating the premiums to be charged against the several societies (s. 20).

The Administration of Maternity Benefit (s. 18).

Where the mother of a child is herself an insured person and is not the wife of an insured person, maternity benefit shall be treated as a benefit for her and shall be administered in cash or otherwise by the approved society of which she is a member ; if, however, she is not a member of an approved society it will be administered by the Insurance Committee. Where her husband is an insured person it will be administered in cash or otherwise by the society of which

he is a member as a benefit for him, or if he does not belong to an approved society, by the Insurance Committee. The benefit is payable in respect of a posthumous child. The mother has the right to decide whether she will be attended by a duly qualified medical practitioner or by a duly certified midwife, and is to have a free choice as to the doctor or midwife who shall attend to her. But if a midwife is selected, and she advises that in a difficult case a doctor be called in, the fee to the latter prescribed by the Commissioners shall be paid by the society and deducted from the benefit. Probably some 75 per cent. of the cases will be attended by a midwife, and in all normal cases a midwife's attendance will be all that is required, and for the same fee she would receive a larger number of attendances from a midwife than from a practitioner. It is left to the society administering the benefit to decide as to whether they will hand the 30s. in cash over to the mother, or whether they will administer the benefit on her behalf; in cases where the insured is not a member of an approved society, the same discretion will rest with the Insurance Committee.

Maternity benefit will be payable out of the husband's fund, in the case of a married woman who is an insured person, if the husband also is insured; if he is not an insured person, and she is, out of the wife's fund; in the case of a married woman who is not an insured person, out of the husband's fund, and in the case of an unmarried woman who is an insured person out of her fund.

Maternity Benefit where insured Woman is in a Hospital.

We have seen (page 31) that as a general rule, when an insured person is an inmate of any hospital, infirmary or institution, the dependants upon such person are to have the advantage of his sickness or disablement benefit. In the case, however, of a married woman or widow being in a hospital or infirmary, and being entitled to both sickness or disablement and maternity benefit, no part of the sum which would ordinarily be payable as maternity benefit shall be paid to the dependants, but such sum may be paid to the hospital, infirmary or institution of which she is an inmate. In such case the dependants will be entitled to the sickness or disablement benefit, and the hospital will receive the 30s. maternity allowance.

§ 2. Additional Benefits.

In addition to the minimum benefits above enumerated there are additional benefits of two kinds:—

(a) Whatever may be the ultimate margin after providing for

the minimum benefits, the costs of administration, and the liquidation of the original deficit in about eighteen years, such margin will, if the actuarial anticipations are realised, be made available for the grant of additional benefits, as provided for in the Act as soon as experience shows that it can safely be devoted to that purpose, an estimate of this will be able to be made after the first valuation in three years from the commencement of the Act.

Well managed societies* will thus almost from the outset be able to make a very substantial additional to the standard schedule of benefits, while in all cases the existence of a margin will obviate the necessity for bringing into operation the special machinery necessary for dealing with such deficiencies, viz., levies upon members or reduction of benefits below the standard schedule (Mr. Lloyd George's explanatory Memorandum, May 8, 1911). Such additional benefits are to consist of the following:—(Fourth Schedule, Part II.) ;

Additional Benefits.

(1) Medical treatment and attendance for any persons dependent upon the labour of a member.

(2) The payment of the cost of dental treatment.

(3) An increase of sickness benefit or disablement benefit.

(4) Payment of sickness benefit during the second thirteen weeks of disease or disablement at the same rate as during the first thirteen weeks thereof, or from the first, second, or third day after the commencement of the disease or disablement.

(5) The payment of a disablement allowance to members though not totally incapable of work.

(6) An increase of maternity benefit.

(7) Allowances to a member during convalescence.

(8) The building or leasing of premises suitable for convalescent homes and the maintenance of such homes.

(9) The payment of pensions or superannuation allowances whether by way of addition to old age pensions under the Old Age Pensions Act, 1908, or otherwise.

(10) The payment of contributions to superannuation funds in which the members are interested.

(11) Payments to members who are in want or distress including the remission of arrears whenever such arrears may have become due.

(12) Payments for the personal use of a member who, being an inmate of a hospital or other institution, is not in receipt of sickness benefit or disablement benefit.

(b) Extension of benefits by a future Parliament when a sum has been accumulated sufficient to defray the sums credited to approved societies as reserve values in respect of those persons entering into insurance within one year from the commencement of the Act

* Only members of approved societies will be entitled to additional benefits, except under s. 9 (2).

(s. 8 (9)). Until this date any realisation of the 9*d.* for 4*d.* promise will be out of the question for the younger members insured under the State scheme.

§ 3. Contributions in arrear and reduction of Benefits in certain cases.

Thus far we have dealt with the benefits conferred by the Act, chiefly from the point of view of what they consist and the contributions which must be paid to entitle an insured person to their enjoyment.

Where, however, a contributor being a member of an approved society falls into arrear with his contributions, the benefits to which he is entitled suffer a corresponding reduction. The provisions relating to such reduction are as follows :—

I. *Suspension of benefits.*

Where an insured person who is a member of an approved society is in arrear to a greater amount than 13 contributions a year on the average since his entry into insurance, his right to sickness benefit, disablement benefit and additional benefits shall be suspended; and when his arrears amount on an average to 26 contributions a year his right to the other benefits, viz., medical benefit, sanatorium benefit and maternity benefit are also to be suspended in like manner; this is applicable to the compulsorily and voluntarily insured persons who are members of an approved society (s. 10 (1)).

II. *Reduction of Benefit.*

A. *Employed Contributors.*

Where an employed contributor, as distinct from the voluntary contributor, claims sickness benefit, but at the date of his claim he is in arrear, but not to the extent of 13 weeks a year on an average since his entry into insurance, the rate of sick pay shall be reduced in accordance with a Table applicable to his case (see below), or the time of payment of benefit may be deferred as shown in the Table referred to; no notice is, however, taken of arrears up to an average of three weeks in each year. When he is in arrears on an average of 13 weeks his sick pay or disablement pay is suspended, and when he is in arrear 26 weeks his other benefits (medical, sanatorium and maternity) cease; but it must be borne in mind that the calculation on which this suspension rests, consists

of an average of weeks spread perhaps over a number of years. Take the case of a man who has contributed 20 years, he has to be five years in arrears before his benefit for sick pay or disablement benefit will be suspended.

Or supposing a man has been a member for four years, he may be ill the whole time without incurring arrears, he may be unemployed for 15 weeks in the four years without afterwards suffering any reduction in benefits at all; he may be unemployed for 52 weeks in the four years without being suspended from benefits; in the last case he will receive reduced sick pay, in no case less than 5s. a week, the other benefits he will receive in full.

If an employed contributor, and a member of an approved society, at any time after his benefits are suspended (*e.g.* after he has been out of work for more than 13 or 26 weeks, as the case may be), becomes again employed he shall become entitled to such benefits as would be the case if he had not previously been insured; but if he choose, the benefits to which he is entitled shall be those which would have been the case if his whole period of insurance were taken into account. That is to say, when he becomes employed again, he can become an employed contributor again as a new entrant. He will not get the benefits as if he were 16 (which he did when he first entered the scheme), but he will have to wait six months after his re-entry before he can have medical or sick benefit, and he will have to pay 26 weekly contributions. In like manner he will have to wait two years for disablement benefit and to pay 104 contributions, and the benefits will not be the full benefits but will be on a reduced scale.

An example may make the position more clear, though it must be understood that the reduced rate of benefit is a hypothetical figure, for the scale has not as yet been fixed by the Commissioners.

"A" joined as an employed contributor in June, 1912. (It is assumed for the sake of the examples that the Act was then in force.) He worked regularly till June, 1915, when he became unemployed until December, 1916; he then joined again, but on a reduced scale of benefit; he worked regularly with the exception of four weeks sickness in March, 1919, until June, 1922, when he became ill and was paid sick benefit. Let us consider what his position would be on that date; and for the sake of the example let the reduced scale of benefit, to which he would be entitled, be 7s. a week. Before accepting that, he is entitled to calculate what his position would be if his period of insurance from June, 1912, were taken as a whole.

His contribution book would show :—

Date.	Payments.	Sickness.	Arrears.
June 1913	52	—	Nil
„ 1914	52	—	Nil
„ 1915	52	—	Nil
„ 1916	0	—	52
„ 1917	26	—	26
„ 1918	52	—	Nil
„ 1919	48	4	Nil
„ 1920	52	—	Nil
„ 1921	52	—	Nil
„ 1922	52	—	Nil
			78
Amount of arrears spread over 10 years . . .			78
= 7½ weeks a year on an average.			

Turning to the Table on p. 106 we find he would be entitled to 8s. “A” would, therefore, be at liberty to accept this amount in preference to the 7s. a week.

It will thus be seen that with every payment made by himself and his employer he will approach nearer to the period when it is to his advantage to get back to his old insurance, every payment that he makes for reduced benefits brings him nearer to the full benefit because he is lowering his average arrears over a number of years. An example will probably make the meaning somewhat clearer. Supposing before he recommences work his total arrears in the three preceding years were 42 weeks, that is an average of 14 weeks arrears a year; if he works steadily week by week for a year he reduces that average to 10 weeks a year.

In the case of a person over the age of 16 who, not having been previously insured under this part of the Act, becomes an employed contributor after this Act has been in force for one year he shall not be entitled to benefits upon the usual scale, but will receive them in accordance with Tables to be prepared by the Commissioners, but not in any case will he receive less than 5s. a week for sickness benefit. This provision will not apply if the period from his 17th birthday has been spent in the improvement of his education or in apprenticeship, nor if he elects to pay such additional sum as shall entitle him to benefits upon the ordinary scale. This reduced scale of benefit will be fixed, having due regard to the age at which a person enters upon insurance. This is a most important provision because it will govern the entry of all persons over the age of 16

into insurance, who have not previously been insured and who join the scheme after July, 1913, as employed contributors (s. 9 (4)). In all these cases it is important to bear in mind the definition given in s. 79:—

A person shall be deemed according to the law in England, Wales, and Ireland, as well as according to the law in Scotland, not to have attained the age of 17 until the commencement of the 17th anniversary of the day of his birth, and similarly with respect to other ages until his next subsequent birthday.

With regard to the proviso as to the reduced rate of benefit to which he will be entitled, it should be noted that if at any time subsequently such person would become entitled to sickness benefit at a higher rate if he were treated as having become an employed contributor as from the time when he attained the age of 16, or as from the expiration of one year after the commencement of this Act, whichever may be the later, and as being in arrear for all contributions which, had he been an employed contributor at that date, would have been payable in respect of him between that date and the date when he actually became an employed contributor, he shall, if he so elects, be entitled to be so treated (s. 9 (4)).

An example may be of assistance to make the meaning of this complicated proviso more easily understood; but of course the amount in the reduced rate referred to is again a hypothetical figure as the reduced scale has not yet been published by the Commissioners. "A" was 17 years of age in December, 1910. He becomes an employed contributor for the first time in July, 1914, not having been previously insured under the Act, and from that date he works till July, 1926, without interruption, in that month falls sick and claims benefit. To what sum will he be entitled? Let us suppose the reduced rate of benefit is 7s. 6d. a week. "A" is not compelled to take that, but is entitled to consider his position as if he had joined either in December, 1910, when he was 17, or July, 1913 (one year from the commencement of the Act), whichever is the later date. In this example July, 1913, is the later date. He will therefore be entitled to calculate what his position would be if he had become an employed contributor in July, 1913. From that date till July, 1914, no contributions were paid, he is accordingly 52 weeks in arrear, but from July, 1914, till July, 1926, he pays regularly. His arrears therefore amount to 52 weeks spread over 13 years, viz., from July, 1913, till July, 1926, or an average of four weeks arrears a year. A reference to the Table on p. 106 will show that he would be entitled to 9s. 6d. a week benefit, and this sum he could elect to take in lieu of the reduced rate of 7s. 6d.

a week. For the purpose of the example, the provisions of s. 10 (4 c.), if applicable, are ignored.

After a period of unemployment the arrears both of the contributor and of the employer in respect of him have to be met by the insured person if he is again to get back to full benefit, and therefore a contributor if he wishes to pay off the arrears will have 11*d.* a week to find, 4*d.* for himself being the ordinary weekly contribution, and arrears, 4*d.* for himself and 3*d.* for his employer (the weekly contribution of 2½*d.* under Part II. is ignored); if these arrears are not paid up, his benefit will be reduced in accordance with the Table below. To this, however, there is a very important proviso,* in the case of an employed contributor an approved society may, if it thinks fit, excuse any part of the arrears not exceeding such part as would have been payable by the employer had the insured person remained in his last employment, and in such case the amount of the arrears shall be reduced accordingly: for instance, if a man were out of employment 20 weeks, the arrears would be 6*s.* 8*d.* for himself, and 5*s.* for the employer, 11*s.* 8*d.* in all. The approved society could in such a case dispense with arrears not exceeding an amount of 5*s.* Presumably in the case of low paid labour (see p. 74), as an approved society is only empowered to remit arrears not exceeding the amount which would have been paid by the employer, the special contribution by the State of 1*d.* will not be payable by the Treasury whilst an insured person is unemployed, and will have to be added to the amount which the contributor himself must pay, if he desires to avoid falling into arrears (s. 10 (6)). This, however, will merely affect the rate of benefit and not a person's title to benefit, for which he must have actually paid the requisite number of contributions.

The Tables to which reference has been made are as follows:— (see p. 106).

The following explanation has been given by Mr. Lloyd George of the Tables on p. 106. "The first column should be regarded as movable, and in fact a Table may easily be constructed for use in which it would be possible actually to move this column up or down. The benefit to which any person may be entitled will then be ascertained in the following way. Suppose that the full sickness benefit to which a person is entitled is 7*s.* a week by reason of his being over 50 years of age (see p. 94) or by reason of the benefits of his society having been reduced through a deficiency (p. 125), then the first column in the schedule will be moved down so that the words 'four contributions' a year on an average will be set

* This proviso is inapplicable in the case of a Deposit Contributor.

REDUCTION OR POSTPONEMENT OF SICKNESS BENEFIT AND
WHERE CONTRIBUTIONS ARE IN ARREAR.

TABLE.

(1)			(2)
Where the Arrears amount to	Rates of Sickness Benefit during First Thirteen Weeks.		
	Men.	Women.	
	<i>s.</i>	<i>d.</i>	<i>s.</i>
4 contributions a year on average	9	6	7
5 " " "	9	0	7
6 " " "	8	6	6
7 " " "	8	0	6
8 " " "	7	6	6
9 " " "	7	0	6
10 " " "	6	6	5
11 " " "	6	0	5
12 " " "	5	6	5
13 " " "	5	0	5
	5 <i>s.</i> <i>od.</i> , commencing 5th day after notice		
	" "	6th	" "
	" "	7th	" "
	" "	8th	" "
	" "	9th	" "
	" "	10th	" "
	" "	11th	" "
	" "	12th	" "
	" "	13th	" "
	" "	14th	" "

For both Men and Women.

Notes.

Where the insured person is by virtue of any of the provisions of Part I. of this Act, other than those relating to arrears, entitled to sickness benefit at a rate lower than the full rate, this Table shall have effect as if the entries in the first column were so shifted down that the first entry therein was set opposite the entry in the second column next below the entry specifying the rate of sickness benefit to which the insured person is entitled.

When the rate of sickness benefit during the first thirteen weeks to which the insured person is entitled is by virtue of any of the provisions of this Act, other than those relating to arrears, less than 5*s.* a week, this Table shall have effect as if such lower rate were therein substituted for the rate of 5*s.* a week.

opposite the line 6s. 6d. in the second column. By this means a member who has not missed as many as four contributions a year on average will receive the benefit of 7s., whereas a member who is in arrears will receive the reduced benefit or be required to wait before the payment of any benefit, as shown automatically by the Table."

We have seen that where a person is in arrear on an average 13 weeks a year his right to sick pay is suspended; if, however, the average works out less than 13 weeks a year, say, for instance, 10 contributions a year, a glance at the above Table will show what the sick pay will amount to during the first 13 weeks, in this case 6s. 6d. in the case of a man, and 5s. 9d. in the case of a woman—in lieu of the 10s. and 7s. 6d. respectively.

In calculating the amount of arrears the payments in each quarter will first be reckoned, then the weeks sickness in the year (which will have to be deducted), and the balance of weeks in the year will give the non-payments.

The following examples will illustrate this.

EXAMPLE I.

Year.	Total Payments for the Year.	Weeks Sickness.	Non-Payments.
1913	47	2	3
1914	40	0	12
1915	46	6	0
1916	26	2	24
—	159	10	39

Total average of non-payments in four years 39
Average 9½ in arrear.

The above Table shows that as the member is nine contributions in arrear his sick benefit during the first 13 weeks would be 7s.

No account shall be taken in calculating the amount of arrears in respect of any period whilst sick pay or disablement benefit is being paid, or of any period during which but for provisions contained in this Act he would have been in receipt of such benefits—e.g. whilst a man is receiving compensation; during that period if the weekly sum or its value is in excess of the 10s. sick pay or the amount of disablement allowance, the payment of such benefits shall be suspended; during that period, however, no account shall be taken of the non-payment of contributions. Or again, during the periods of waiting before medical benefit can be enjoyed or sick pay and

EXAMPLE II (reproduced).

Member's Contribution Book.

Year.	Payments (i.e. Number of Weekly Contributions paid in respect of the Member).	Illness.	* Non-Payment.	† Average Number of Non-Payments per Annum.	‡ Rate of Sickness Benefit per Week during first 13 Weeks of Sickness.	
					s.	d.
	Yearly.					
1912	22	0	(30)	—	—	—
1913	23	3	26	13	5	0
1914	49	0	3	9	7	0
1915	48	4	0	7	8	0
1916	50	0	2	6	8	6
1917	52	0	0	5	9	0
1918	42	10	0	4	9	6
1919	52	0	0	3	10	0
1920	0	0	52	9	7	0
1921	8	0	44	12	5	6

* Non-payment in illness is not reckoned in calculating arrears.

† The average is arrived at by adding the non-payments and dividing by the number of years. Thus, for 1921, the total non-payments are 127 for 10 years = 12 and a fraction (which may be disregarded) on average.

‡ The last column showing the benefit comes from the Fifth Schedule of the Bill.

disablement benefit pay can be paid—viz. 26 weeks in the two former and two years in the last case, persons can manifestly be sick or disabled and yet not receive sick or disablement benefit. In such cases arrears of contributions during these periods will be ignored. Arrears also are to be disregarded in the case of a woman who is an insured person herself, during two weeks before and four weeks after her confinement; or in the case of maternity benefit in respect of a child born after the father's death, arrears are to be disregarded after his death to the birth of the posthumous child.

Further, in the case of an employed contributor during the first 12 months after the passing of the Act, no account shall be taken of arrears. This is intended to give him some advantage for the first 12 months when he may be out of employment. When he is employed the contribution is deducted by the employer as a matter of course. "If he is out of work he has not to pay, and if he is in work he cannot help himself" (s. 10 (4)).

Where a contributor has been rendered incapable of work by disease or disablement for a continuous period involving parts of two weeks (e.g. from Wednesday in one week to Thursday in the week following), and those parts taken together amount to more than

six days, no contribution shall be deemed to be payable in respect of the second such week unless the contributor has in that week rendered services to his employer; in the case of a voluntary contributor he is also relieved from payment in respect of the second week. (Collection of Contributions, Regulations.)

Where an insured person has paid any arrears of contributions payable by or in respect of him (*i.e.* his own and the employer's in respect of him if the latter have not been excused by the society), which accrued during the calendar year current at the date of payment and the previous calendar year, he shall be treated as if the arrears so paid had never become due; but if within one month of so paying the arrears he becomes through sickness or disablement incapable of work, he shall be deemed to be still in arrear until after the expiration of one month from the date of such payment. This is to obviate a man who knows he has sickness upon him, paying up his arrears and coming *forthwith* into benefit, he will accordingly have to wait for a period of four weeks before benefit will be paid.

B. The Voluntary Contributor.

With regard to the voluntary contributor the foregoing Table does not apply, but he is liable to such proportionate reduction of benefits as may be prescribed (s. 10 (3)) when his contributions fall into arrear. The suspension of benefits in his case is the same as in the case of the employer contributor (s. 10 (1)).

C. The Deposit Contributor.

We have therefore dealt with the cases of the employed and voluntary contributor. What then is the position of the Post Office contributor? It is dealt with more fully in Chapter V., but it will suffice here to mention that with regard to sickness, disablement and maternity benefit, his rights to such benefits shall be suspended, when his credit (*i.e.* the amount paid in by and in respect of him) in the fund is exhausted. His right to medical and sanatorium benefit will continue until the expiration of the then current year when his credit becomes exhausted, subject, however, to this proviso, that the Insurance Committee may, if they have the funds available and they see fit to do so, allow a deposit contributor to receive medical or sanatorium benefit, or both of these benefits, after the end of the year current when his deposit becomes exhausted.

§ 4. Payment of Arrears.

If a contributor is desirous of paying any arrears of contributions, he may apply to his society for an Arrears Card, and the society shall inscribe thereon such particulars as may from time to time be required by the Commissioners, and shall issue the arrears card so inscribed. On this card the contributor may affix stamps in payment of any weekly contributions which are in arrears; the stamps must be cancelled with the date written in ink across the face.

Such an arrears card is to be sent by the insured person to his society not later than the time prescribed for the surrender of his ordinary contribution card. It is important to note that arrears are deemed to have been paid at the time when the card is surrendered to the society and not at the date upon which the stamps are affixed. (Collection of Contributions, Regulations.)

It will be remembered that 26 weekly contributions must have been paid to entitle a person to sickness, or to maternity benefit, and 104 weekly contributions before he becomes entitled to disablement benefit; the fact that a society is empowered to excuse a portion of the arrears (see p. 109) does not assist in establishing a title to benefit, and only affects the *rate* of benefit to which an insured person must first become entitled by the payment of the requisite number of contributions.

§ 5. Power to vary Benefits in Certain Cases.

It has been stated that one of the drawbacks to the scheme is that to a large extent it must provide for a stereotyped form of benefit, and that an insured person will have no opportunity of selecting those benefits likely to prove of the greatest service in his own individual case. There was an endeavour made to meet the point when the Bill was in the report stage in the House of Commons, for a new clause was added (s. 13), which to some extent rendered a substitution of benefits possible not in the case of a particular individual, but in the case of members or a class of members of an approved society whose special circumstances entitle them to the change.

The section has apparently found a place in the Act in order to meet the demands made on behalf of agricultural labourers, nurses, domestic servants and the like, to whom any of the benefits styled "additional," *e.g.* an anticipatory pension say at 60 years of age, would be a preferable form of help to the stereotyped sickness and disablement benefit.

The possibility of putting the section into operation rests entirely with the Commissioners ; its provisions are as follows :—

1. An approved society may submit to the Commissioners a scheme for substituting any of the additional benefits (see p. 100) for sickness or disablement benefit ; and for abolishing such benefits or reducing the rate thereof, or in the case of sickness benefit postponing the day of commencement.

2. The scheme may apply :—

- (a) To all members of the society, or
- (b) To any specified class in the society, *e.g.* domestic servants, or
- (c) To any members who may elect to come under the scheme.

It will be seen the section applies in no respect to the deposit contributor who occupies his usual and unenviable position.

3. The scheme must be sanctioned by the Commissioners before it can have any effect whatever.

4. The Commissioners shall not sanction any scheme unless satisfied—

(a) That the value of the additional benefits conferred is the equivalent *actuarially* to the value of the benefits for which they are substituted. The scheme for substituting the benefits will probably have to be “actuarially certified.”

(b) That, in view of the special circumstances of the members or class of members intended to come into the scheme there is good reason for substituting the benefits in the manner suggested.

5. The amount of the reserve value is not to be affected in any way, and will be credited in respect of a member in the usual way, and such reserve values are to be calculated as if the scheme had not been made. Though this is the provision of the Act in the matter, it would not appear easy of accomplishment.

Financially, one point is not made clear by the section : we are aware that of the sickness and disablement benefit payable in each year two-ninths in the case of a man and one-fourth in the case of a woman is to be found by the State. But in a scheme formulated under the section, the contribution from the State might for many years entirely disappear in respect of the two benefits named, only to be increased tenfold in later years when an additional benefit (say of pensions) begins to fall due.

6. Any such scheme must safeguard the position of married women under s. 44 (s. 13).

§ 6. Repayment of Benefits improperly Paid.

If a person has at any time been in receipt of any payment or benefit under the Act to which he was not lawfully entitled he shall be liable to repay to the Commissioners the amount of such payment or benefit. In the case of his death his personal representatives shall be equally liable. The amount may be recovered as a debt due to the Crown, and shall be placed to the credit of the approved society of which he was a member, or if he was a deposit contributor to the credit of the Post Office Fund (s. 71).

§ 7. Benefits to be Inalienable.

All benefits, whether under Part I. or Part II. of the Act, are to be inalienable.

Therefore any sale, transfer, pledging or assignment of such benefits, or any agreement to assign or charge them, will be absolutely void.

In the case of the bankruptcy of any person entitled to any such benefits the benefit shall not pass to any trustee or other person acting on behalf of his creditors (s. 111). A similar provision appears in the Old Age Pension Act 1908 (s. 6).

§ 8. Extension of Sanatorium Benefit to Dependants.

If the Insurance Committee for any county or county borough think desirable, they may extend sanatorium benefit to the dependants of the insured persons resident in their area, or they may extend the benefit to any particular class of dependants. In such cases they shall make arrangements for the treatment of the dependants, and the sums available for sanatorium benefit shall be applied for that purpose.

If in any year the amount available for defraying the expenses of sanatorium benefit is insufficient to meet the estimated expenditure on that benefit for insured persons and such dependants, the Insurance Committee may, through the Commissioners, transmit an account to the Treasury and to the Council of the county or county borough, showing the estimated expenditure and the sums available—and where the Treasury and the Council sanction the expenditure, they shall be each liable to make good one-half of any sums so sanctioned by them; such sum in the case of the Treasury to be provided by Parliament, and in the case of the Council of the county or the county borough, to be taken out of the county or borough fund or borough rate (s. 17).

It would appear to rest entirely with an Insurance Committee to decide which persons are in fact dependent upon an insured person.

§ 9. **Erection of Sanatoria.**

Very closely allied to the administration of sanatorium benefit are the provisions of s. 64 of the Act. A special grant of £1,500,000 was made by the Finance Act, 1911 (s. 16 (1) (b)), towards the erection of sanatoria and other institutions for the treatment of tuberculosis and other diseases, and forms the first grant of this nature. The section in question provides that the sum referred to shall be distributed by the Local Government Board, with the consent of the Treasury, in making grants for the purposes specified, and that the Treasury, before giving their consent, shall consult the Commissioners. If a County Council decide to erect such buildings, the Local Government Board may make them a grant towards the cost, and any expenses not defrayed out of the grant shall be defrayed out of the county rate. Unless the County Council decide to build sanatoria they need not do so, but if they do they will be entitled to receive a substantial grant in aid. The Local Government Board are also empowered to group areas under the constitution of joint committees and joint boards for the purpose of providing these buildings, and any such group so formed will be entitled, if the Local Government Board so decide, to a grant in aid. An Insurance Committee are empowered by the same section to enter into agreements, which will be binding on their successors, with any person or authority to receive persons recommended by the Committee for treatment, subject to the consent of the Commissioners to such agreements, and the Committee will be empowered to contribute out of the funds available for sanatorium benefit for the maintenance of the institution or the provision of such treatment such annual or other payment as may seem to them expedient. Any sums payable under such agreements may be paid by the Commissioners and deducted from the sums payable to a Committee for sanatorium benefit (s. 64 (4)).

§ 10. **Powers of Councils of Boroughs and Districts in the case of Excess Expenditure on medical or Sanatorium Benefits.**

The Council of any municipal borough or urban or rural district may agree to repay the county council the whole or any part of the sums payable by that Council towards the excess expenditure on

medical or sanatorium benefits, so far as such excess is properly attributable to the borough or district. Such payment is to be made out of the borough rate or fund in the first instance, and in the latter out of the district rate and charged as general expenses in connection with Public Health.

A county council shall not raise any sum on account of any expenditure incurred by them under this Act within any borough or district, the council of which has entered into an agreement with the county council in accordance with this section (s. 22).

CHAPTER IV.

§ 1. **Approved Societies.**

WE come now to consider the question of the administration of the Act. Thus far we have dealt with the classes of persons affected, the contributions they must pay, and the benefits they will receive in return for their premiums. Attention must now be turned to the machinery by which these benefits are to be administered. First and foremost to be dealt with must be the approved societies.

Parliament has determined to call to its assistance in this matter the great friendly societies of this country; and it has invited the creation of similar societies to perform its work. The Bill as originally drafted would have confined this task of collection and administration chiefly to the large friendly societies and trade unions, but in the course of the Committee stage the position was very considerably modified, and it will suffice for this handbook if the position is reviewed, as we find it to-day. As the clause was drawn, competition for membership would have been confined to comparatively few societies; to-day any society fulfilling the simple requirements will be entitled to enrol its members. There will be no restriction in the matter; friendly societies, trade union societies, dividing societies, Holloway societies, industrial and co-operative societies will all be able to become approved or rather "accepted" societies, provided they fulfil the requirements of the Act, and their constitution is approved of by the Commissioners.

Any society—that is to say, any body of persons corporate or unincorporate, registered or established under any Act of Parliament or by Royal Charter, or if not so registered or established, having a constitution which is in accordance with regulations which have been prescribed by the Commissioners (not being a branch of another such body), which complies with the requirements of the Act—may be approved by the Commissioners, and if so approved, shall be an "approved society" for the purposes of this Part of the Act. No society shall receive this approval unless the constitution provides that no profit shall be made out of the money which is raised under the Act, which must all be dispensed in benefits and cost of the management of the fund; for instance, a

ments of this Act. Parliament considered if a society conformed to all the provisions of this Act, to the provisions with regard dividing society could not divide any surplus in cash derived from contributions under the Act amongst the insured persons, such surplus must be distributed in benefits. Again, there must be complete and general self-government—the affairs of the society must be subject to the absolute control of its members, being insured persons, or if the rules of the society so permit of its members, whether insured persons or not; there must be provision for the election and removal of the committee of management or other governing body, in the case of a society managed by delegates elected by members, by such delegates, and in other cases in such manner as will secure absolute control by its members (s. 23 (2)). Any society which is carrying on business not on all fours with the Insurance work may set up a separate section for the purpose of this Act; they will be able to conduct their own business (*e.g.* trade union business) in their own way without interference, and only that section of their society dealing with members under the Insurance Act will be subject to the rules and regulations here specified. The management of the section may be conducted by insured persons, whether with or without honorary members; by this means a society will be able to avail itself of the services and experience of a member with over £160 a year who would otherwise be excluded as not being an insured person.

As to membership, a number of 5,000 persons insured under Part I. of the Act is not necessary for a society to gain approval; apparently a society with only 10 members could become approved. But, if a membership of 5,000 is not reached, for purposes of valuation, the society must become either grouped or associated with others; but it is not essential that a society should have that number now, provided that such number is forthcoming at the date of the first valuation. Societies, without that requisite number, are not to be shut out of the scheme, for they may become associated or grouped with others as hereafter explained (p. 371) (s. 39 (1)).

The main points to be complied with before a society can become approved are:—

(a) A membership of 5,000, if less they may be approved, but they must be associated or grouped with others for the purposes of valuation. Except for this specified purpose no membership limit is requisite.

(b) Registration is not compulsory, but if a society is not registered or established under any Act of Parliament or Royal Charter (*e.g.* Royal Provident Society of Fishermen) the society must have a constitution which is in accordance with the require-

to a valuation of their funds, the provisions which prevent them spending their funds upon any purpose other than the purposes of this Act; and, further, if their rules were approved by the Commissioners, registration should not be deemed essential.

(c) With regard to security to be given. Originally there was considerable trepidation amongst the societies that large sums of their funds would have to be deposited as security. During the progress of the Bill that position was very considerably modified, and now they will only have to provide security against malversation or misappropriation of the funds by officers of the society or branch, this need not be in the form of a cash deposit, the provision of fidelity bonds will serve the purpose; further, if societies choose to pay their benefits in advance and then recover from the Commissioners, in such cases no security will be required. Or, again, they may estimate the amount required for benefits for a quarter or half year, as the case may be. In such cases they would send to the Commissioners for the amount, and that body will ask for some form of security, which may be in the form of a bond from the officers of the society.* In respect of a society with branches, the conditions as to security apply in similar manner, and such society must provide security in respect of each of its branches (s. 26).

(d) The society must be self-managed, but as already has been stated, ordinary or honorary members may join in the management, if the rules of the particular society so provide. If a society has honorary members its constitution must provide for excluding them from the right of voting in their capacity of members of the society on all questions and matters arising under this part of the Act; but if such honorary members have been elected officers of a society, or upon the committee of management, they will have full voting powers (s. 23 (2) (iii)).

(e) The society must be one which is not carried on for a profit; that is to say, any surplus after providing for management and benefit expenses must be dealt with in the manner prescribed by the Act (p. 125).

(f) The society must conform in every way to the regulations of the Act, such as keeping separate accounts and the like.

* Security will not be required in respect of moneys handed over for investment if—

(a) The investments stand in the names of at least three trustees, all moneys available for investment being paid over by the Insurance Commissioners directly into a separate investment account in the names of such trustees and operated upon only by the signatures of all of them.

(b) When investments are realised the proceeds should be either retained under the control in the investment account of the trustees for reinvestment or transferred to the Commissioners to be placed to the credit of the society in the National Health Insurance Fund.

Applications for approval may be made, and approval granted any time before or after the commencement of this Act, and the Commissioners may grant approval either unconditionally or subject to the condition of the society taking, within such time as the Commissioners may allow, such steps as may be necessary to make the society comply with the requirements of the Act relating to approved societies (s. 23 (3)).

In passing, one or two remarks should be made upon the question of double insurance, and the medical test for admission to a society.

With regard to double and treble insurance the position undoubtedly is, that the higher insurance, the more a man may receive during periods of protracted sickness, the longer the sickness has been found to continue. What the Act does, is to leave it to each society itself to make its own arrangements in the matter. If a society wishes to protect itself against double and treble insurance which would give a man more money when sick than when in health, each society will be able to make its own rules in the matter and protect itself as it deems expedient. There is, however, this qualification: a person shall not belong, or attempt to belong, to more than one society at the same time, or to a society and the Post Office Fund at the same time for insurance under this Act, though, of course, he may belong to an approved society for the purpose of this Act and to any other society for any other purpose, or for insurance, outside and apart from this Act. Similarly he may be a deposit insurer under this Act, and at the same time a member of any other society for purposes outside this Act (s. 34).

With reference to the other point, viz., a medical test for a candidate for admission to a society, the ideal system in a National Insurance Scheme would have been to have abolished the medical test all round. The position to-day is that friendly societies, of course, insist upon such a test; the trade unions either do not, or the test is a far less severe and searching examination than that practised by the friendly societies. It must necessarily be so; the one is formed for the purpose of a sick society, the other for trade organisation and protection; and with the latter the insurance business is a secondary consideration compared with the other purposes for which they have been established. But the very foundations upon which the structure of the Act rests, preclude the dispensing with a medical test should the societies administering the Act so desire it. Each society will, therefore, make such regulations as may seem to them expedient in the matter. The arrangement will have this drawback. The stricter the medical test, the more the society will have the pick of good lives, with the

consequence that the larger will be the additional benefits which that society will be able to distribute after each valuation. It would be impossible for a trade union to enforce so rigid a test as a friendly society; there will in consequence be a considerable grouping of lives according to the risks they represent: the friendly societies with the picked and "good" lives, the trade unions, and the like, with the average risk, and the Post Office section with the worst class of lives segregated together. The possibilities of additional benefits must preserve a similar ratio.

The cost of the medical test will be defrayed by the society enforcing it.

Withdrawal of Approval.

If an approved society or branch fails to comply with any of the provisions or requirements of the Act, or is convicted of any offence under any Act regulating its constitution, or under any other Act, the Commissioners may withdraw their approval. If they decide upon this course, the society shall cease as an approved society, and the Commissioners will make such provision as they may consider necessary with respect to members of the society who are insured persons. There would not appear to be any appeal from the decision of the Commissioners (s. 29).

Power to Subscribe to Hospitals, &c.

It is permissible for either Insurance Committees or Approved Societies to grant subscriptions or donations to hospitals, or for the support of district nurses. They may also appoint nurses to visit and nurse insured persons, and may pay their salaries out of the funds from which benefits would ordinarily be payable (s. 21).

2. Management, &c., of Approved Societies.

Approved societies and their branches will be required—

(1.) To keep their books and accounts so far as they relate to the State scheme in the form to be prescribed by the Commissioners. Proper books of account are to be kept by the branches in any case where separate accounts are usually kept by those branches.

(2.) To submit all such books and accounts to Government audit when required. It is proposed the Government should undertake the work of auditing the State funds at the expense of the Treasury.

(3.) To submit to have their assets and liabilities under this part of the Act valued at intervals of three years, or at such other periods as may be appointed.

(4.) To conform to the requirements of the Act in the event

of any surplus or deficiency being shown on a valuation (see page 128).

(5.) In the case of societies which are members of an association, to remain members of the association unless secession or dissolution is sanctioned.

(6.) To conform in other respects with the provisions of the Act (s. 35).

They will also be required to make proper provision by rules to the satisfaction of the Commissioners in the case of an approved society for the government of the society, and if a society with branches:—for the government of the society and its branches; for the determination of disputes between a society and a branch or between one branch and another; for the administration of benefits of persons who are members of the branches; for the keeping of books of account by the branches; for depriving or suspending from the right of administering benefits any branch which is guilty of maladministration of those benefits or is convicted of any offence under the Act, and for providing in such a case for their administration by the society or otherwise (s. 27).

Place of Meeting of Approved Societies and Branches.

Every society and branch must comply with any regulations made by the Commissioners as to the place in which meetings are to be held, and those regulations may provide for the use for the meetings, with or without payment, of any offices or other buildings under the control of a government department (including those occupied by or in connection with a labour exchange) or belonging to or under the management of a local authority, but subject to the consent of such authority or government department (s. 27).

Security.

It has already been stated that no security is to be required from any society which proves that the only funds coming into the hands of the society under the Act are such funds as are required for reimbursing to the society sums previously expended by them in administering the Act. Where this is not the case, every approved society shall give such security as the Commissioners may deem sufficient against misappropriation by officers of any funds coming to their hands, and in the case of a society with branches, security shall be given in respect of each of the branches. This may be effected by means of fidelity bonds.

If securities are deposited with the Commissioners by way of security, any dividends or interest accruing shall be paid to the society (s. 26) (see also page 117).

§ 3. Rules of Approved Societies.

An approved society may, with the consent of the Commissioners, provide for the application of its existing rules, provided no regulation of this Act is contravened or may make new rules with regard to :—

(a) Manner and time of paying, and mode of calculating benefits, suspension of benefits.

(b) The notices and proof of disease or disablement.

(c) The visiting of sick or disabled persons.

(d) The infliction and enforcement of penalties (whether by way of fines, suspension of benefits or otherwise) in the case of any insured person who is guilty of any breach of any rule or imposition; but

(i) No fine shall exceed 10s., or in the case of repeated breaches of rules 20s.

(ii) No rule shall provide for the suspension of any benefit for a period exceeding one year.

(iii) Every rule relating to the visiting of insured women shall provide that women shall not be visited otherwise than by women.

This refers to friendly society visitors to the sick and disabled, and does not in any way relate to medical men attending an insured person who is a woman.

(iv) Every rule relating to behaviour during disease or disablement shall be in the prescribed form (page 123).

(v) No rule shall compel or penalise in any way any person who refuses to submit to a surgical operation, or vaccination or inoculation of any kind, unless such refusal in the case of a surgical operation of a minor character is considered by the society to be unreasonable: from the decision of the society on this point, there is an appeal to the Commissioners.

(vi) No rule shall provide for withholding or suspension of maternity benefit from the wife of an insured person as a penalty for a breach of rules, &c., unless the wife herself has been guilty of a breach of such rule or attempted imposition (s. 14).

Misconduct of person claiming a Benefit.

Where under any rule payment of sickness or disablement benefit is suspended on the ground that the same has been caused by the misconduct of the person claiming the benefit, such person shall not thereby become disentitled to receive medical benefit (s. 14 (4)).

Registration of Rules.

Where under any Act regulating the constitution of a society which becomes approved, the rules are required to be registered, any rules approved by the Commissioners shall be so registered, but until they are so registered they shall have effect as if they had been duly registered.

Model Rules.

Every society must, when applying to the Commissioners for approval, submit with such application copies of the rules under which the society proposes to transact business under the Act.

To facilitate societies in the matter the Commissioners have prepared sets of model rules which are issued by them for the convenience of societies proposing to administer the Act.

The models are of four kinds.

Model A is intended for the use of societies with male members only, and consists of rules for the administration of benefits and the management of business under the Act. This model presupposes the existence of other adequate rules of the society dealing with its constitution and government, the election of members and all the detailed work of administration of benefits.

Model B is for male members only, and is intended for the use of new societies. This model is in addition to the rules contained in Model A, a number of suggested general rules or notes calling attention to points on which rules should be made by a society which is undertaking insurance business for the first time. Messrs. Knight & Co. have published a complete Code of Rules, settled by learned counsel, which incorporate and adapt the Commissioners' model rules and include those necessary for the government of a society; they will be found of great assistance in either preparing rules for a new society or adapting those of a society already in existence for submission to the Commissioners prior to approval being granted by them.

Model C consists of rules which will be required by a society including women amongst its members, and which should be added to or substituted for the corresponding paragraphs in Model A or B.

Model D is a counterpart of Model B intended for a society of women only.

The circular of the Commissioners (A. S. 3) calls special attention to the following points in connection with the rules of a society:—

(a) In the event of a levy being imposed by the society to meet a deficiency, the levy can, *if the rules so provide*, be collected from members through the employers as part of the contribution.

(b) If it is intended to limit the sickness benefit to not less than two-thirds of a member's wages when in health, the rules should clearly state that intention and should indicate the nature of the alternative benefits offered.

(c) By section 23 (2) (ii) of the Act the society may by rule provide that contributing members not being insured persons may vote at meetings of the society. It is desirable that the rules should state clearly whether, and in what circumstances, such members may vote.

(d) Existing societies will possibly contain a number of members who will not be insured under the Act, and whose interests will not always be identical with those of the members who are insured persons. It will be open to societies to afford by their rules some protection to the interests of such members.

(e) By s. 23 of the Act societies not registered or established under any Act of Parliament must have such a constitution as may be prescribed. The attention of such societies is called to the Regulations upon Constitution issued by the Insurance Commission. The society must incorporate in the rule books submitted to the Commission such rules as are necessary to comply with these regulations (page 124).

(f) The rules of the society which relate to behaviour during disease or disablement must be in the form prescribed by regulations of the Insurance Commission (s. 14 (2) (d) of the Act). These regulations must be laid before Parliament; and Societies will understand that any rule which may be made by any approved society must comply with these regulations. These regulations have now been issued and provide as follows:—

Behaviour during Sickness.

Every rule of an approved society with regard to behaviour during disease or disablement of a member entitled to benefit shall be in the following form—

A member in receipt of sickness or disablement benefit:—

(a) Shall obey the instructions of the doctor attending him;

(b) Shall not be absent from home between the hours of ⁽¹⁾ and shall not be absent at any time without leaving word where he may be found, provided that the ⁽²⁾ may, if they think fit, exempt the member from the operation of this Rule upon such conditions as they may impose;

(1) Insert such hours of the evening and morning as may be desired. Different hours should be inserted for summer and winter.

(2) Insert the desired authority, e.g. Committee of Management.

- (c) Shall not leave the ⁽¹⁾ where he resides without the consent of ⁽²⁾ ;
 (d) Shall not be guilty of conduct which is likely to retard his recovery ;
 (e)

(g) The rules of every society seeking approval should set out clearly on what grounds a member can be expelled from the society, and what are the necessary formalities preceding expulsion. The Commission will examine any rules submitted to them for the purpose of satisfying themselves that every insured person secures a fair hearing, and is not liable to expulsion on grounds which appear to defeat the intentions of the Act.

(h) Section 8 (1) of the Act defines the persons to whom sickness and disablement benefits may lawfully be paid as those who are rendered incapable of work by some specific disease, or by bodily or mental disablement. A society cannot, therefore, pay out of the funds arising under the Act sickness or disablement benefit to any member who has not furnished satisfactory proof of disablement, or of some specific disease. The attention of societies is called to the necessity of complying with the statute in requiring some such proof, either in the form of a medical certificate, or other clear evidence of the character of the disease in respect of which benefit is claimed. The rules must be so framed as to bind members to produce satisfactory evidence of disease or disablement when claiming benefit.

§ 4. Constitution of Unregistered Societies.

The constitution of a society applying for approval under s. 23 of the Act (not being a society registered or established under any Act of Parliament or by Royal Charter) shall, in accordance with the constitution of Unregistered Societies Regulation, 1912, be regulated by written or printed rules or by some other instrument for the following matters :—

- (1) The name of the Society.
- (2) The situation of the principal office of the Society.
- (3) The objects of the Society.
- (4) The branches of the Society, if any, and the powers and government of such branches.
- (5) The manner of election and removal of the governing body, and in cases where the affairs of the Society are managed by delegates, the manner of election and removal of such delegates.

(1) Insert the place, town, or other desired area.

(2) Insert the desired authority.

(3) Add any further instructions desired by the Society.

- (6) The powers and duties of the governing body.
- (7) The manner of election and removal of trustees and other officers.
- (8) The determination of the time and place of holding and the manner of convening all meetings of the Society.
- (9) The manner of determining disputes between the Society, or, in the case of a Society with branches, the Society or any branch thereof, and any person who is or has ceased to be a member of the Society or branch or any person claiming through such person, and, in the case of a Society with branches, between the Society and any branch or branches thereof, or between two or more branches.
- (10) The manner of admission and expulsion of members.
- (11) The voluntary dissolution of the Society.
- (12) The making and alteration of rules of the Society.

§ 5. Power to Separate Women's and Men's Funds.

Section 41 provides that where an approved society, not being a society with branches, has amongst its members both men and women, and the rules of the society so provide, the provisions of this part of the Act with respect to valuations, surpluses and deficiencies, shall apply to the society, as if it were a society consisting of two branches, the one comprising the male members and the other comprising the female members.

The purpose of the section is this: to enable a society *without branches, i.e.* a centralised society, if it so desires and its rules permit, to divide its members for the purposes of valuation, &c., into two sections for the two sexes, with the result that if a surplus or deficiency is shown on a valuation, such surplus or deficiency shall be dealt with in the manner described on page 137 in relation to ss. 37, 38. Without this section in the Act such a centralised society would not be empowered to deal with the two classes of insurance in this way.

The section does not apply to a society with branches, for in view of s. 23 special provision is apparently unnecessary, as their funds could apparently be separated as distinct branches for each sex should the rules of the society so determine; but this apparently will not be the case where the branches consist of a mixed membership.

§ 6. Accounts to be kept by, and Valuation of, Approved Societies. Surpluses and Deficiencies.

Approved societies are required by s. 35 to keep the necessary books and accounts by the Commissioners, and submit them when required to be audited by auditors appointed by the Treasury. The accounts are to be kept entirely separate and

apart from any other business which a society may be transacting. They are to show separately the amount expended on management expenses, which sum is limited to the amount which may be carried to the administration account out of the contributions under this Act. The society is to render such returns as the Insurance Commissioners may prescribe. All funds and credits in the case of a society or branch carrying on other business shall be as absolutely the security of the members for the purpose of this part of the Act, as if the society or branch were not carrying on any other business, and shall not be liable for any contracts of the society or branch for which they would not have been liable had the society or branch only been carrying on the business of insurance under this Act; such funds or credits shall not be applied directly or indirectly for any purposes other than the insurance under this Act.

The Regulations governing the keeping of accounts by approved societies are prescribed by the National Health Insurance (Accounts of Approved Societies) Regulations, 1912.

They provide that every approved society and every branch of a society shall keep its accounts relating to business under the Act in the form and in the books specified below, together with such other books (if any) as may hereafter be determined. The necessary books are:—

(1) A Membership Register in the form prescribed by Schedule 3 to the Regulations referred to.

(2) A Contribution Register or Registers showing separately the contributions paid in respect of men and of women. Separate sections of this register to be kept for each of the following classes, of which the society has members. Such registers to be kept in one or other of the alternative forms, as shown in Schedule 3 (see page opposite), for the particular class.

(3) A cash book.

(4) A treasurer's cash book.

(5) A ledger containing the following accounts, showing separately the transactions relating to men and to women respectively.

(a) Income and expenditure account and accounts subsidiary thereto.

(b) Investment account.

(c) Except in the case of a branch of an approved society, a reserve values account.

(d) Current accounts with the Insurance Commissioners, or, in case of a branch, with its head office.

(e) Any other accounts that may be required.

	Designation of Class.	
	Men.	Women.
EMPLOYED CONTRIBUTORS—		
British Subjects . . . under 65 years of age at Entry into Insurance	A. 1	E. 1
Aliens . . . between Ages of 17 and 65 . . . do.	A. 2	E. 2
British Subjects } Aged 65 and upwards on the 15th July, and Aliens . . . } 1912	A. 3	E. 3
Mercantile Marine : British Subjects (employed on foreign-going Ships) . . .	A. 4	E. 4
" " Aliens (resident in United Kingdom) (employed on foreign-going Ships) . . .	A. 5	E. 5
NAVY AND ARMY	B.	—
VOLUNTARY CONTRIBUTORS—		
British Subjects . . . under 45 years of Age at Entry into Insurance on or before 15th January, 1913	C. 1	F. 1
" " who enter into Insurance after 15th January, 1913		
Aliens under 45 years of Age at Entry into Insurance on or before 15th January, 1913	C. 2	F. 2
" " who enter into Insurance after 15th January, 1913		
British Subjects . . . of 45 years and upwards at Entry into Insurance on or before 15th January, 1913	D. 1	G. 1
Aliens Do. Do.	D. 2	G. 2
Married Women :—		
British Subjects	—	H. 1
Aliens	—	H. 2

(6) A book for recording fines and levies paid and due.

(7) A minute book.

If a society satisfies the Commissioners that it is necessary or desirable that the accounts of that society should be kept in any books or other records submitted by the society, the Commissioners have reserved to themselves the power to dispense with these Regulations, and to approve the substitution of the books or records so submitted, provided that they furnish substantially the same information as to the business of the society as the books above enumerated which are ordinarily required to be kept.

An approved society which has amongst its members insured persons resident in more than one part of the United Kingdom must keep separate accounts in the manner provided by the Regulations for each such part of the United Kingdom.

An approved society must submit to have its assets and

liabilities valued in accordance with this Act, and for this purpose a valuation will be made at the expiration of every three years, dating from the commencement of the Act, or at such other times as the Commissioners shall appoint; the times so appointed may apply to all approved societies or to any particular society or societies. The valuation will be performed by or with the approval of a valuer to be appointed by the Treasury. Many friendly societies appoint actuaries of high standing at the present time, and apparently they will be able to continue employing the services of the same actuaries with the consent of the Treasury. The valuation will be based on the assumption that the society or branch is liable to pay the proportion of the benefits administered and of the cost of the administration out of the contributions paid by or in respect of the members, that is to say, seven-ninths in the case of men, and three-fourths in the case of women of such benefits and costs, or on such basis as may be prescribed.

Such a valuation of a society or a branch may disclose one of two things, a surplus certified by the valuer to be disposable, or a deficiency. Either case is to be dealt with in accordance with the provisions of the Act as follows:—

Surplus (s. 37).

The question of a surplus must be considered from three different points of view. It may be a surplus

- (a) in the case of a society, without branches,
- (b) in the case of a society with branches,
- (c) in the case of a branch of a society.

(a) In the case of a society without branches.

In this case the society may submit to the Commissioners a scheme for dealing with the surplus by distributing any one or more additional benefits (see page 100) amongst its members who are insured persons under this part of the Act. If the Commissioners sanction the scheme, the society may distribute the additional benefit or benefits in accordance with its provisions (s. 37 (a)).

(b) In the case of a society with branches.

Any surplus in the central fund of the society, including the several proportions of surplus funds, which a valuation of the branches may have shown, is to be applied thus:—

- (1) In making good any deficiency shown by any of the branches.
- (2) The balance may be distributed amongst the branches, which had a surplus, in proportion to the amount of surplus so shown by

them, and the sum so apportioned shall be treated as an addition to the disposable surplus of the branch.

Where a society with branches, owing to having less than 5,000 members, has to be grouped or associated with other societies for the purposes of valuation, the rules as to surpluses and deficiencies shall not apply to the society, but each branch shall be treated as a separate society of the group or association (s. 39 (5)).

(c) In the case of a branch of a society.

If a surplus is shown: (1) One-third of the surplus is to be transferred to the central body or central authority of the society. This will be devoted to making good the deficiencies shown by any of the branches. If after defraying all deficiencies the central have still an available surplus, this may be returned to the branches in proportion to the surpluses which their valuation has shown.

(2) As to the remaining two-thirds of the surplus in the hands of the branch.

The branch may, with the approval of its society, submit a scheme for distributing amongst the members of the branch who are insured persons one or more additional benefits in the manner described above in paragraph (a).

If at any time after a scheme has been submitted either by a society or a branch, and been sanctioned, there is found to be a deficiency in the funds of either an approved society or of a branch, no additional benefits shall be distributed under the scheme, until the deficiency has been extinguished and a surplus shown.

Every scheme submitted as provided for above, shall, as far as possible, provide for the reduction, suspension or deprivation of the additional benefits of the scheme in the case of members who are in arrears, and may make a corresponding reduction in the amount of the arrears of such members for the purpose of reckoning the rate of sickness benefit (s. 37 (2)).

Deficiencies (s. 38).

1. If on a valuation a deficiency is shown in the accounts of a branch, three-quarters, or if the society think fit, the whole shall in the first instance be made good as far as possible from any surplus in the hands of the central authority of the approved society which is available for the purpose. If, however, the society is satisfied that the deficiency arises through maladministration on the part of the branch, and if the Commissioners consent, they may refuse to make good any part of the deficiency out of such surplus.

2. Subject to this proviso, a society has to prepare a scheme for making good the deficiency within three years from the date of the

valuation where the deficiency was found to exist; in the case of a branch the scheme must have the approval of the society, and in both cases the scheme is to be submitted to the Commissioners and shall provide for the deficiency being made good in one or more of the following ways:—

(a) By a compulsory levy upon the insured members of a society or branch. In this case fresh collecting cards would be issued to the members, and on the face of the card would be a notification that the employer was to deduct 5*d.*, or whatever the sum might be, in lieu of the usual 4*d.* The voluntary contributor would in like manner have to pay an increased levy himself; in the case of a 1*d.* levy he would have 8*d.* to pay, if ordinarily he was paying the employed rate. A society could, if it so desired, make other arrangements for collecting the levy, but the mode cited would be obviously the most simple.

(b) Failing a levy the deficiency must be wiped out by reducing the rate of sickness benefit; or,

(c) By deferring the day from which sickness benefit becomes payable; for instance, they might only pay the benefit from the fifth day of the illness; or,

(d) By reducing the period during which sickness benefit is payable; or,

(e) By increasing the period which is required to elapse between two periods of sickness or disablement to prevent the one being treated as a continuation of the other.

3. If within six months after the deficiency has been declared, a scheme has not been submitted to the Commissioners, or if at any time after that it appears to the Commissioners that a scheme which has been approved by them is not being enforced, the Commissioners may take over the administration of the affairs of the branch or society under this part of the Act, and take such steps as they think necessary to make good the deficiency, in the manner described in paragraph (2).

If the Commissioners take over the administration of a society or branch in this way they must, within three years, make arrangements for the restoration to the society or branch of its powers of self-government, or failing this, for the transfer of the members who are insured persons to other approved societies or branches or to the Post Office Fund (s. 38 (f)).

4. In the case of a levy or reduction of benefits a person shall not escape his liability for the extra payment by transferring to another branch or society, but shall be liable in the same way as if he had not ceased to be a member, until the deficiency is made

good. A person liable to a levy payable at intervals may rid himself of the liability by paying to the Commissioners the capitalised value of the levy, so far as his own contribution is concerned.

5. No scheme shall affect any person who joins a society or branch after the date when the valuation was made, nor shall any person over 70 years of age be dealt with in any way by the scheme.

6. Any dispute between the Commissioners and the society or branch in the matter of the deficiency, or as to the adequacy of the scheme for making good a deficiency, shall be decided by an independent valuer to be appointed by the Lord Chief Justice in England, or appointed by the Lord President of the Court of Session with regard to societies in Scotland, and as to societies in Ireland by the Lord Chief Justice of Ireland.

§ 7. Membership of Approved Societies: Transfer from one Society to another and from an Approved Society to Deposit Insurance.

Persons desirous of becoming members of approved societies must apply to such societies to be admitted as members. An approved society has the power to admit or reject or expel any of its members, but no application for admission shall be refused on the ground of age (s. 30). Further, an applicant may be admitted as a member of an approved society even though some other Act of Parliament has imposed limits upon admission to societies of that class, as for instance the Trade Unions, where no one could be admitted a member under the age of 16 or over 60 years of age. So far as the admission of insured persons is concerned all approved societies will be placed on an equality with friendly and other societies, otherwise they would be severely handicapped in their administration of the Act.

There is no doubt that in practice this section will be very difficult to enforce, for when a person may be rejected on any ground save that of old age, little difficulty will be found in the rejection of unsatisfactory lives by the stronger societies. As the Act has been framed, it has been difficult to avoid this appearance of herding the strong with the strong, the weak with the weak; but it cannot be disputed that a society which admits only the first-class lives will be the one which will ultimately pay the largest additional benefits. Persons rejected by such a society must go elsewhere, and so we may find a grading of societies with a corresponding grade of benefits. Towards the bottom of the ladder will be the society with a constant risk of an increased levy or a reduction of

benefits, whilst on the final rung will be the class of deposit insurers, whose lives are so bad they cannot gain admission to a society of any description.

With regard to expulsion of a member: this can only take effect in accordance with the rules of the particular society to which a member belongs, and it has already been pointed out that the rules of all approved societies are subject to the sanction and scrutiny of the Commissioners. If a member thought he was improperly expelled, the matter would be a dispute between the society and himself, and he would accordingly have a right of appeal to the Commissioners (s. 67).

With regard to the transfer of membership, an insured member might desire to effect this transfer in one of three ways:—

- (a) From one approved society to another or from one branch to another branch of the same society.
- (b) From an approved society to the Post Office.
- (c) From the Post Office to an approved society.

(a) Transfer of a Member from one Society to another.

The transfer value (see p. 133) being the sum representing the liability of the society in respect of him shall be transferred to his new society with him. Tables will be prepared by the Commissioners showing what this transfer value will be at any particular age. There is a provision in the Act (proviso to s. 31), to prevent the capricious person continually changing his society, to the effect that the transfer value shall not be so transferred where an insured person has voluntarily ceased to be a member of a society without the consent of the society. The society on their part shall not unreasonably withhold their consent, and the onus will be upon the society to show that they have not acted unreasonably.

(b) From an Approved Society to the Post Office.

In the case of a transfer of this character, whether on account of the expulsion or voluntary resignation of a member, who fails to join another society, if he becomes a member of the Post Office fund, his transfer value (*i.e.* the liability in respect of the society towards him) shall be carried to his credit in that fund—as to what that transfer value is, this will be ascertained according to his age from Tables to be published. If, however, in the society a reserve value has been credited in respect of him (see p. 198), the difference between the transfer and the reserve value shall be carried to his credit in the fund, and such part of the reserve value as is still outstanding shall be cancelled.

If a person over the age of 16 joins a society within one year from the commencement of the Act, a credit will be given that society representing the funds the society should hold in reserve in respect of such person at the age he joins; if he insures at 16 he needs no such credit. As an example let us suppose A. becomes an insured person at 16 in an approved society, and at the age of 40 he transfers to the Post Office Fund; as he joined at 16 no credit would be made to the society in respect of him, and the transfer value at 40 (whatever the amount in the tables) he will on the average have subscribed himself. That transfer value will be transferred with him.

But if he was 25 years of age when he joined at the commencement of the Act, a credit will have been given the society representing the reserve which should have been accumulated between 16 and 25 years. The Reserve value would in fact be £3 6s. 6d.; in our example at 40 A. transfers to the Post Office. Now at 40 the society should have substantial funds in hand in respect of him; the Tables will tell us exactly what they are. Let us assume they are £8. Then according to the Act the difference £5 will be transferred to his account in the Post Office, and the £3 credit fund will be cancelled, or so much of the £3 as has not been discharged by the 1 $\frac{1}{2}$ d. retained weekly by the Commissioners.

In the case of a person leaving an approved society and failing to become a member of another society or of the Post Office, and therefore ceasing to be insured, his transfer value shall be transferred to such account and dealt with in such manner as may be prescribed (s. 43 (1)).

(c) *From the Post Office to an Approved Society.*

This is the converse of (b).

Any amount standing to the credit of such person in the Post Office Fund shall be transferred to the society subject to the following provisions:—

(i) If the amount exceeds the value of the contributions paid by or in respect of him estimated on the assumption that he had been a member of an approved society since his entry into insurance, the excess shall not be transferred but carried to the credit of the Post Office Fund, e.g. A. enters insurance as a deposit contributor at 20. In the course of twenty years he may build up a credit say of £6. If he then joins an approved society, and his reserve value is say £5, that amount will be taken out of his fund in the Post Office account and credited to the society as his reserve value; the balance of £1 standing to his credit in the Post Office Fund will be carried to the credit of that fund.

(ii) If the amount is less than the value of such contributions, the insured person shall be treated as being in arrear for the deficiency. The meaning of this is, that a person can only be transferred to an approved society with ordinary benefits at the ordinary rate of contribution, if he pays the amount which is equivalent to his transfer value (*i.e.* the amount of money the society should have in hand in respect of him at the age at which he transfers). Suppose the amount to his credit in the Post Office Fund is not sufficient for the purpose, he can either pay the difference and place himself in the same position as members of the society he joins who are not in arrear, or he can take benefits reduced in accordance with the amount by which he is in arrear.

§ 8. Secession of a Branch and Dissolution of a Society or Branch.

No branch of an approved society having insured persons amongst its members shall be allowed to secede or withdraw from the society to which it belongs, without the consent of the Commissioners, and the Commissioners shall not give their consent unless the branch complies with conditions of approval necessary in the case of an approved society, and if the consent is given the branch shall be subject to all the regulations governing an approved society. No such consent shall however be required if proper provision is made for the transfer of its insured members to other branches of the society, or to other approved societies. No branch shall be expelled from an approved society unless proper provision is made to the satisfaction of the Commissioners with respect to the insured members of that branch.

An approved society or a branch shall not be dissolved without the consent of the Commissioners, and such dissolution shall be carried out in the prescribed manner so far as it affects the insured members.

These regulations are to have effect notwithstanding anything contained in any Act of Parliament regulating the constitution of the society (s. 28).

§ 9. Employers' Provident Clubs (s. 25).

Special provision has been made for the numerous superannuation and other provident schemes established in connection with companies, works and other industries becoming approved societies,

through the persons entitled to rights in such schemes or funds, in order to dispense with the necessity of the workpeople concerned becoming members of other societies for the purpose of insuring under the Act.

The following are the conditions which must be fulfilled if the necessary approval of the Commissioners is to be forthcoming :—

(1) The constitution of the society must provide that the election of the Committee of Management, other than of the employers' representatives, shall be by ballot, subject to regulations by the Commissioners where a ballot is found to be impracticable. An employer may, however, be entitled to representation on the Committee or other body administering the fund to an extent not exceeding one quarter of the total number of that body, if in addition to his contributions as employer under the Act, he is responsible for the solvency of the fund or for the benefits payable from the fund, or is liable to pay a substantial part of, or to make substantial contributions to, or substantially to supplement, the benefits payable out of the fund.

(2) A member of such a society must be able and at liberty to transfer to any other approved society, and therein such case shall be transferred with him the necessary reserve. If a member is discharged from or leaves the service of the employer and is unable to obtain admission to another approved society on account of the state of his health, he shall be at liberty to continue his membership.

(3) The joining of such society shall not in any way be a condition of a person's employment.

(4) The members of the society shall have a right of voting by ballot, when it is decided to seek the sanction of the Commissioners to the existing society becoming an approved society under the Act. All existing rights and interests must be safeguarded.

(5) Where, owing to the society desiring to become an approved society, an alteration in the rules or constitution of the fund is necessary, a scheme for the purpose may be submitted to the Commissioners.

Should an employer of workpeople forming such an approved society become bankrupt, the necessary reserves will, of course, be intact and will be transferred to another society. Accordingly the position of the workmen will not in any way be prejudiced or endangered. It must be understood that the proposals will not interfere with the rules relating to, or the management of any fund conducted by such provident societies or clubs as distinct from the funds contributed to and administered as benefits, etc., under this Act.

Where at the passing of the Act any such fund has been established, the provisions which apply in the case of the funds of a friendly society shall be equally applicable to such fund, and such provisions (see page 177) shall apply with the necessary adaptations (ss. 72, 73).

Any scheme thus formulated may provide for allowing an employer to deduct from the contributions payable by him under the Act or deed constituting the fund, an amount not exceeding the amount payable by him as employer under this part of the Act (s. 73).

The Commissioners are of opinion that the simplest and most satisfactory course for the employer will be to make himself responsible for the solvency of the fund, and to bind himself either to pay into the fund the amount of any deficiency in the assets compared with the liabilities, that may be disclosed at the periodical valuation, or to pay the sums required to make up the benefits to the full rate, in the event of their being reduced in consequence of such deficiency.

In relation to this matter only one further point calls for special comment. If the society consists of 5,000 members, there is of course no difficulty with regard to dealing with it separately for the purposes of valuation, and for all the other purposes of the Act.

If it consists of less than 5,000 members it must be associated or grouped with other societies, unless in addition to the contributions payable by him under the Act, the employer is responsible for the solvency of the fund, or for the payment of the benefits, or is liable to pay a substantial part of, or make substantial contribution to the benefits payable out of the funds. In such case the Commissioners may exempt such a society, and it may become an approved society in itself for all purposes, including valuation, under the Act (s. 39 (7)).

With regard, however, to this matter, the Commissioners' Circular A. S. 5 states that an employer who desires to be represented on the Committee of Management, or who seeks exemption from the pooling arrangements applicable to small societies, should sign the declaration appearing at the foot of the form of application for approval, as a whole, setting out precisely his liability to assist the society, and attaching to his declaration a copy of the Deed or other instrument under which that liability arises. A purely voluntary contribution, which the employer may withdraw at any time, will not be sufficient to justify the representation of the employer upon the committee, since the Act requires that he should be "liable" to give the assistance specified.

§ 10. Associated or Grouped Societies (s. 39).

The following regulations have been provided so that societies with a membership of under 5,000 shall be entitled to come within the scheme. A society which has 5,000 members at the date of the first valuation, which will be in 1915, need not join an association or be grouped.

The fact that there are some 6,093 societies in the country, with a membership of less than 1,000 each, and that numerous others are sure to spring into existence, will help one to appreciate the importance of this method of becoming "approved." Generally speaking the provisions of the Act will be a veritable boon to many such societies, if the scheme in its working fulfils the expectations of its originators. So far as the Government scheme is concerned they will all commence with a clean slate, whilst the very fact of their association with others in a larger area must of necessity mean a spreading of those risks which in exceptional times of stress in the past has proved menacing to their existence.

There are three methods open to these smaller societies with a membership at the date of any valuation of less than 5,000 persons insured under this Act, viz. :—

(i.) They may combine and form an affiliated society with branches ; or they can themselves join one of the affiliated orders.

(ii.) They may after approval join with kindred societies in other parts of the United Kingdom for the purposes of valuation. Societies with members following any particular trade, or societies with members of any particular denominational tie, may combine together and form an association in this way. Provided that the total membership of the associated societies is to be not less than 5,000 persons insured under the Act.

(iii.) Any society which has not taken advantage of either of the two preceding available courses, will be grouped with the other unassociated societies carrying on business in the same county or county borough, or in the same locality. There is no necessity that the membership must reach a total of 5,000, before approval can be granted, but if a society has 5,000 members it cannot come within the county group. With regard to these associated and grouped societies, no hardship will occur as between one branch and another, or one society and another in the same group, for the Act in no way deals with any of their accumulated funds, they remain under the same conditions and management as they are to-day, and there will be no interference with the business in any way which they transact outside the Insurance under this Act.

With regard to surpluses or deficiencies which may be found after a valuation under the Act for group (ii) a central financial Committee, and for group (iii) the Insurance Committee will act for the associated or grouped societies in exactly the same way as the central authority would act for a society and its branches. In the case of a surplus, one-third the surplus will be pooled, this of course will only apply to the surplus of funds contributed in accordance with this Act; any surplus from any other fund will remain, so far as this Act is concerned, unfettered and untouched. With regard to the remaining two-thirds of the surplus, this can be disposed of by each society in additional benefits without any reference of the scheme to the Central Financial Committee or Insurance Committee for sanction. In the case of a deficiency, that will have to be made up by a levy or by a reduction of benefits in the societies composed in the group, unless due to bad management. If it is caused owing to a bad epidemic in the district the Insurance Committee who would act for group (iii) as the central authority would make up that deficiency, but if the deficiency is due to mismanagement, the Committee can direct that it must be made up by a levy or by a reduction of benefit until the next valuation. In the case of a surplus none will go outside the county group. In the case of a levy, it will be collected by the societies, not by the employers (s. 39).

The only power of control conferred by this section upon any Central Financial Committee or Insurance Committee consists in their power of refusing to make good in whole or in part a deficiency due to maladministration on the part of any society.

§ 11. Power of Societies to Register under the Act of 1896.

The Friendly Societies Act, 1896, provides that a society registered under that Act must have voluntary subscriptions, and as the contributions in a large measure under this Act are compulsory, a difficulty might have been experienced in relation to the registration of societies intending to do business under the Act. Accordingly, a section has been inserted (s. 75) which provides that any society for the purpose of carrying on business under this Act either alone, or for the purpose of this Act together with any of the under-mentioned purposes, may after the passing of this Act be registered under the Friendly Societies Act, 1896, notwithstanding that the contributions under this Act are not voluntary.

The other purposes referred to are the following :—

For (a) the relief or maintenance of the members, their husbands, wives, children, fathers, mothers, brothers or sisters, nephews or nieces, or wards being orphans, during sickness or other infirmity, whether bodily or mental, in old age (which shall mean any age after fifty) or in widowhood, or for the relief or maintenance of the orphan children of members during minority ; or

(b) insuring money to be paid on the birth of a member's child, or on the death of a member, or for the funeral expenses of the husband, wife, or child of a member, or of the widow of a deceased member, or, as respects persons of the Jewish persuasion, for the payment of a sum of money during the period of confined mourning ; or

(c) the relief or maintenance of the members when on travel in search of employment, or when in distressed circumstances, or in case of shipwreck, or loss or damage of or to boats or nets ; or

(d) the endowment of members or nominees of members at any age ; or

(e) the insurance against fire, to any amount not exceeding fifteen pounds, of the tools or implements of the trade or calling of the members ; or

(f) guaranteeing the performance of their duties by officers and servants of the society or any branch thereof.

Provided that a friendly society which contracts with any persons for the assurance of an annuity exceeding fifty pounds per annum, or of a gross sum exceeding two hundred pounds, shall not be registered.

CHAPTER V.

THE CLASS OF DEPOSIT CONTRIBUTORS.

WE have seen what the position of an insured person will be who becomes a member of an approved society; the benefits to which he will be entitled have been enumerated and the conditions under which they can be participated in have been examined. A comparison should now be made with the position of the less fortunate of the insured class who have not become, or who do not remain members of an approved society. There are only two methods of effecting insurance—(1) through approved societies; (2) through the Post Office Fund. Insured persons, not necessarily employed contributors, and therefore including the voluntary class, who have not joined an approved society within the prescribed time, or who, having been members of an approved society, have been expelled or resigned and have not joined another approved society are known as deposit contributors.

The National Health Insurance (Time for Joining an Approved Society) Regulations, 1912, provide that the prescribed time in which a person may join an approved society shall be—

(1) In the case of a person between 16 and 65 years of age, who is employed at the commencement of the Act, any time before the expiration of three months from the commencement—*i.e.* before the 15th October.

(2) In the case of a person between 16 and 65 years of age, who becomes employed *after* the commencement of the Act, any time before the expiration of three months from the time he becomes employed.

(3) In the case of an employed person who attains the age of 16 after the 15th July, 1912, any time before the expiration of three months from his attaining the age of 16.

(4) In the case of a person who, if he becomes insured, will be a voluntary contributor, any time before the date when he becomes insured.

(5) In the case of a person who is expelled or resigns from an

approved society, any time before the expiration of three months from the date on which he ceases to be a member of the society.

It should be observed that should any such person make a claim for benefit before the expiration of the period allowed within which he may join an approved society, the time expiring on the day immediately preceding the day on which the claim is made, shall be deemed to have been the time allowed for joining a society, instead of the time otherwise allowed for that purpose. For instance, an insured person is expelled from his society on the 20th of December, he is allowed until the 20th of March in the following year to gain membership in some other society; if, however, he falls ill, and on the 10th of February makes a claim for benefit, the 9th of February will be deemed to be the last day allowed for securing membership, and if on that date he is not a member of any approved society, his opportunity will have passed, and he must become a deposit contributor.

To a deposit contributor the following conditions will apply until January 1, 1915, when Parliament will review the situation so far as this class is concerned. All contributions in respect of a member of such class are the same as in the case of a member of a society and are to be credited to a special fund to be called the Post Office Fund. Their names and addresses will be ascertained and the insurance carried out as follows:—

The cards first issued for the collection of contributions will be made current for a period of three months only. After that period new cards will be issued free through the Post Office upon the names and addresses being furnished. A membership book upon which credit will be given for contributions will be issued with the card to persons joining the Post Office Insurance, and the contributions will be charged annually at the commencement of each year with seven-ninths for men and three-quarters for women, of the calculated cost for management, medical attendance, and sanatorium treatment; if at the commencement of any year the amount standing to the credit of an insured person is insufficient to provide such sums, he shall not, unless the Insurance Committee consents, and subject to such conditions as that Committee may impose, be entitled to any benefits during that year. A waiting period of 26 payments must elapse before any contribution can be withdrawn, and after that period a person will be entitled to medical attendance, and if a member falls ill, he will be entitled to withdraw his contributions, including the employer's share with the addition of two-ninths in the case of men, and one quarter in the case of women, from the State's contribution, at the rate of 10s., 7s. 6d. or 5s., etc., a week,

as the case may be. After the expiration of three years, if the funds permit, a further addition from lapsed and forfeited contributions will be made to the amounts withdrawable by members in sickness. There is no reserve value credited to the Fund in the case of a Post Office contributor. The Post Office Insurance will include aliens, but no State grant will be payable in their case.

Administration of benefits.

Medical attendance and sanatorium benefit for this class of insured persons are to be administered by the Insurance Committees, in addition to their sickness, disablement and maternity benefits.

It will be seen that the lot of a deposit contributor is an unenviable one, and in his case it can hardly be called "insurance" in the accepted sense of the term; it is more properly "assisted thrift." Practically speaking, what he has he pays for, with the help of his employer and the State. At the commencement of each year he will pay his quota to the expenses of administration, the cost of medical and sanatorium benefit, and he will be entitled to draw on the balance to the credit of his account for sickness, disablement and maternity benefit until such credit is exhausted. True, he has, like all insured persons, the benefit of the employer's and State contribution, but his position compared with that of the member of an approved society is indeed a hard one. He has to pay 26 contributions before he can draw on the fund in case of sickness, and as soon as his credit is exhausted his benefit comes to an end, except for medical and sanatorium benefit, which shall remain in force until the end of the then current year, with, however, this proviso, that the Insurance Committee may, if they have the funds available and they see fit to do so, allow a deposit contributor to receive medical benefit or sanatorium benefit, or both such benefits, after the end of the current year.

It should be noticed that, prior to the Committee stage of the Bill, the voluntary contributor must, if he wished to join the insurance scheme, do so through an approved society, and even should he wish to take advantage of the limited scope of the Post Office Fund he was unable to do so; the small shopkeeper or the person "not employed within the meaning of the Act," who suffered from some physical ailment which would bar his entrance into an approved society, could not fall back upon the Post Office Fund. That has now been altered. The voluntary contributor will of course join an approved society if possible, but if, owing to some physical infirmity, e.g. blindness, his application for admission is unsuccessful, he may,

if he so desires, effect his insurance through the Post Office, and obtain the advantage of the Government contribution.

What must the result of this be? It will be to segregate into one class all such cases of hardship and all cases undesirable from whatever cause, while the friendly societies will have the pick of all the good lives, and will accordingly be able to pay increased benefits; but for those suffering from some physical weakness or instability of character nothing will be left but this Post Office insurance. Many such cases are compelled to insure, many will belong to the compulsory class, but because they are not "good" lives or desirable persons their prospect of receiving the benefits of the Act in anything like the fullest measure will be a remote one. The majority are compelled to insure, but no society is compelled to open its doors to receive them. The result is that, apart from medical and sanatorium benefits, all they are entitled to is precisely the amount they, their employers and the State have paid into the fund for them. Take the case of sick pay. They must subscribe 26 weeks before a withdrawal can be made. At the end of a year, say, 39s. will stand to the credit of their account, calculating the full contribution at 8*d.* weekly. They are to be debited with the administration expense, the cost of medical and sanatorium treatment—say 13*s.* 9*d.*—and there will be left to their credit some 25*s.*, or two and a half weeks' sick pay; and yet the official estimate is that some million persons will be compelled to accept the scheme in this form! One might safely assume that of the hundred or more depositions received by the Chancellor of the Exchequer not one represented the interests of the deposit insurer. It is in this respect that the scheme as a "National" one falls to the ground.

There is, however, one advantage which should be pointed out: the number of depositors should decrease year by year. Undoubtedly the practice will be for every one, as soon as he is old enough to commence work, to become a member of an approved society, and his physical health will be such at that early age to make his admission a practical certainty; whereas if he did not join the scheme till later in life his health might have become impaired, and the only fund open to him would be the Post Office. Like several of the drawbacks to the Act, this method of insurance is one which time, as each year passes, may ameliorate and remove.

One does not wish to criticise the position in too harsh a spirit. As the scheme of insurance has been founded and approved of, the creation of some residuum was imperative, and if the societies are to have the power of rejecting lives on any ground save that of old age, the segregation of the undesirable lives together in some fund

or class was unavoidable. The greatest tribute paid to this section of the Act was that Parliament had very little suggestion to offer as to any alternative method of dealing with the difficulty. Destructive criticism is easy of accomplishment—let us hope that by 1st January, 1915, either the class will show such signs of diminution as in a National scheme to be almost a negligible quantity which can be absorbed without harm into the societies, or that a greater creative genius, if possible, than the exponent of the existing measure will have found a more popular and at the same time economically sound method of dealing with this residuum.

The class treated as a class are at the moment an unknown quantity, and the proposal must be regarded in the light of an experiment until 1st January, 1915. Reviewing the situation, the Post Office contributor if he pays his 4*d.* or whatever his contribution may be, will have added thereto the employer's 3*d.* and the State's contribution. He will have his sick pay, maternity benefit and disablement allowance whilst his fund lasts, he will have medical attention and sanatorium treatment whilst he is in credit and after that if the Insurance Committee thinks fit.

Two other provisions call for comment:—

(a) On the death of a deposit contributor, four-sevenths in the case of a man, one-half in the case of a woman of the amount standing to his or her credit in the fund shall be paid to the nominee, or in default of a nomination, to the person entitled to receive the sum as if it were money payable on the death of a member of a registered friendly society. The balance will be forfeited.

With regard to the power thus given to a deposit contributor to make a nomination ss. 56 to 61 of the Friendly Societies Act, 1896, will apply. The person nominated must not 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. A nomination may be revoked and varied by any similar document under the hand of the nominator. The marriage of a deposit contributor will operate as a revocation of any nomination made by a deposit contributor.

This, in the case of an employed contributor, secures the return of the unexpended contributions made by the insured person, though apparently in the case of a voluntary contributor, who would have to pay the 7*d.* a week himself, he will only, like the employed contributor, be entitled to have paid to his nominee 4*d.* out of every 7*d.* remaining in the fund.

(b) Where a deposit contributor proves to the satisfaction of the

Insurance Committee that he has permanently ceased to reside in the United Kingdom, four-sevenths (or in the case of a woman one-half) of the amount standing to his credit in the fund may be paid to him. This privilege is not extended to a member of a society.

In the case of an insured person failing to making a nomination, s. 58 of the Friendly Societies Act, 1896, will apply. The section is as follows :—

(1) If any member of a registered society or branch, entitled from the funds thereof to a sum not exceeding one hundred pounds, dies intestate and without having made any nomination thereof then subsisting, the society or branch may, without letters of administration, distribute the sum among such persons as appear to a majority of the trustees, upon such evidence as they may deem satisfactory, to be entitled by law to receive that sum, subject, if that sum, after making such deductions as aforesaid, exceeds eighty pounds, to the obtaining from the Commissioners of Inland Revenue a receipt for the succession or legacy duty payable thereon, or a letter or certificate stating that no such duty is payable.

(2) If any such member is illegitimate, the trustees may pay the sum of money which that member might have nominated to or among the persons who, in the opinion of a majority of them, 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.

If a post office contributor without dependants becomes an inmate of a sanatorium or similar institution, in which he is receiving treatment under this Act, no contribution will be paid to the Insurance Committee from his sick pay allowance, as would have been the case had he been a member of an approved society; his fund in the post office, on his discharge from the sanatorium, will therefore be exactly as when he went under treatment, and no contribution for his maintenance will have been debited to the fund.

The ordinary provisions of the Act with regard to arrears are inapplicable in the case of the Deposit Contributor.

CHAPTER VI.

§ 1. The Insurance Commissioners.

WE learn a great deal from a study of the Act as to the position of the insured persons, the employed contributor, the voluntary contributor, and the deposit insurer; we are told a great deal about approved societies, and their innumerable duties, but about the Insurance Commissioners we can gather but little, save that hardly a section occurs in the Act which has not involved them in anxious toil since their appointment. We are merely informed by s. 57 (1) that there shall be established this body of Commissioners, with a central office in London and with such branch offices as the Treasury may direct: that they shall be appointed by the Treasury, and that one of their number is to be a duly qualified medical practitioner who has personal experience of general practice. The English Commission is constituted as follows, and their offices are at Buckingham Gate, London, S.W.:

Sir Robert Morant, K.C.B. (Chairman).
 Mr. J. Smith Whitaker (Deputy-Chairman).
 Mr. John Bradbury, C.B.
 Mr. T. Neill.
 Mr. D. J. Shackleton.
 Mr. J. Lister Stead.
 Miss Mona Wilson.

Mr. Claud Schuster, Secretary, with the Chief Registrar of Friendly Societies as an *ex-officio* member.

The *Times* of Nov. 29th contained the following biographical notes on the Commissioners thus appointed:—

Miss Mona Wilson is a daughter of Canon Wilson, formerly Archdeacon of Manchester. She has devoted her career to the investigation of the problems of industrial life, especially among women. In this work she has been associated with Mr. Charles Booth, Mr. Seebohm Rowntree, Miss Gertrude Tuckwell, Lady Dilke,

and Miss Mary Macarthur (Mrs. W. C. Anderson). She is an appointed member, under the Trade Board Act, of the chainmaking and paper boxmaking trade boards, and has served as a member of the Home Office Departmental Committee of Industrial Accidents. Among investigations into social conditions in which Miss Wilson has taken part are the inquiries at West Ham and Dundee. That at Dundee in 1904-5 was entirely under the direction of Miss Wilson and Miss M. L. Walker.

Sir Robert Laurie Morant has hitherto been known mainly as an authority of wide experience in matters of education, a subject which he studied not only in this country but in France and Switzerland, and even in Siam, where he was for seven years tutor to the Royal Family, and organiser of a system of public instruction. After he had conducted social and educational work in East London he was appointed Assistant Director of Special Inquiries and Reports in the Education Department at Whitehall. In 1903 he was made Permanent Secretary to the Board of Education, and four years later his great services to the cause of efficiency in education were recognised by King Edward, who conferred on him the K.C.B. Sir Robert Morant was formerly private secretary to the Duke of Devonshire and to Sir John Gorst. He was born in 1863, and he went from Winchester to New College, Oxford, where he graduated (1st Class) in 1885.

Mr. J. Smith Whitaker is a son of Mr. John Whitaker of Hawes. He was born in 1866, and was educated at the Manchester Grammar School (as also was Mr. J. S. Bradbury, another of the Commissioners) and at Owens College, Manchester. After qualifying as M.R.C.S. and L.R.C.P., Mr. Whitaker practised for ten years at Great Yarmouth.

As representing the Yarmouth Medical Society, Mr. Whitaker attended a conference of medical societies in Manchester in 1900 to consider the best means of improving the organisation of the profession. He was appointed at the conference a member of a deputation which waited upon the Council of the British Medical Association at the annual meeting in Ipswich in the same year. The Association appointed a committee to consider the subject, and Mr. Whitaker was one of the members. As a result he took an active part in drafting the new organisation of the Association, which came into force in 1902. In that year he was appointed to the position of Medical Secretary of the Association.

Mr. Lister Stead brings to his new task a varied knowledge of his subject. As an auditor, as a chief secretary of the Ancient Order of Foresters, as a member and a former president of the National

Conference of Friendly Societies, and as one of a small committee on insurance against invalidity with whom the Chancellor of the Exchequer has been in constant communication, he will already have made himself acquainted—so far as that is possible—with the details of a complicated measure. Mr. Stead was formerly a journalist, and he has written largely on questions of thrift. He took a prominent part in discussions on old-age pensions, and he was the framer of a non-contributory scheme which formed the basis of a plan adopted by the National Conference of Friendly Societies and presented to the Government.

Mr. Shackleton, who was born in 1863, was a Lancashire cotton operative for many years, and he became closely associated with the trade union movement among the textile workers in that county. His work in this way led to his election as president of the Northern Counties Weavers' Amalgamation. He was returned to Parliament for the Clitheroe Division in 1902, and he held the seat until November last, when he resigned to devote himself to the duties of Senior Labour Adviser to the Home Office. He was a member of the Parliamentary Committee of the Trade Union Congress, of which he was twice chosen as President, and he was for a time Vice-Chairman of the Parliamentary Labour Party. He had charge of the Trade Disputes Bill in the House of Commons.

Mr. John Swanwick Bradbury is a Principal Clerk in the Treasury. He was born in 1872.

The Board thus constituted form the central authority under the Act, direct and control the working of the scheme in England, and will be responsible to Parliament for their administration. So wide are the powers conferred upon the Commissioners by the Act, that it is hardly an exaggeration to say they themselves are empowered to make a new Act of Parliament. The framework of the scheme is, admittedly, contained in the Act under consideration, but upon the regulations drawn up by the Commissioners will depend the success or failure of the measure in its daily construction and administration. The regulations will have the same effect as an Act of Parliament, if not more stringent in their operation; the Courts can always be approached to place their construction upon any Act of Parliament, but from the majority of the regulations to be framed as distinct from tables, orders and special orders there will be no appeal. There is, however, one proviso on the matter, viz., that if an address is presented to His Majesty by either House of Parliament within the next subsequent twenty-one days on which that House has sat, next after any such regulation is laid before it praying

that the regulations may be annulled, His Majesty in Council may annul the regulation, and it shall henceforth be void, but without prejudice to the validity of anything previously done thereunder (s. 65). This is following a similar procedure adopted in connection with the bringing of the Old Age Pension Act into operation.

Further, s. 78 confers upon the Commissioners the widest powers in connection with difficulties which may arise in the initiation of the scheme, for under this section, if any difficulty arises with respect to the constitution of Insurance Committees, or the Advisory Committee, or otherwise in bringing the Act into operation, the Commissioners, with the consent of the Treasury, may go so far as to modify the provisions of the Act. There is, however, a limit to this exceptional authority to override the Act of Parliament itself, in that the power of so doing is only vested in the Commissioners until 1st Jan., 1914.

It was decided, during the progress of the Bill through the Commons, that separate Boards of Commissioners should also be established for the administration of the Act in Scotland, Ireland and Wales, and that the funds in each case should be separately administered.

There are certain instances under which the Commissioners can only issue regulations under a special order. In such cases the Provisions of the Factory and Workshop Act, 1901, as applied in the manner set forth in the Ninth Schedule to the Act must be adhered to, and the necessary public inquiry before the issue of any such special order must be held. The cases under which regulations are required to be issued in the form of a special order are:—

1. Before the inclusion amongst persons "employed," any persons engaged in any of the excepted employments specified in Part II. of the First Schedule (s. 1 (2)).

2. Where employers wish to avail themselves of the provisions of s. 47, by paying wages during six weeks' sickness of employees.

3. Where in the case of a trade or business of a seasonal nature, in the interests of employers and employed the Commissioners desire to vary the employed rate according to the period of the year when the trade or business is flourishing or is depressed (s. 49).

4. If the Commissioners decide to exercise their powers under s. 19 to provide for the reinsurance of the liabilities of all approved societies in respect of maternity benefit.

It will be seen their functions therefore are legislative, *e.g.* power to make regulations and orders, tables, and special orders: they are

also judicial (with a possibility of an appeal to a court of law only in connection with ss. 66, 67), in the matter of settling disputes arising under the Act (s. 67): and they are also administrative, e.g. in "approving" societies (s. 23), or amongst countless other administrative duties, the power to take over the affairs of, and to administer, an approved society with a deficiency which has not been made good within a limited period (s. 38).

§ 2. The Advisory Committee.

Reference has been made in § 1 of this Chapter to the large number of Regulations which it was necessary the Commissioners should frame in the interval between the passing of the Act and the date of its coming into operation.

Section 58 authorised the appointment of an Advisory Committee for the purpose of giving the Commissioners advice and assistance in this matter, such Committee to be composed of representatives of associations of employers and approved societies, of duly qualified medical practitioners who have had personal experience of general practice and of such other persons as the Commissioners may appoint, of whom two at least were to be women. *The Times* of the 10th of April announced the appointment of the Committee and gave the following analysis of its personnel, the names of the individual members are to be found in Appendix D, page 252.

The Chancellor of the Exchequer is Chairman of the above Committee, and Mr. C. F. G. Masterman, M.P. (Chairman of the Joint Committee), the Vice-Chairman.

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grounds for supposing that any employed contributors under Part I. or any workmen in an insured trade under Part II. are employed: to make such examination and inquiry as may be necessary, and to examine any person whom he finds in any such premises or place or whom he has reasonable cause to believe to be or to have been an employed contributor or workman in an insured trade, either alone or in the presence of a third person. He is also empowered to require any person so examined to sign a declaration as to the truth of the matters upon which he is examined. He may also exercise such other powers as may be necessary for carrying this Act into effect.

2. He is empowered to examine all registers, books, cards and other documents, and the occupier of any such premises or place and any other person employing an employed contributor or workman in an insured trade must give him all necessary information.

3. Where any person wilfully delays or obstructs an inspector or fails to give any information or produce any documents or conceals or prevents or attempts to prevent any person from appearing before an inspector he shall be liable on summary conviction to a fine not exceeding £5.

4. Where any premises or place are liable to be inspected by inspectors, or are under the control of some other Government department, the Commissioners (in the case of Part I.), or the Board of Trade (in the case of Part II.), may arrange for the powers and duties of an inspector being carried out by the inspectors or officers of such other department, and in such case they shall have the powers of an inspector under this section.

5. Every inspector shall be furnished with the certificate of his appointment, and shall produce it on applying for admission, when required so to do by the occupier of any premises (s. 112).

It will be seen how very wide are the powers afforded to the inspectors, but on the other hand it must be remembered that the insurance scheme will deal with some 15,000,000 persons, and that as a *compulsory* scheme it must fail, unless very considerable powers are taken to ensure that its provisions are being carried into effect. It will be noticed that an inspector has not the power to enter a private dwelling-house that he has in the case of premises described in the first paragraph, but he is entitled to demand that any person employing any employed contributor (*e.g.* domestic servant), shall furnish him with all necessary information and shall produce such books, cards and documents as he may reasonably require, and to exercise such other powers as may be necessary for carrying the Act into effect.

§ 4. Questions to be determined by the Insurance Commissioners.

The duties of the Commissioners are to be not only administrative but largely judicial. They will have to give their decisions upon the three main questions of difficult interpretation which the Act contemplates. They are :—

(1.) Whether a person is liable to become insured as being a person employed within the meaning of this part of the Act ; or whether he is entitled to become a voluntary contributor.

Innumerable cases will occur under this heading, and may not be easy of interpretation in relation to persons of a semi-casual occupation or in relation to those employed in the agricultural industry. It must be remembered that to the employee it will be a vital question so far as his insurance is concerned, for it will mean the difference between his paying the employed rate or the voluntary rate, if he is anxious in any case to become an insured person, and the difference between receiving his employer's weekly contribution of 3*d.*, and of having to pay that sum himself. This question is to be determined by the Commissioners in accordance with regulations made by them for the purpose. If any person feels aggrieved by a decision of the Commissioners, as the answer involves some question of law, he may appeal from them to the County Court, with a further right of appeal upon a question of law to such judge of the High Court as the Lord Chancellor may select ; the decision of such judge shall be final.

Where the Commissioners desire, instead of themselves deciding whether any class of employment is or will be employment within the meaning of this Part of the Act, they may submit the question for the decision of the High Court in a summary manner, and in such case they shall institute proceedings for that purpose in the Chancery Division by originating notice of motion. It will then be open either to the Commissioners or to the person or persons served with such notice of motion to file such evidence as he or they may be advised, and the matter will proceed in the same manner and subject to the same regulations as any other originating motion.

(2.) As to the rate of contributions payable by or in respect of any insured person.

It is probable that many questions will arise under this heading. The sections dealing with the matter are the most complicated in the Act, and the change from one class to another, and the matter

of re-entry into insurance, will doubtless provide sufficient material for many decisions, before precedents have been formed upon the many points of difficulty not yet contemplated.

Mr. McKenna informed the House that the "question is a mere arithmetical calculation upon the facts."

With regard to decisions upon this point, the Commissioners are themselves to decide the difficulties which may arise, or they may provide for questions being determined in the case of a person who is, or is about to become a member of an approved society, by that society; a similar provision has not, however, been made in respect of a deposit contributor and the Insurance Committee. In case of difficulty it is imagined a dispute would immediately arise with the Insurance Committee which would have to be settled in accordance with s. 67 (2). There is no appeal to the County Court in respect of a decision by the Commissioners under this heading.

(3.) As to the rates of contributions payable in respect of an employed contributor by the employer and the contributor respectively.

Under this heading will be included all questions arising in cases of low paid labour, where the contribution both of employer and employee differs from the fixed rate of 3*d.* and 4*d.* a week respectively.

All such questions are to be determined by the Insurance Commissioners without appeal to the County Court. There is no power of delegating the duty of decision in this case to an approved society, as that procedure would be manifestly unfair and one-sided in a matter of dispute between a member of that society and his employer.

§ 5. Joint Committee of Commissioners.

We have seen that separate boards have been elected as Commissioners for England, Scotland, Ireland and Wales. Section 83 of the Act prescribes for the appointment of a Joint Committee of Commissioners, consisting of members of each body, to be presided over by a chairman appointed by the Treasury.

The Joint Committee, in accordance with the Provisional Regulations, dated 28th December, 1911, made by the Treasury under s. 83 of the Act, consists of—

Mr. C. F. G. Masterman, M.P. (Chairman),
 Sir Robert L. Morant, K.C.B. (Vice-Chairman),
 Mr. J. S. Bradbury, C.B.,

Mrs. Creighton,
Mr. J. A. Glynn (Chairman of the Irish Commission),
Mr. T. J. Hughes (Chairman of the Welsh Commission),
Mr. James Leishmann (Chairman of the Scottish Commission),
Sir John Struthers, K.C.B.,
Mr. J. Smith Whitaker,
Mr. W. J. Braithwaite (Secretary),
The Chief Registrar of Friendly Societies.

It was necessary, at the outset, that the powers of the respective Boards of Commissioners and of the Joint Committee should be specifically defined. This has been effected by the National Insurance (Joint Committee) Regulations, dated 21st February, 1912, made by the Treasury.

In the Memorandum (Cd. 6095) on the steps taken, preliminary to the operation of Part I. of the Act presented to Parliament, it is stated that the main principles on which the division has been made are as follows:—

(a) All questions involving actuarial considerations come before the Joint Committee.

Matters such as the calculation of rates of contributions, reserve values and transfer values, which involve actuarial calculation only and do not raise questions of administrative policy, will be dealt with by the Joint Committee exclusively, and matters raising questions of administrative policy as well as actuarial considerations will (subject to (b) and (c) below) be dealt with jointly by the National Commissions and the Joint Committee, subject, however, to the proviso that the functions of the Joint Committee should be limited to the actuarial aspect.

(b) All matters with regard to which uniformity of practice throughout the United Kingdom is regarded as essential will, so far as concerns the prescribing of regulations and the laying down of policy, be dealt with by the Joint Committee alone.

(c) All matters in which, while absolute uniformity may not be essential, the action of the respective bodies of Commissioners requires to be co-ordinated, or where questions of a similar nature arising in different parts of the United Kingdom will probably make concerted action on the part of the different bodies of Commissioners necessary, will be vested jointly in the several bodies of Commissioners and the Joint Committee.

(d) Everything else will, as far as possible, be left to be dealt with by the several Commissions independently.

The Treasury are also to appoint two other persons to serve upon the Committee. Such joint Committee may make any necessary

financial adjustments between the several funds, and shall exercise and perform such powers and duties as may be provided by the regulations prescribed by the Treasury. Any regulations issued by the Treasury in this matter are to be laid before Parliament as soon as they are made, and they are to be rendered null and void if an address is presented by either House to His Majesty within 21 days (s. 83).

The Joint Committee shall, *inter alia*, make regulations as to the valuation of societies and branches which have amongst their members persons resident in England, Scotland, Ireland and Wales, or in any two or any three of such parts of the United Kingdom. Such regulations shall require, for the purposes of valuations and transfers, that the members resident in each such part shall be treated as if they formed a separate society or branch.

CHAPTER VII.

§ 1. Insurance Committees.

SECTION 59 of the Act establishes a new and independent authority for the administration of the Act.

In every county and county borough is to be constituted an Insurance Committee.* Primarily appointed for the purpose of acting as an approved society for the Post Office deposit class in the locality, who cannot gain an entrance to the approved societies from some cause or another, their constitution has been considerably enlarged, their duties have been increased, and their importance has been added to. Other local authorities appear to have viewed with unexpected complacency the creation of this new authority in their midst, with duties considerably analogous to their own. Unelected by popular vote, their administration of the Act will be watched with interest, for no one could have reached this page in this book, or the section in the Act constituting this authority, without realising that this is not an Insurance Act pure and simple, it is and will prove to be much more. It approaches very nearly to a combination of Insurance and Public Health provisions, and the two are so closely allied as to be almost inseparable. It has been stated that "the condition of the funds of a friendly society could be estimated by the death rate of a locality." Some similar opinion would seem to have been in the minds of those responsible for the drafting of this measure, for though the intention of the originators of the Act may have been solely to make provision for "sickness and invalidity," yet no opportunity which has presented itself, for guarding against extraordinary sickness, or for removing the causes of illness, has escaped their notice. Into the hands of the Insurance Committees will be placed sources of knowledge with regard to public health of which the State has never yet availed itself, and the State will acquire in the Insurance Committees a new authority regarding the public health from a standpoint to which, possibly sufficient prominence has not been given in the past.

The Constitution of each Insurance Committee will be as follows in the 62 administrative counties, and the 75 county boroughs.

* It is proposed in the first instance to constitute Provisional Committees.

They are to consist of a maximum number of 80, and of a minimum number of 40 members.

The membership is to be apportioned as follows:—

(1) Representing insured persons in the area, representation to be proportionate to the membership of approved societies, and deposit contributors, three-fifths of the Committee, therefore not more than 48 nor less than 24.

(2) As to the remaining members of the Committee one-fifth of the total number shall be appointed by the council of the county or county borough, two shall be elected by any association of medical practitioners resident in the area and formed for the purpose, or if no association has been formed, by the practitioners themselves. One member or, if the total number of the committee is 60 or upwards, two members, or if the total number of the committee is 80, three members, must be duly qualified medical practitioners appointed by council of the county or county borough. The remaining members shall be appointed by the Insurance Commissioners.

Of the persons appointed by the council, two at least shall be women, and of the members appointed by the Commissioners, one at least will be a duly qualified medical practitioner, and two at least shall be women. It will be seen that on every committee representation has been secured for at least four doctors (in some case for six) and for four women. Medical practitioners on the local panels are not excluded from appointment on the Committees.

The Commissioners are to regulate the number of the Committee or each area, and are to prescribe regulations for the method of their appointment.

Two examples, one with a maximum, the other with a minimum membership, will explain the position more clearly.

(a) Maximum Committee with 80 members—

48 representing insured persons (approved societies and deposit contributors).

14 } appointed by the council of the county or
2 women } county borough.

2 doctors elected by an association of medical practitioners.

3 doctors appointed by the council of the county or county borough.

18
1 doctor } appointed by the Commissioners.
2 women }

80

(b) Minimum Committee with 40 members—

24 representing insured persons.

6 } appointed by the council.

2 women }
2 doctors } elected as described.

1 doctor } appointed by the council.

2 }
1 doctor } appointed by the Commissioners.
2 women }

40

It is important to notice that in every case the majority will be in the hands of the representatives of the insured persons: this means that the insured persons will be able at the outset to control the Committees. Employers *quâ* employers have no direct representation, it can be argued that whether the funds are well or unsuccessfully managed the employer's contribution remains unaffected; yet in the case of a deficit in medical or sanatorium benefit (s. 15 (7)) employers may be immediately concerned in helping to make good half the deficit out of the county or borough rate.

In the event of this happening the provisions of s. 59 (4) should be noted. The Commissioners have power, where any part of the cost of medical or sanatorium benefit is defrayed out of the county or borough rate, to increase the representation of the council and to make a corresponding diminution in the representation of the insured persons.

Any Insurance Committee may, and if required by the Commissioners shall, combine with one or more other Insurance Committees for all or any of the purposes of the Act (*e.g.* the treatment of consumption), and where they so combine the provisions of this Part of the Act shall apply with the necessary adaptations (s. 59 (5)).

Reference must be made to the necessity for the establishment of district committees for certain areas, which matter is fully dealt with in § 4 of this chapter.

§ 2. Powers and Duties of Insurance Committees.

This portion of the chapter concludes with a list of the principal duties of the Insurance Committees taken seriatim from the Act. It is proposed, however, to recapitulate their chief functions from the preceding chapters. These will consist in administering medical benefit for at least ten million insured persons and expending for the

purpose a sum of £3,000,000 annually. (Guardians of the Poor have administered medical relief for thousands of the poor, yet they find no representation on the Committees, where their experience and their intimate knowledge with the subject would have been of invaluable assistance.) They will have control of the Sanatorium Fund, and will arrange for the admission of insured persons to those institutions; they will expend on this purpose a sum of £1,000,000 annually. They will also be responsible for the administration of sickness, disablement, and maternity benefits for the Post Office class, and in some cases the maternity benefit for persons insured in the Navy and Army Fund.

The following are also included amongst the duties of the Committee:—

(1) To make such reports and furnish such returns and statistical information as to the health of insured persons within their area as the Commissioners may after consultation with the Local Government Board prescribe (s. 60 (1) (a)).

(2) To provide for the giving of lectures and the publication of information on matters relating to health (*ib.* (b)).

(3) To keep proper books of accounts and submit same to be audited by auditors appointed by the Treasury (*ib.* (c)).

Any Medical Officer of Health may, with the consent of his council, attend meetings of the Committee, and give such advice and assistance as is in his power, in order to aid the Committees in their duties under this Act.

With regard to the responsible powers vested in the Insurance Committees in relation to excessive sickness within the areas for which they are responsible, reference should be made to page 170, where the matter is dealt with at considerable length.

The following is a brief summary of the duties of the Insurance Committees, and the reference to the section of the Act relating to each:—

1. To grant certificates of exemption from the compulsory class of insured persons if the regulations of the Commissioners so provide (s. 2 (2)).

2. To consent to benefits to insured person resident outside the United Kingdom (s. 8 (4)).

3. To provide for one or more additional benefits, where sickness or disablement benefit exceeds two-thirds of usual wage (s. 9 (2)).

4. To determine weekly value of lump sum paid in respect of compensation or damages (s. 11 (1) (b)).

5. To accept notice from employer as to an agreement under the Workmen's Compensation Act, 1906 (s. 11 (1) (c)).

6. To take proceedings under the Workmen's Compensation Act where person neglects or refuses to do so (s. 11 (1) (d)).

7. To advance benefit to person entitled to compensation or damages (s. 11 (2)).

8. To pay benefit to dependants of person in hospital, &c. (s. 12 (2) (a)).

9. To receive benefit of person in hospital who has no dependants (s. 12 (2) (b)).

10. To determine as to who are the dependants of insured person (s. 12).

11. To administer sickness, disablement, and maternity benefit for post office contributors (s. 14 (1)).

12. To administer medical and sanatorium benefits for all classes (s. 14 (1)).

13. To make rules regulating the payment and distribution of benefits administered by the Committee (s. 14 (3)).

14. To make arrangements with medical practitioners for administering medical benefit (s. 15 (1)), including the publication of lists of medical practitioners (s. 15 (2) (c)).

15. To distribute amongst practitioners insured persons who have failed to make any satisfactory selection (s. 15 (2) (d)).

16. If necessary, in lieu of the usual medical arrangements, to make such arrangements as the Commissioners shall approve (s. 15 (2)).

17. To fix the income limit for medical benefit purposes (s. 15 (3)).

18. In such case, to contribute towards the cost of medical benefit for such persons (s. 15 (3)).

19. To approve of organizations, through which medical benefit may be administered, and to contribute towards the cost of medical benefit so administered (s. 15 (4)).

20. To make provision for proper supply of drugs and medicines and appliances (s. 15 (5)).

21. To prepare and publish lists of persons qualified to supply such drugs, &c., and,

22. To fix the scale of prices for the sale of such drugs (s. 15 (5) (a)).

23. If necessary to make other arrangements for the supply of drugs (s. 15 (5) (i)).

24. To receive from approved societies moneys in respect of medical benefit administered by the Committee (s. 15 (6)).

25. To transmit to the Treasury and to the county or borough council particulars of expenditure on medical benefit, where same is in excess of funds received (s. 15 (7)).

26. To make arrangements for providing treatment for insured persons in sanatoria suffering from tuberculosis, &c., and, if they think fit, for dependants (s. 16 (1), (a) 17).

27. To make arrangements otherwise than in sanatoria for the treatment of such persons (s. 16 (1) (b)).

28. To recommend every case for sanatorium treatment before any person shall be entitled to be so treated (s. 16 (3)).

29. To pay for the conveyance of persons to and from sanatoria, or to make advances for that purpose (s. 16 (4)).

30. To administer maternity benefit for persons who are not members of an approved society (s. 18 (1)).

31. Empowered to grant subscriptions and donations to hospitals, &c. (s. 21).

32. Empowered to appoint district nurses to visit and nurse insured persons (s. 21).

33. To determine, with the consent of the Commissioners, the sum to be payable in each year by each deposit contributor in respect of medical benefit (s. 42 (1) (e)).

34. To receive from approved societies sums payable in respect of medical and sanatorium benefits of aliens (s. 45 (2) (iii)).

35. If desired to administer maternity benefit in respect of persons insured in the Navy and Army Fund, who are not members of an approved society (s. 46 (3) (f)).

36. To administer benefits in the case of a person not a member of an approved society, who, on his discharge from service as a seaman, marine or soldier, is unable to obtain admission to an approved society, owing to the state of his health (s. 46 (3) (h)).

37. To receive funds for the purposes of benefits and their administration from the Commissioners (s. 61 (1)).

38. To appoint district committees for every borough with a population of not less than 10,000, and for every urban district with a population of not less than 20,000, in their area (s. 59 (4)).

39. If desirable, to combine with one or more committees for the purposes of this Act (s. 59 (5)).

40. To make such reports as to health, and furnish such statistical and other returns as may be required (s. 60 (1) (i)).

41. To make provision for lectures on, and publication of information relating to health (s. 61 (b)).

42. If desirable, to request the Medical Officer of Health to attend their meetings (s. 62 (2)).

43. To receive from approved societies the sum of 1*d.* per insured person a year towards the administrative expenses. This sum to

be increased to 2*d.*, if travelling expenses of the Committee are paid (s. 61 (2)).

44. Where excessive sickness is alleged, Committee empowered to demand inquiry by the Secretary of State or the Local Government Board (s. 63 (1)).

45. To enter into agreements for the treatment of persons suffering from consumption, &c., and to contribute for the maintenance and treatment of such persons (s. 64 (4)).

46. Any dispute between a deposit contributor and a Committee to be decided by the Commissioners (s. 67 (2)).

47. Any difficulty arising with reference to the constitution of an Insurance Committee, to be removed by the Commissioners (s. 78).

§ 3. Their Financial Position.

The income of each Insurance Committee will be derived as follows :—

(1) All sums available for sanatorium purposes in the county or county borough in which the Committee is situated, whether in respect of insured persons a sum of 1*s.* 3*d.* per annum, or in the form of the State grant 1*d.* per annum in respect of each insured person, or of moneys provided apart from this Act.

(2) All sums payable in respect of deposit contributors resident in the area of the Committee, for the purpose of medical benefit and administrative expenses in each year (s. 42 (d) (e)).

(3) There shall be paid annually to the Committee out of moneys credited to an approved society which has members resident in the Committee's area such sum in respect of medical benefit for every such member, as in default of agreement may be determined by the Commissioners (s. 15 (6)).

(4) Each approved society shall pay to the Committee in respect of each of its members resident in the area of the Committee the sum of 1*d.* per member each year towards the administrative expenses of the Committee; or if the travelling expenses of the Committee are repaid to them such sum not exceeding 2*d.* per member as the Commissioners may determine (s. 61).

(5) It shall be lawful for any local authority out of any fund or rate out of which the expenses of the authority are payable to subscribe such sums as they may think fit towards the general purposes of the Insurance Committee. This will not, according to the Public Health Act, empower a Board of Guardians or a Parish Council to contribute to the funds of a Committee.

§ 4. District Insurance Committees.

The Insurance Commissioners are to make regulations for the appointment, quorum, term of office, and proceedings generally of the Insurance Committees, and for the appointment of officers and provision of offices, and any such regulations may provide for the appointment of District Committees, and for the powers and duties of such Committees if appointed (s. 59 (4)). The regulations, however, *shall* require the Insurance Committee for every county (this will not apply to a Committee for a county borough) within six months, *i.e.* by the 15th January, 1913, to prepare, after consultation with the County Council, and submit for approval a scheme for the appointment of a District Committee for each Borough in the county having a population of not less than 10,000, and for every urban district with a population of 20,000. There is a power reserved to the Commissioners to dispense with this regulation where they may consider it unnecessary, and an Insurance Committee may, if they consider such a course to be expedient, group adjoining areas with any borough or urban district for the purpose of appointing a District Committee for that area.

The appointment of these Committees is a most important function allotted to each Insurance Committee. Without question the general procedure will be to appoint a District Committee for each borough and urban district which contains the required population, and in order to clearly demonstrate the position in each county a schedule has been added to this portion of the chapter, setting forth which boroughs and urban districts will be entitled to a sub-Committee according to their populations on 3rd April, 1911.

The plan adopted has undoubtedly been a wise one, for by taking the county area as the basis of the scheme, the financial position is rendered the more secure, risks are more evenly divided over a larger population, and a broader view can be taken of all matters devoid of those local prejudices associated with committees acting for a small area. Each county committee, too, will be able to enlarge its experience by the wider and more diversified administration with which it will have to deal. The advantage will also be obtained of the members of a Committee being chosen from a wider area, and a larger selection will thereby be gained. This is, indeed, an advantage, for it is an open secret how difficult it is becoming to find suitable men who are willing to devote themselves to public life, and in a confined area it is almost notorious how the same men are to be found on one public body after another for that area.

With regard to the spreading of the financial expenditure over a larger area, no better example can be taken than that of London—

if an Insurance Committee had been set up for each borough, insured persons in each borough would have had to bear the excess cost of their own medical and sanatorium treatment instead of the risk being spread over a larger area.* London, as it is known, is divided principally into boroughs of the very wealthy and very poor; it is therefore only equitable that the financial cost should be spread over the wealthy of Kensington and Westminster with the other boroughs, rather than a poor borough like Poplar or Shoreditch should be left to its own resources, and in the event of a deficit, half of the money having to be found out of the local rate (s. 15 (7)). Or to take the case of West Ham, which, being a county borough, will have its own Insurance Committee. West Ham, we should imagine, is probably the locality with the greatest poverty-stricken class of any in the country. For ordinary poor law purposes it has the advantage of being united with other districts in the neighbourhood more happily situated to assist it, but for the purposes of this Act it is, being a county borough, self-contained. It is therefore improbable that the Insurance Committee to be appointed will so be able to administer the Act without incurring excess expenditure, which will have to be met half by the borough rate of West Ham and half by the Treasury. Take the case of a man whose dependants require sanatorium treatment; it was never contemplated when the Bill was drafted that such dependants would be admitted to the benefit. That amendment was conferred by s. 17. Mr. Lloyd George has said that he never disguised from the House of Commons that "the moment dependants came in you would have to go to the rates and the Treasury for the balance." In the case of a poor person suffering from consumption to-day the cost is spread over the whole union; in the case of a dependant wife or child under this Act, the contribution from the rates will be confined to the county borough of West Ham.

District committees will be empowered for the boroughs and urban districts for which they are appointed, to administer the functions of an Insurance Committee, under the supervision of the Insurance Committee for the county, and in all financial matters they will be subject to the county committee, for any excess expenditure will have to be partly met, not out of the borough or district rate, but out of the rate for the county area, unless voluntary contributions are made under s. 22.

No doubt when the regulations governing the matter are published, they will provide for a wide delegation of powers to the district committees, particularly in minor matters of local detail, reserving, however, to the parent committee full control from a financial point of view.

SCHEDULE.

List of places which, according to population, will be entitled to have district insurance committees appointed.

County.	Boroughs over 10,000.	Urban District with 20,000.
<i>Bedfordshire</i>	Bedford	
<i>Berkshire</i>	Luton	
<i>Buckinghamshire</i>	Maidenhead	
<i>Cambridgeshire</i>	Newbury	
<i>Isle of Ely</i>	New Windsor	
<i>Cheshire</i>	Chipping Wycombe	
	Cambridge	
	Wisbech	
	Congleton	
	Crewe	
	Dukinfield	
	Hyde	
	Macclesfield	
	Stalybridge	
<i>Cornwall</i>	Wallasey	
	Falmouth	
	Penzance	
	Truro, City of	
<i>Cumberland</i>	Carlisle	
	Whitehaven	
	Workington	
<i>Derbyshire</i>	Chesterfield	
	Glossop	
	Ilkeston	
<i>Devonshire</i>	Barnstaple	
	Tiverton	
	Torquay	
<i>Dorsetshire</i>	Poole	
	Weymouth	
	Melcombe Regis	
<i>Durham</i>	Darlington	Blaydon
	Durham	Felling
	Hartlepool	Hebburn
	Jarrow	Stanley
	Stockton-on-Tees	
<i>Essex</i>	Chelmsford	Barking Town
	Colchester	Ilford
	East Ham	Leyton
	Harwich	Walthamstow
	Maldon	
	Southend-on-Sea	
<i>Gloucestershire</i>	Cheltenham	
<i>Hereford</i>	Hereford	
<i>Hertfordshire</i>	Hemel Hempstead	Watford
	Hertford	
	St. Albans	

SCHEDULE—continued.

County.	Boroughs over 10,000.	Urban District with 20,000.
<i>Huntingdonshire</i> <i>Kent</i>	Nil Bromley Chatham Deal Dover Faversham Folkestone Gillingham Gravesend Maidstone Margate Ramsgate Rochester Tunbridge Wells	Nil Beckenham Dartford Erith Penge
<i>Lancashire</i>	Accrington Ashton-under-Lyne Bacup Chorley Clitheroe Colne Darwen Eccles Haslingden Heywood Lancaster Leigh Middleton Morecambe Mossley Nelson Rawtenstall Widnes	Ashton-in-Makerfield Chadderton Farnworth Ince-in-Makerfield Radcliffe Stretford Swinton and Pendlebury Waterloo with Seaforth
<i>Leicestershire</i> <i>Lincolnshire</i>	Loughborough	
(Holland) (Kesteven) (Lindsey)	Boston Grantham	Cleethorpes Gainsborough
<i>London</i>	All the Metropolitan Boroughs	
<i>Middlesex</i>	City of London Ealing Hornsey	Acton Chiswick Edmonton Enfield

SCHEDULE—continued.

County.	Boroughs over 10,000.	Urban District with 20,000.
<i>Middlesex</i>		Finchley Hendon Heston and Isleworth Southall Norwood Southgate Tottenham Twickenham Willesden Wood Green
<i>Monmouthshire</i>		Abersychan Abertillery Bedwellty Ebbw Vale Tredegar
<i>Norfolk</i> <i>Northamptonshire</i> <i>Peterborough, Soke</i> <i>Northumberland</i>	Kings Lynn Peterborough Berwick-upon-Tweed Wallsend	Kettering Ashington Bedlingtonshire Blyth Sutton-in-Ashfield Worksop
<i>Nottinghamshire</i>	East Retford Mansfield Newark	
<i>Oxfordshire</i> <i>Shropshire</i>	Banbury Shrewsbury Wenlock	
<i>Somersetshire</i>	Bridgwater Taunton Yeovil	Weston-super-Mare
<i>Southampton</i>	Basingstoke Winchester, City of.	Aldershot Gosport and Alverstoke
<i>Isle of Wight</i>	Newport Ryde	
<i>Staffordshire</i>	Newcastle-under-Lyne Stafford Wednesbury	Bilston Cannock Coseley Handsworth Rowley Regis Tipton Wolstanton United
<i>Suffolk East</i> <i>Suffolk West</i> <i>Surrey</i>	Lowestoft Bury St. Edmunds Guildford Kingston-on-Thames Reigate Richmond Wimbledon	Barnes Sutton Woking
<i>Sussex East</i>	Bexhill Hove	

Insurance Committees
SCHEDULE—continued.

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County.	Boroughs over 10,000.	Urban District with 20,000.
<i>Sussex East</i>	Lewes	
<i>Sussex West</i>	Chichester	
	Worthing	
<i>Warwickshire</i>	Aston Manor	Erdington
	Nuneaton	Rugby
	Leamington Spa	
	Sutton Coldfield	
	Warwick	
<i>Westmoreland</i>	Kendal	
<i>Wiltshire</i>	Salisbury, City of	
	Swindon	
<i>Worcestershire</i>	Kidderminster	Kings Norton and Northfield Oldbury
<i>Yorkshire</i>		
(East Riding)	Beverley	
	Bridlington	
(North Riding)	Scarborough	
	Thornaby-on-Tees	
(West Riding)	Barnsley	Castleford
	Batley	Goole
	Brighouse	Shipley
	Dewsbury	
	Doncaster	
	Harrogate	
	Keighley	
	Morley	
	Ossett	
	Pontefract	
	Pudsey	
	Todmorden	
	Wakefield, City of	
WALES		
<i>Carmarthenshire</i>	Carmarthen	Llanelly
<i>Carnarvonshire</i>	Bangor, City of	
<i>Denbighshire</i>	Wrexham	
<i>Glamorganshire</i>	Aberavon	Aberdare
	Neath	Barry
		Caerphilly
		Gelligaer
		Maesteg
		Mountain Ash
		Ogmore and Garw
		Pontypridd
		Rhondda
<i>Pembrokeshire</i>	Pembroke.	

NOTE.—The Scilly Isles under the Act are deemed to be a county and the council of those Isles the council of a county, but the Insurance Committee for the Scilly Isles shall be constituted in such manner as the Insurance Commissioners prescribe.

CHAPTER VIII.

§ 1. Excessive Sickness. Power to demand inquiry into causes of.

AN authority on friendly society finance was once known to remark that "he could foretell the financial condition of a society in any particular neighbourhood, if he knew the death-rate of the locality"; from the percentage of the death-rate he adduced the rate of sickness per thousand, and where the rate was high, he calculated the funds of a society would be low. It is said his calculations were seldom found to be in error. The National Insurance Act will compel public attention in a manner not previously realised to the cost to the nation, not only in human lives but in money, of bad housing, wretched conditions of employment, defective water supply and the like.

Existing powers are not all that they might be, to remedy these defects, and to bring offenders and the negligent to task. Local authorities are at times slow to effect improvements, which frequently mean a large expenditure of public money, often in an area which has already borrowed largely for municipal undertakings. But that this remissness has an appalling effect on the sick rate of the inhabitants cannot be denied. There has accordingly been inserted in the Act a section (s. 63) empowering approved societies and insurance committees to demand inquiries into the causes of excessive sickness in the areas for which they are administering the Act; a similar power is vested in the Insurance Commissioners. Where it is alleged that the sickness in a locality is excessive, owing to the condition or nature of the employment of the persons insured, or owing to bad housing or insanitary conditions, or to a defective or contaminated water supply, or due to the neglect on the part of any person or authority to observe or enforce the provisions of any Act relating to the health of workers in any particular trade or industry, or relating to public health, or the housing of the working classes, or any regulations made under any such Act, or to observe or enforce any public health precautions, the Commissioners, or the society or committee making the allegations, may send to the

authority or person in default a claim for the payment of the account or any excess expenditure incurred by reason of that neglect or default.

Failing an agreement on the subject with the person or local authority they may apply to the Secretary of State, or to the Local Government Board, asking for a competent person to be appointed to hold an inquiry.

If at the inquiry it is proved that the amount of sickness, during a period of not less than three years before the date of the inquiry, or during any less period, if there has been an outbreak of any epidemic, endemic or infectious disease, has been in excess of the average rate of sickness by more than 10 per cent., and that the excess was wholly or in part due to such default or neglect, the amount of any excess expenditure shall be made good as follows:—

(1) By the employer. Where the excess sickness is due to the conditions or nature of the employment, or due to any neglect on the part of any employer to observe any Act or regulation.

(2) By the local authority. Where the excess is due to bad housing or insanitary conditions, or if due to neglect to observe or enforce any Act.

(3) By the owner or occupier or by the local authority; whichever is proved to the satisfaction of the person holding the inquiry to be responsible, if due to the insanitary condition of any particular premises.

(4) By the local authority, company or person, by whom water is supplied: if due to an insufficient or contaminated water supply: unless the insufficiency or contamination was not due to any default on the part of the authority or company, but arose from circumstances over which it had no control.

With regard to the average expectation of sickness, this shall be calculated in accordance with tables prepared by the Commissioners for the purpose of valuations under this part of the Act (s. 63 (4)).

The Commissioners are to make regulations as to the procedure on inquiries of this nature, and a person holding an inquiry shall have all the powers of an inspector of the Local Government Board under the Public Health Acts; he shall have power to make orders as to costs, and any such order may, by leave of the High Court, be enforced in the same manner as a judgment or order of that Court.

In the case of the person holding an inquiry certifying that the demand for an inquiry by a society or committee was reasonable, that society or committee shall not be ordered to pay costs; and, in

such case, the Treasury may repay to the society or committee the whole or any part of the costs incurred by them. Where any sum is ordered to be paid to the Commissioners, they shall apply the same in discharge of any expenses incurred by them in connection with the inquiry and shall distribute the balance amongst the societies and committees which appear to them to have incurred extra expense on account of the excessive sickness in such proportion as the Commissioners shall think just. Where an association of deposit contributors resident in any county or county borough has been formed under regulations made by the Commissioners, the Insurance Committee for the county or county borough shall, if so required by the association, take proceedings on behalf and at the expense of the association.

§ 2. Disputes.

The rules of an approved society are to be the basis for the settlement of all disputes, whether between the society (or a branch) and an insured person, who is or has been a member of that society or branch, or any person claiming through him; or between an approved society and any one of its branches, or between any two or more branches of the same society; but any party to such dispute may appeal from a decision founded on the rules of the society to the Insurance Commissioners. The rules of a society may therefore stipulate that in the event of a dispute the matter shall be referred to arbitration, in which case the insured person will have the right to appeal against the decision of the Arbitrator to the Commissioners.

In the case of a dispute between an insured person and an Insurance Committee relating to anything done, or omitted by a contributor or by the Insurance Committee under this Act, or under any regulation made in accordance with this Act, the same shall be decided in the prescribed manner by the Commissioners, who may authorise referees appointed by them to decide any appeal or dispute, whether on the part of an approved society or Insurance Committee, or by any insured person aggrieved by the decision of either body. The Commissioners are also empowered to make regulations as to the procedure to be adopted in connection with appeals and disputes. It will be optional to them to apply any of the provisions of the Arbitration Act, 1889; but except where so definitely applied, that Act shall not operate in the matter of these appeals and disputes. Any decision given by the Commissioners or a referee shall be final and conclusive; there will accordingly be no appeal therefrom to any Court of Law (s. 67).

§ 3. Offences.

The following are constituted offences under this Part of the Act:—

1. Knowingly making a false statement or false representation for the purpose of obtaining any benefit or payment or the crediting of a reserve value either for himself or any other person.

Punishment on summary conviction: imprisonment for a term not exceeding three months with or without hard labour.

A similar provision occurs in the Poor Law Acts in relation to a person making a false statement for the purpose of obtaining relief. It will be noticed that failure to disclose information is not constituted an offence, and, where change of circumstances are material to the case, it is under the Poor Law frequently found, that the intentional omission to disclose the true facts rather than any making of false statements which leads to relief being improperly obtained.

2. Failure or neglect to pay any contributions on the part of the employer is an offence under the Act. It should be noted that under Part I. of the Act no liability is imposed upon the employed contributor to contribute.

Penalty: Fine not exceeding £10 and liability to pay to the Commissioners a sum equal to contributions not paid.

An employed contributor who is a member of an approved society (therefore not a deposit contributor) is also empowered by s. 70 to take civil proceedings against his employer, when by the failure or neglect of such employer to pay contributions an employed contributor has actually been deprived wholly or in part of his right to any benefits which would otherwise have been payable to him. In any such proceedings the employer may be ordered to pay to the Commissioners a sum equal to the value so ascertained; this sum shall be paid to the credit of the approved society, and thereupon the insured person will be entitled to receive from his society benefits at the same rate as would have been the case if his contributions had been properly paid by the employer in the first instance.

3. Any other contravention or non-compliance with any of the requirements of the Act either by an insured person or an employer; and where no specific penalty is provided by the Act.

Penalty: Fine not exceeding £10.

4. No person shall be liable to any penalty in respect of any matter if he has acted in conformity with any decision in respect thereto by the Commissioners, or, if the matter is one which an

Insurance Committee is competent to decide, in conformity with its decision (s. 69).

§ 4. Distress, Execution, when illegal.

Under the Act it is unlawful to levy distress or execution upon any goods or chattels belonging to an insured person (*i.e.* either an employed or voluntary contributor), and being on the premises occupied by him, or to take any proceedings to recover any rent, or to enforce any judgment to eject him, if a medical practitioner attending on him whilst he is in receipt of sickness benefit certifies that such an action or proceeding would endanger his life, and such certificate has been sent to and recorded by the Insurance Committee. This shall hold good for the period named in the certificate, and a certificate can only continue in force for one week, or such less period as may be named in it. It may, however, be renewed from time to time, but not beyond the expiration of three months from the date of the original certificate. A certificate or renewal so granted shall forthwith be sent to the Insurance Committee, and the Committee shall, unless it has reason to suspect its genuineness, record it in a special register without fee, and such register shall at all reasonable times be open to inspection; and where so recorded its genuineness shall not be questioned in any proceedings against a sheriff or other officer for failure to levy any distress or execute any warrant. In order to be effective it is necessary for the insured person to give proper security for the payment of the rent thereafter to become due, or the amount of the judgment debt, otherwise without such security a certificate or a series of certificates will not prevent or delay execution or recovery of the amount of the judgment debt after the expiration of one month from the date of the original certificate.

If the landlord has reason to feel dissatisfied with the accuracy of the certificate (as distinguished from the genuineness, as to which see above) or the adequacy of the security offered, in the former case he may apply to the registrar of the County Court, who if he is of opinion that the certificate should be cancelled or modified, may make an order to that effect, and any order so made shall not be subject to appeal: in the latter case any question or dispute as to the sufficiency of the security shall also be determined by the registrar of the County Court, whose decision on the matter shall be final. Any attempt on the part of any person to contravene this section shall be punishable on summary conviction by a fine not exceeding £50 (s. 68).

§ 5. Friendly Societies and Trade Unions.

Many references have already been made to the position of the Friendly Societies with regard to their work in the past, and their position under the Act, as affecting their members and their financial status.

In the first edition of this handbook considerable space was devoted to Tables and statistics dealing with the membership and financial position of Friendly Societies. It has, however, been thought desirable in this edition to utilise those pages in dealing with the position of such societies and trade unions under the Act. It will already have been gathered that any society or union may become an approved society, or may form a separate section, if the constitution of the society is such as will not warrant approval at the hands of the Commissioners. There is absolutely no restriction in the matter of membership, save that societies with less than 5,000 members at the date of the first and other periodical valuations must either become associated or grouped with other societies for the purposes of valuation only, and for the purpose of dealing with surpluses and deficiencies arising upon such a valuation. In order to secure approval a society must not be carried on for profit, and it must be subject to the absolute control of its members; if its constitution is such as to fail in either of these requirements, a Separate Section, which will not be carried on for profit and which will be subject to the absolute control of its members, must be formed. In this event the funds of the separate section will be kept quite separate and distinct from the general funds of the society. The formation of a separate section is in many respects to be advocated: it precludes the possibility of any interference by the Commissioners with either the rules or the government of the parent society, whilst the only apparent drawback to the separate section, which is the possibility of its breaking away at some future date, may be entirely safeguarded against in the rules for its government when the section is formed.*

The Regulations of the Joint Committee as to the constitution of a separate section require that the constitution shall be regulated by printed or written rules or some other instrument providing for the following matters:—

- (1) The name of the section.
- (2) The situation of the principal office of the section.

* It should, however, be noted that a separate section may not, apparently, undertake any other business than insurance under this Act. A separate section, therefore, cannot undertake ordinary provident business.

(3) The manner of the establishment of the separate section by the society and the manner in which the relation between the society and the section is defined.

(4) Where it is intended that the connection between the section and the society is to be capable of dissolution—

(a) The length of notice (not less than one year) necessary before dissolution.

(b) The minimum period (not less than three years) which must elapse before the notice can be given.

(c) The manner in which, upon any such notice taking effect, the section shall be constituted so as to become an approved society or shall be wound up or in what other manner provision is to be made for the continued insurance of its members.

(5) The branches of the section, if any, and the powers and government of such branches.

(6) The manner of election and removal of the governing body, and in cases where the affairs of the section are managed by delegates, the manner of election and removal of such delegates.

(7) The powers and duties of the governing body.

(8) The manner of election and removal of trustees and other officers.

(9) The determination of the time and place of holding and the manner of convening all meetings of the section.

(10) The manner of determining disputes between the section, or, in the case of a section with branches, the section or any branch thereof, and any person who is or has ceased to be a member of the section or branch or any person claiming through such person, and, in the case of a section with branches, between the section and any branch or branches thereof, or between two or more branches.

(11) The manner of admission and expulsion of members.

(12) The making and alteration of rules of the section.

Societies may be formed and approved for persons of either sex, or of both; in the latter case a separation of the accounts as distinct from the funds will be necessary, owing to the fact that the contribution of the State towards the cost of benefits and administration differs in the case of men and of women. In the former it amounts to two-ninths, in the latter case to one quarter. Further, it is at the option of a society whether they will have a separation of the funds for the sexes, apart from the mere separation from an accountant's point of view for the purpose of the calculation of the Government's

contribution. By s. 41, in the case of a centralised society, if such a separation of funds is decided upon, the males can be considered as forming one branch, the females another, in which event all the regulations as to a surplus or deficiency on a valuation will apply. If the female side of a society showed a large deficiency, the male side, if they had a surplus, could be called upon to contribute to the deficiency to the extent of one-third of their surplus, and no more; the remainder of their surplus would be distributable amongst the male branch in additional benefits, the deficiency on the female side could be made up from the surplus of the male section up to three-quarters. But if the funds were not kept separate and distinct by the rules of the society, in the above-quoted example of a deficiency on the female and a surplus on the male side, the latter surplus would all be necessarily available to defray the deficit, any surplus then remaining would be utilised as additional benefits for insured persons in the society of *both sexes*.

The Existing Funds of a Society.

Under the State scheme, at the commencement, each approved society will be furnished with a credit corresponding to the funds which the society would have in hand to pay the benefits of the scheme to all persons insured under the Act in the society, if such persons had commenced their membership at the age of 16. This fact has a very large bearing on the matter of the existing funds of a society. For instance, A. is a man of 40, and a member of a registered society in a sound financial position, which becomes "approved." The society will have in reserve a certain sum of money accumulated during A.'s earlier membership, with which to meet the obligations of the society to him in the later years of his life. So far as the benefits of the Act are concerned, A. is at once placed in the position in respect of those benefits as though he were just entering into insurance as a boy 16; and the reserves necessary to accumulate between the ages of 16 and 40 to pay the benefits of the Act are credited to the society and carry interest at three per cent. Therefore the reserves accumulated by the society in past years to pay benefits similar to the benefits of the Act will no longer be required, for they will be supplied at the commencement by means of a paper credit, to be redeemed in hard cash gradually during the next eighteen or nineteen years. The longer a society has been in existence, granted that its financial position was secure at the commencement of the Act, the greater will be the reserves released by its operation.

As to the actual amount of reserves which will thus be set free,

this will depend entirely upon the nature of the benefits in respect of which those funds have been accumulated, and whether or not they correspond to the benefits of the Act for which new reserves are supplied in respect of those insured persons over the age of 17.

It will accordingly be necessary for every registered society which has members insured under the Act, even though the society does not apply for approval, to obtain expert actuarial advice upon the point, and fresh Tables will have to be submitted in accordance with s. 72, showing how it is proposed to deal with the reserves so liberated.

Any scheme so formulated must be submitted to the Registrar of Friendly Societies, but the section is only applicable to a registered society; a Trade Union therefore would be at liberty to apply any reserves thus set free in any manner the members might choose.

The funds set free may be employed either to grant increased benefits to those who were members of a society on the 16th December, 1911, or to reduce the contributions payable by members, or in the case of those members who became insured under the Act to reduce their contribution payable under the National Scheme.

The Funds of a Friendly Society under the State Scheme.

It has been pointed out that at the commencement of the Act each approved society will receive a credit representing the reserve values of its insured members over the age of 17, and that such credits will carry interest at 3 per cent. per annum.

All contributions are paid in to the National Insurance Fund, they are then divided as follows: Out of every man's contribution, $1\frac{5}{8}d.$, and in the case of a woman, $1\frac{1}{2}d.$ is earmarked for the redemption of the reserve values; the balance is credited to each individual society and will be available for the payment of benefits and the cost of administration, and whatever the cost of same legitimately is, of this the State will pay two-ninths in the case of a man, and one-quarter in the case of a woman.

A society in this way receives two credits, the first in proportion to the contributions of its insured members, the second in proportion to its reserve values outstanding, which will depend upon the ages of the members of the society. If a society does not exhaust in the payment of benefits and the cost of administration the amount credited for the purpose from the contributions of its members, the balance will be available for investment, in respect of which four-sevenths of the amount from the men's contributions and one-half from the women's will be paid to a society, if they desire it, to invest themselves; the balance is invested by the Commissioners.

§ 6. Local Medical Committees.

Where a local medical committee has been formed for a county or county borough, and the Commissioners are satisfied that it is representative of the medical practitioners in that area, they are to recognise such committee, and in such cases it shall be consulted by the Insurance Committee for the locality on all general questions affecting the administration of medical benefit (*e.g.* the terms to be arranged with the local panel of doctors or matters affecting the treatment of insured persons). Such local medical committee shall also perform such other duties and shall exercise such powers as may be prescribed by the Commissioners (s. 62).

§ 7. Provision as to Birth Certificates.

(Applicable to both Parts of the Act.)

The two guiding principles as to what the contribution an insured person shall pay are, speaking generally, (1) his rate of wages, and (2) his age on entry into insurance. The latter will be of particular importance to those who do not enter into insurance before the 15th of July, 1913, and are over 16 years of age and employed contributors, and to the general class of voluntary insurers, for in many cases they will have to prove to the satisfaction of the approved society they wish to join, or the Insurance Committee, what their age really is. To facilitate this being done, the Act provides that any person may for the purposes of this Act obtain a form of requisition free of charge from any registrar of births and deaths or superintendent registrar, and on presenting the requisition, duly filled in, with a fee of sixpence (in lieu of the usual 3s. 7d.), such person will be entitled to obtain a certified copy of the entry relating to his birth (s. 114).

A somewhat similar provision occurs in the Friendly Societies Act, 1896 (s. 97 (1)), which provides that a certificate of the birth or death of any member of or person insured or to be insured with a registered Friendly Society or branch shall be given under his hand by the registrar of births or deaths for a sum not exceeding 1s. in place of all fees or payments otherwise payable in respect thereof.

The form of requisition has been prescribed by the Local Government Board as follows (Order, dated 14th March, 1912) (see page 180).

REQUISITION FOR A CERTIFICATE OF BIRTH UNDER SECTION 114
OF THE NATIONAL INSURANCE ACT, 1911.

To the SUPERINTENDENT REGISTRAR or other person having the custody of the Register Book in which the Birth of the under-mentioned person is recorded.

I, the undersigned, hereby demand for the purposes of the National Insurance Act, 1911, a Certificate of the Birth of the person in relation to whom particulars are given below.

Name of Person in full

Date of Birth.—The day of , one thousand
hundred and

(The year to be written in words, not figures.)

Place of Birth

Father's Name (in full)

Father's Occupation

Mother's Name (in full)

Mother's Maiden Surname

Company, Society, Union, or other
body or Person for which the
Certificate is required

Signature of Applicant

Address

Dated this day of , 19 .

§ 8. Provisions as to Scotland.

As the Bill was originally drafted, only one body of Commissioners was established, and the intention was to have one National Insurance Fund, to which all contributions from insured persons in the United Kingdom would be paid, and out of which all expenditure would, in respect of benefits, etc., be met. That scheme was abandoned, and for Scotland, Ireland and Wales provision was made for the appointment of a separate body of Commissioners with a separately-managed and self-contained fund in each case. The reason for the alteration was the difficulty of administration on uniform lines with England, coupled with the fear that the English Commissioners might not be fully conscious of the peculiarities to be contended with. The difficulty in Scotland is in connection with the sparsely peopled parts of the country, where the population is separated into small groups, often on a distant island, with long stretches between each group, and frequently with inadequate means of communication. To take one benefit alone—medical attendance. In portions of Scotland the attendance of a medical practitioner is at times rendered almost impossible, at others is certainly most infrequent—in fact, an instance was quoted in the House of one district where 148 deaths were registered, of which only nine were

certified. The physical circumstances of the country and the manner in which the people live render a uniform system undesirable. A man in the Highlands has little fear of the needs of a consumptive sanatorium! Again, too, there are numerous districts where no friendly or benefit societies are to be found; the following figures will give some comparison of the position; they are taken from the quinquennial return of friendly societies: England (December, 1905), 2,964,751; Scotland, 108,768; included in this figure being such small membership as Caithnessshire, 50; Invernessshire, 14; Selkirkshire, 30.

So far as separate administration is concerned, it will be readily conceded that a wise course has been taken; but with regard to the establishment of a separate fund, it is impossible to say how this will effect either England or Scotland. Insurance is based on the spreading of an average number of risks. The original intention was to spread those risks amongst the insured persons contained in a population of 45 millions. Scotland contains a population of 4,759,445 with its proportionate number of insured persons. It is impossible to dispense with a population of that dimensions without making some difference to the position of England; who may be the gainer or loser by the exchange, it is difficult to estimate, but it is improbable that she will be unaffected one way or the other by the alteration.

The Act, therefore, provides for the constitution of Commissioners for Scotland to be called the Scottish Insurance Commissioners (of whom one at least is to be a duly qualified medical practitioner), and to be appointed by the Treasury, with a central office in Edinburgh, and for the establishment of a separate fund to be known as the Scottish National Health Insurance Fund, into which all money received in respect of contributions will be paid, and out of which all sums required to meet expenditure of benefits in Scotland will be defrayed (s. 80 (2)).

The Scottish Commission is constituted thus:—

Mr. James Leishman (Chairman),
Dr. J. C. McVail (Deputy-Chairman),
Mr. J. McNicol,
Miss M. M. Paterson,
The Chief Registrar of Friendly Societies,
Secretary, Mr. J. Jeffrey,
Head of Registry, Mr. R. Scollay.

The reserve values for Scotland will also be kept separate and distinct. Generally speaking, the Act as already described

will apply in its administration to Scotland with the following exceptions:—

(1) The expression "county borough" hitherto used, will mean a burgh or police burgh containing within the police boundaries according to the census of 1911 a population of 20,000 or upwards (*e.g.* in the case of appointment of an Insurance Committee for each county borough).

(2) The expression "Local Government Board" will mean the Local Government Board for Scotland (*e.g.* in connection with the administration of sanatorium benefit), and there are other similar legal technical changes.

(3) No person shall be qualified for appointment as a member of an Insurance Committee by a county or town council unless he is a member of a local authority within the county, under the Public Health (Scotland) Act, 1897, or a member of the town council, as the case may be, but this requirement shall not apply to women, if women so qualified are not available.

(4) Before submitting for approval a scheme prescribing areas to be assigned to district committees the Insurance Committee of a county shall consult with the county council, or any committee of the county council appointed for the purpose and shall consider representations received from them (*ib.* 7).

(5) Where owing to sparseness of population, difficulties of communication, or other special circumstances, they shall consider it desirable, an Insurance Committee may with the consent of the Scottish Insurance Commissioners have power to modify or suspend any benefits; but in such case they must increase other benefits or grant one or more additional benefits to an amount equivalent to the modification or suspension.

The reason for this is that in such districts, medical benefits are very costly, and sickness and disablement benefit will be infrequent, and in such cases the special needs of the people will be specially provided for (*ib.* 8).

(6) A county council will be empowered to establish under the council an approved society (to be known as a County Society) where having regard to the number of employed contributors who are not members of an approved society it is thought desirable so to do. A county council in such case must submit a scheme to the Scottish Commissioners before 15 July, 1913. The scheme may provide for: representation of the council on the committee of management, the appointment of officers subject to approval of the Council; the giving of security, the restriction of membership to insured persons resident in the county who are not members of any other approved society,

and the reduction of benefits below the minimum fixed by the Act (10).

(7) The expressions "borough" and "urban district" (*e.g.* in connection with the appointment of district committees) mean a burgh or police burgh within the meaning of the Act of 1889, and the population limit governing the appointment of district committees in England will not apply.

(14) The expression "Lord Chief Justice" (*e.g.* in connection with s. 38) means the Lord President of the Court of Session.

(15) The expression "county court" means the sheriff court, and in lieu of an appeal from the county court on a question of law (*e.g.* p. 153) there shall be substituted an appeal from the sheriff; it will accordingly be competent to either party to require the sheriff to state a case on any question of law determined by him, and his decision thereon in such case may be submitted to either division of the court of session, who may hear and determine the same, and remit it to the sheriff with instructions as to the judgment to be pronounced.

§ 9. Provisions as to Ireland.

In a manner similar to the establishment of Commissioners for England and Scotland, a Board of Commissioners (of whom one at least shall be a duly qualified medical practitioner) is to be constituted for Ireland with a central office in Dublin; the Commissioners are appointed by the Treasury, and such Board will be vested with powers corresponding to those exercised by the Boards in England and Scotland. The names of the Irish Commissioners are—Mr. J. A. Glynn (Chairman), Mr. W. S. Kinnear, Dr. W. J. Maguire, and Mrs. Dickie, and the Chief Registrar of Friendly Societies, Mr. J. Houlihan, is the Secretary to the Board. They will be responsible for the administration of the Act in Ireland, and all sums received by them must be paid into a fund to be known as the Irish National Health Insurance Fund, and out of that fund moneys will be provided to meet the expenditure by approved societies and Insurance Committees, incurred for the purpose of benefits in Ireland and the cost of the administration of such benefits. The reserve funds for Ireland will be kept separate and distinct.

Joint regulations are to be made by the Insurance Commissioners and the Irish Commissioners with the approval of the Treasury which shall provide for the preparation of the necessary Tables

relating to insured persons upon a uniform basis, and for the making of necessary adjustments and settlements of accounts in cases of insured persons removing from Great Britain to Ireland, and from Ireland to Great Britain.

Taking the provisions relating to England as the basis of the Act, wider dispensations have been made in the case of Ireland than those described in § 8 relating to Scotland, of which the principal are :—

(1.) *Migratory Labourers* (s. 81. (3)).

The Act provides that a right of exemption shall extend to any person employed in harvesting or other agricultural work, who proves that he is an Irish labourer, with a permanent home in Ireland, and has temporarily removed to some other place in Ireland or Great Britain to obtain employment, that he ordinarily resides at his permanent home in Ireland for not less than 26 weeks in the year, and that during that time he is not employed within the meaning of this part of the Act. Any contributions payable in Great Britain by the employer of such person will be transferred to the Irish Commissioners and by them carried to a special account, and dealt with in such manner as may be prescribed; this shall also apply if the contribution is paid by an employer in Ireland, and will be dealt with by the Irish Commissioners in the manner prescribed.

With regard to this provision one or two points call for special comment; it will apply only to those persons who during their residence in their permanent home each year, are not employed contributors. It would obviously be against the advantage of either an employed or a voluntary contributor to obtain a certificate of exemption; for each would require his own contributions and those of his employer during his time of labour in Great Britain or elsewhere in Ireland, to be credited to his society or post office account, the position of which would be materially improved thereby.

As was pointed out in an earlier chapter, a certificate of exemption in no way relieves an employer from his contribution; in respect of each Irish labourer employed in England or Scotland who is in possession of an exemption certificate, the English or Scotch employer will contribute weekly a sum of 3*d.* in respect of his labour, and that amount will pass to the credit of the Irish fund; the man himself will obtain no benefit from the transfer, as he will, if he has a certificate of exemption, be neither an employed contributor nor a voluntary one. On the face of it, it appears rather a hardship that the Irish fund should have the benefit of, say, an English employer's

contribution in respect of labour performed in England, when the workman himself will reap no advantage from it; it would have appeared more equitable that the English fund should have had the benefit, as, if the migratory labourer had remained in Ireland, an English labourer would probably have had the work.

(2.) *The Establishment of a County Society* (s. 81 (7)).

It must be remembered that as yet the membership of friendly societies in Ireland is distinctly limited; in fact, their operations have been chiefly confined to England. Probably 1,000,000 persons will be insured in Ireland, at the present time it is doubtful if there are 100,000 members of benefit societies; in order, therefore, to avoid any difficulty in the matter of Irish insured persons joining an approved society, and lest, owing to any such difficulty, large numbers should be forced to become Post Office contributors, the Act provides that a county council may at any time before the expiration of one year from 15th July, 1912, submit to the Irish Insurance Commissioners a scheme for the establishment of a county society, where having regard to the number of employed contributors, who are not members of an approved society, it may appear desirable to adopt this course. Such scheme may provide for: the representation of the council on the committee of management, the appointment of officers, the giving of security by means of a charge on the county fund or otherwise, the restriction of membership to insured persons within the county who are not members of any other approved society, and the reduction of benefits below the minimum prescribed by the Act. Any such county society so formed with the consent of the Commissioners shall be an approved society for all purposes of Part I. of the Act.

(3.) *Insurance Committees* (s. 81 (8)).

Considerable modifications have been made with regard to the establishment of Insurance Committees in Ireland. They differ from the English Insurance Committees in the following respects:—

The number of members shall be 24, of whom 12 shall be appointed in accordance with regulations of the Irish Commissioners, to secure representation on behalf of the approved societies and of deposit insurers resident in the county or county borough.

Eight will be appointed by the council of the county or county borough, and of these at least one must be a member of a local sanitary authority, and at least two shall be women.

Four shall be appointed by the Irish Insurance Commissioners, of whom at least two shall be qualified medical practitioners.

If, however, any part of the cost of sanatorium benefit is defrayed by the council the Irish Commissioners may increase the representation of the council, and may make a corresponding decrease in the representation of insured persons. In Ireland the county councils include the chairmen of every rural district in the county, and the rural district council is the sanitary authority in each rural district, therefore the county council will be able to select their representatives on the Insurance Committee from the chairmen of the rural district councils, and will in this way be able to secure that their representation on that Committee shall be in touch with the several localities in the county.

(4.) *No Medical Benefit in Ireland (s. 81 (9)).*

An insured person in Ireland is not entitled to medical benefit under the Act, and the provisions as to medical benefit described on p. 77 do not apply. In the case, however, of an approved society able, owing to the satisfactory state of its funds, to administer additional benefits (p. 99), the ordinary medical benefits may be added to those additional benefits, which under certain circumstances can be distributed. In such case it will be administered by the Insurance Committees unless the Irish Commissioners otherwise direct.

This omission of medical benefits in Ireland should particularly be noticed. The reason for the proposal is, that there is throughout Ireland a network of dispensaries from which all the poorer members of the community are to-day obtaining their medical attendance and treatment; there are 810 such dispensaries, and there is an average to each dispensary district of 25,728 acres; 810 doctors are retained under the Medical Charities Act for the purpose of providing free medical attendance for the poorer classes. Any person unable to pay a doctor's fee is entitled to such attendance. Last year 479,644 persons were attended at the dispensaries, and 163,115 at the patients' own homes. The cost of such medical attendance is divided about equally between the Local Taxation Fund and the Poor Rate. The cost in 1910 was £193,153, of which £118,793 was expended in salaries for the medical officers, £17,833 for midwives, £18,399 for medicines, and £8,000 for vaccination fees. Medical attendance of this kind carries with it no disfranchisement, but the tickets are obtained from the Guardians or Relieving Officers.

Even with these provisions, and admitting the difficulties of

medical administration in Ireland, many people will be deprived of medical benefits, because the dispensary system just described is only provided for the very poor. The deposit contributor will be entirely shut out from the benefit, and many members of approved societies will be in the same position, at any rate for three years, and even then all will depend whether the society, of which they are members, is in a sufficiently flourishing financial condition to provide the attendance and medicine as an additional benefit.

(5.) *The Employed Rate* (s. 81 (10)).

In view of the elimination of medical benefits, the employed rate differs from the English employed rate, and will be as specified in Part II. of the Second Schedule. These rates are as follows:—

PART II.

Employed Rate in Ireland.

In the case of men	$5\frac{1}{2}d.$ a week.
„ „ women	$4\frac{1}{2}d.$ „

Contributions by Employers and Employed Contributors.

To be paid by the contributor	{ Men, $3d.$ a week.
„ „ employer	{ Women, $2d.$ „
	$2\frac{1}{2}d.$ „

In the case of employed contributors of either sex of the age of 21 or upwards whose remuneration does not include the provision of board and lodging by their employer, and the rate of whose remuneration does not exceed $2s. 6d.$ a working day, the following shall be the rates of contribution:—

Where the rate of remuneration does not exceed $1s. 6d.$ a working day—

To be paid by the employer	{ For men, $4\frac{1}{2}d.$ a week.
„ „ out of moneys provided by Parliament	{ „ women, $3\frac{1}{2}d.$ „
	$1d.$ „

Where the rate of remuneration exceeds $1s. 6d.$ but does not exceed $2s.$ a working day—

To be paid by the employer	{ For men, $4d.$ a week.
„ „ contributor	{ „ women, $3d.$ „
„ „ out of moneys provided by Parliament	$\frac{1}{2}d.$ „
	$1d.$ „

Where the rate of remuneration exceeds $2s.$ but does not exceed $2s. 6d.$ a working day—

To be paid by the employer	{ For men, $3\frac{1}{2}d.$ a week.
„ „ contributor	{ „ women, $2\frac{1}{2}d.$ „
	$2d.$ „

In order that the Irish contributor should not suffer, in the matter of the State contribution owing to the reduced scale of benefits, each individual contributor is treated from the accountant's point of view as if he were paying the same contribution as an English contributor, and there is to be credited to his society, or to his account in the Post Office fund, the difference between the two rates of contribution—*i.e.* the English and the Irish rate, the amount of that difference shall be treated as if it had been expended on benefits, and as the State contribution is governed by the amount expended on benefits, he will receive two-ninths of the sum so arrived at.

With regard to voluntary contributors, a similar provision appears in the Act, but where the voluntary rate and the employed rate for Ireland is not the same, the sum to be credited to the society or deposit fund shall be the difference between the contributions paid by the Irish voluntary contributor at the voluntary rate, and the amount which he would have paid if the voluntary rate for England had been taken as the basis of his contributions. The Tables which have been prepared by the Joint Board of Commissioners as applicable to Ireland for the Voluntary Rate will be found on page 61.*

In the case of a married woman becoming a voluntary contributor in the manner provided for by s. 43 (2), and explained on page 21, the special voluntary rate in Ireland shall be $1\frac{1}{2}d.$ per week as compared with $3d.$ in England; in like manner, in her case, a sum of $1\frac{1}{2}d.$ per week will be credited to her society as if that amount had been expended on benefits, in order that the State contribution in her case shall be the same as a married woman in England insured in a like manner (s. 81 (11)).

(6) *Inspection of Medical Relief Registers* (s. 81 (13)).

In England a person claiming sickness benefit will produce for the inspection of the approved society or insurance committee a certificate of the practitioner attending him in connection with his medical benefit under the Act. It has been stated (*supra*, p. 186) that in Ireland there is no medical benefit; the rules of an approved society or Insurance Committee may therefore provide for the inspection of medical relief registers (in connection with the public dispensaries) by officers of the society or committee, and for the furnishing of such certificates as may be necessary, and for the payment therefor of such remuneration as the Commissioners may sanction, and the payment for such certificates shall be treated as expenses of administering the benefits in question.

* The Reserve Values in Ireland differ from those applicable to England, Scotland and Wales, and will be found on page 201.

This provision has been inserted to avoid the hardship of an insured person desiring to claim sickness or other benefit having to pay out of his own pocket, for the certificate necessary to prove his sickness or incapacity; it will also provide for the registers containing the particulars of those receiving public medical relief being inspected by the representatives of the society or committee, as the case may be.

§ 10. Provisions as to Wales.

Wales, like Scotland and Ireland, is to have its own body of Commissioners, with a central office in such town in Wales as the Treasury may determine. They have been entrusted with similar powers to the other Boards of Commissioners, and the insurance fund in Wales is to be known as the Welsh National Health Insurance Fund (s. 82 (2)).

For the purposes of the section Monmouthshire is to be deemed part of Wales.

The powers of the Local Government Board with respect to the distribution of any sum available for the provision of sanatoria and other institutions shall, so far as the part apportioned to Wales is concerned, be exercised by the Welsh Insurance Commissioners.*

* The following have been appointed Commissioners for Wales:—

Alderman T. J. Hughes, Chairman of the Glamorgan County Council (Chairman).

Dr. Meredith Richards, Medical Officer of Health for Croydon.

Mr. John Rowland, of the Treasury.

Miss Violet Douglas-Pennant, who has had much experience in social work.

Professor Thomas Jones, Secretary of the King Edward VII. Memorial Fund (Secretary).

CHAPTER IX.

§ 1. The Financial Provisions of the Act.

WE must now consider the financial machinery by means of which the Act will be administered.

The clearing-house through which this will be achieved in England will be known as the National Health Insurance Fund, under the control and management of the Commissioners. Into this fund will be paid all sums received by way of contributions and all sums provided by Parliament in respect of benefits, and in respect of the cost of administration; this will form the income portion of the account. The following tables show the estimated income of the fund according to the Government actuaries in the respective years until 1932-33; specifying the contributions to the fund by employers, insured persons (Table A), and by the State (Table B). Table C gives the estimated annual expenditure for maximum benefits and cost of administration. As the additional benefits cannot be payable until after the first valuation, the actual cost of the State proportion of the benefits will probably be somewhat below the sums so specified in the early years of the scheme's operation.

In Table C the estimated expenditure is given: in this no allowance has been made for expenditure to be borne directly by the State, *e.g.* cost of the Insurance Commissioners or special sanatorium grant. Neither has any allowance been made for the State grant in respect of the Post Office class, as it is not possible to estimate what amounts will be drawn out from deposit in the form of benefit.

The outstanding financial feature of the proposals is the method employed to effect this national insurance at a flat (*i.e.* a uniform) rate. The proposals create a national deficit of £66,000,000. During the first twelve months of the Act all insured persons under the age of 65 who are members of approved societies are to be insured at a uniform premium as though they were 16 years of age: this, of course, includes voluntary contributors under 45 who join the

TABLE A.

THE AGGREGATE CONTRIBUTIONS TO BE RECEIVED FROM
EMPLOYERS AND INSURED PERSONS (MEMBERS OF
APPROVED SOCIETIES).

United Kingdom.

Year.	Compulsory.		Total.
	Men.	Women.	
	£	£	£
1912-13	9,002,000	3,252,000	12,254,000
1913-14	12,266,000	4,427,000	16,693,000
1914-15	12,529,000	4,518,000	17,047,000
1915-16	12,795,000	4,607,000	17,402,000
1916-17	13,060,000	4,695,000	17,755,000
1917-18	13,307,000	4,781,000	18,088,000
1922-23	14,421,000	5,172,000	19,593,000
1927-28	15,501,000	5,558,000	21,059,000
1932-33	16,551,000	5,940,000	22,491,000

Year.	Voluntary.		Total.	Grand Total, Both Sexes.
	Men.	Women.		
	£	£	£	£
1912-13	781,000	229,600	1,010,600	13,264,600
1913-14	1,033,000	303,400	1,336,400	18,029,400
1914-15	1,025,000	301,100	1,326,100	18,373,100
1915-16	1,016,000	298,900	1,314,900	18,716,900
1916-17	1,005,000	296,500	1,301,500	19,056,500
1917-18	993,000	294,600	1,287,600	19,375,600
1922-23	893,000	269,300	1,162,300	20,755,300
1927-28	801,000	246,400	1,047,400	22,106,400
1932-33	703,000	232,100	935,100	23,426,100

scheme before 15 Jan. 1913. A neophyte in such matters is aware that it is an impossible financial proposition to insure a man, say, at 40 years of age, for the same premium that is necessary in the case of a boy of 16 years: in the young and healthy years of life must be accumulated a reserve to meet the years of sickness and disablement in old age; and unless some special provision had been made no approved society could possibly transact business at this uniform rate, and yet open its doors to all comers of whatever age. It has,

TABLE B.

ANNUAL CHARGE IN RESPECT OF THE STATE PROPORTION OF
 "MAXIMUM" BENEFITS AND COST OF ADMINISTRATION,
 INCLUDING CONTRIBUTIONS TO THE NAVY AND
 ARMY SPECIAL FUND AND ON ACCOUNT
 OF LOW-PAID LABOUR.

United Kingdom.

Year.	Men.		Women.		Sanatoria.
	Compulsory.	Voluntary.	Compulsory.	Voluntary.	
	£	£	£	£	£
1912-13	833,000	58,900	354,000	19,700	41,300
1913-14	2,375,000	174,800	934,000	51,600	56,100
1914-15	2,699,000	201,200	1,044,000	59,000	57,200
1915-16	2,877,000	210,700	1,106,000	62,400	58,400
1916-17	2,971,000	212,500	1,135,000	63,400	59,600
1917-18	3,072,000	214,700	1,164,000	64,400	60,700
1922-23	3,475,000	219,100	1,292,000	67,000	66,300
1927-28	3,776,000	222,200	1,409,000	68,600	71,600
1932-33	4,076,000	223,100	1,527,000	70,900	76,500

Year.	Both Sexes.	Navy and Army.	Low-paid Labour.		Total.
			Men.	Women.	
	£	£	£	£	£
1912-13	1,306,900	32,000	15,500	115,800	1,470,200
1913-14	3,591,500	86,000	20,600	154,400	3,852,500
1914-15	4,060,400	88,000	20,600	154,400	4,323,400
1915-16	4,314,500	89,000	20,600	154,400	4,578,500
1916-17	4,441,500	89,000	20,600	154,400	4,705,500
1917-18	4,575,800	89,000	20,600	154,400	4,839,800
1922-23	5,119,400	89,000	20,600*	154,400	5,383,400
1927-28	5,547,400	89,000	20,600	154,400	5,811,400
1932-33	5,973,500	89,000	20,600	154,400	6,237,500

therefore, been inevitable that with every person over the age of 17 shall be credited to the approved society admitting him, such sum as will represent the reserve the society would have in hand in respect of him if he had joined that society at 16. As to what the reserve value will amount to, which will be credited in respect of a person at any particular age, Tables have been prepared by the

TABLE C.

ANNUAL EXPENDITURE FOR MAXIMUM BENEFITS
AND COST OF ADMINISTRATION.

United Kingdom.

Year.	Men.		Women.		Total.
	Compulsory.	Voluntary.	Compulsory.	Voluntary.	
	£	£	£	£	£
1912-13	3,690,000	247,000	1,393,000	76,000	5,406,000
1913-14	10,526,000	726,500	3,639,000	196,600	15,088,100
1914-15	11,981,000	847,100	4,076,000	226,400	17,130,500
1915-16	12,782,000	890,800	4,319,000	239,800	18,231,600
1916-17	13,198,000	903,300	4,434,000	243,700	18,779,000
1917-18	13,648,000	909,600	4,554,000	247,500	19,359,100
1922-23	15,444,000	930,200	5,052,000	257,500	21,683,700
1927-28	16,785,000	945,800	5,515,000	264,400	23,510,200
1932-33	18,118,000	953,800	5,981,000	274,100	25,326,900

Commissioners determining what such sums shall be. Such Tables are to be found on pages 199, 200, Tables G and H. The actuaries estimate the capitalised value of the reserves which must be provided to carry this scheme through at £66,642,900, made up as follows:—

TABLE D.—ESTIMATED AGGREGATE INITIAL RESERVE VALUES.

	Men.	Women.	Both Sexes.
	£	£	£
England	36,700,000	13,678,900	50,378,900
Wales	2,301,000	780,200	3,081,200
Scotland	5,217,000	1,877,200	7,094,200
Ireland	3,288,000	1,594,600	4,882,600
Navy and Army	47,506,000 1,206,000	17,930,900 —	65,436,900 1,206,000
Totals	48,712,000	17,930,900	66,642,900

These sums include the liability in respect of women, married at the commencement of the scheme, who will eventually come into insurance during widowhood with title to full benefits.

The estimated number of years required to liquidate the initial deficiencies represented by the above aggregate reserve values is as follows:—

	Men.	Women.	Both Sexes.
England	18½	17½	18½
Wales	18½	17½	18½
Scotland	18½	16½	17½
Ireland	18½	19½	19
United Kingdom	18½	17½	18½

In computing these terms of years the figures for the Navy and Army have been included in the figures for England.

It is obvious that whilst providing for the creation of a debt of these dimensions, provision must also be made for its extermination; this is to be accomplished by the retention by the Commissioners out of the weekly contribution of a member of an approved society the sum of 1½*d.* in the case of a man, and 1½*d.* in the case of a woman. It will be remembered that the employed male contributor pays 7*d.*, a woman 6*d.* a week. Now, the rate of contribution necessary to provide the benefits of the Act, with the cost of administration taken at 4*s.* per member per annum, has been estimated to be as follows:—

TABLE E.
CONTRIBUTIONS AT AGE 16 FOR MINIMUM BENEFIT.

Benefit.	Pounds per Annum.		Pence per Week corresponding thereto.	
	Men.	Women.	Men.	Women.
(a) Medical	£ 0·328	£ 0·328	1·51	1·51
(b) Sanatorium	0·070	0·070	0·32	0·32
(c) Sickness	0·519	0·373	2·39	1·74
(d) Disablement	0·170	0·175	0·78	0·81
(e) Maternity	0·143	0·039	0·66	0·17
Total benefits	1·230	0·990	5·66	4·55
Cost of administration	0·200	0·200	0·92	0·92
Total	1·430	1·190	6·58	5·47

But as the State will provide $\frac{2}{3}$ of the benefits and of the cost of administration in the case of a man, and $\frac{1}{2}$ in the case of a woman, the annual cost of the benefits, taking that contribution into account, have been estimated as follows :—

TABLE F.

ANNUAL CONTRIBUTIONS, AT AGE 16, TO PROVIDE SEVEN-NINTHS OF THE BENEFITS AND COST OF ADMINISTRATION IN THE CASE OF MEN AND THREE-FOURTHS IN THE CASE OF WOMEN.

Benefit.	Men.	Women.
	£	£
(a)	0·255	0·246
(b)	0·054	0·053
(c)	0·403	0·283
(d)	0·132	0·131
(e)	0·111	0·029
Total benefits	0·955	0·742
Cost of administration	0·156	0·150
Total	1·111	0·892

It will therefore be seen that the contributions of 7*d.* and 6*d.* respectively per week provide a surplus of about 6 per cent. over and above the cost of benefits. This surplus was originally over 10 per cent., but was somewhat encroached upon during the progress of the Bill through the House.

The proportion of the contributions retained by the Commissioners to defray the debt created, is the same amount as the grant of the Government towards their share of the benefits of the scheme; the Commissioners retain a sum of 1*5*/₈*d.* towards repayment of the reserve, and the State grants $\frac{2}{3}$ of benefits and cost of administration, valued at approximately 7*d.* a week.

It is estimated that 18½ years will be required to defray this debt of £66,600,000 created for the purpose of the uniform rate of contribution: it, therefore, is a self-evident fact that 18½ years must elapse before the benefits really procurable by a premium of 9*d.* can be enjoyed, for during the next 18½ years 1*5*/₈*d.* or 1½*d.* as the case may be, must be used in debt-defraying out of each weekly contribution, instead of being placed in the pool for benefit distribution.

This is the explanation of the oft-repeated accusation that the insurance is being carried through at the expense of the young. That assertion may be true to a point, but this fact must not be overlooked: a boy insuring at 16 to-day is not so immediately concerned with the benefits derivable from the scheme in the next sixteen years, as he is with what his benefits will be from 40 years of age onwards. A glance at the estimated number of weeks' sickness in every year from 16 upwards contained in the Table (Appendix, page 251) will illustrate the point. By the time a boy of 16 to-day reaches the age of 40, the debt will be extinguished and the whole of the weekly contributions will be available for benefit without the prior deduction in respect of this deficit, and some of the additional benefits enumerated on page 99 will undoubtedly be paid.

It is, however, not easy to understand why the repayment of this deficit should not have been spread over, say, eighty years, as was actually suggested in the House of Commons by Mr. L. S. Amery, M.P., and Mr. Goldman, M.P. Unfortunately the amendments containing the proposition were never discussed owing to the operation of the "guillotine," though the point was incidentally raised upon the last day of the Report stage. As matters stand, the deduction of $1\frac{5}{8}d.$ a week represents "the correct actuarial deduction from the contributions of a man of 34 in order to give him on the balance of his contributions the same benefits as if he started insurance at 16." In other words every person coming into the scheme under 34 years of age has to pay the penalty of reduced benefits in order to admit those over 34 at the uniform rate of contribution.

If the redemption period had been extended from the $18\frac{1}{2}$ to a period of 80 years, the cost of making good the deficit would have been spread over the young of several instead of this generation, and would have resulted, it is presumed, in an increased benefit to those now embarking in the scheme who are under 34 years of age. Or, again, the whole of the deficit might have been regarded as an inherent difficulty to be faced in initiating a National Scheme and have been defrayed by the nation at large, instead of by insured persons under 34 years of age. If, however, the eighty years had been adopted as the repayment period, the weekly deduction of $1\frac{5}{8}d.$ could have been reduced to $\frac{5}{8}d.$, and the $1d.$ thus saved could have been expended on additional benefits for this generation, and it must be remembered that the greater the benefits receivable, the greater the Government contribution towards those benefits, which are accordingly automatically increased. A reference to the contribution

of the Government as set forth in the foregoing Table B (page 192) will illustrate the point. In 1913-14 it is estimated at £1,470,200; in 1927-28 it has risen to £5,811,400, after which year it will increase still further; for by 1933 the deficit will only just be extinguished, even if that is the case at that date. In other words, the Government contribution will be about $\frac{1}{2}d.$ in the first year; it will have risen to less than $1\frac{1}{4}d.$ in the second year and at the end of the period of repayment of the deficit it will have approached a sum of about $2\frac{1}{4}d.$ per week for each insured person.

All these remarks apply and are confined to members of approved societies, many of whom have in the past been members of those friendly societies, the majority of which will now become approved societies; the question at once arises, what is to become of the reserves which those societies have accumulated, in respect of those members who are now entitled to join the national scheme at a premium as though they were sixteen; e.g. take the case of a man who 20 years ago joined a friendly society; during the past twenty years he has contributed his weekly premium and been able to accumulate a reserve in respect of his life, say, of £7 10s. What is to happen to that money? To-day he comes into the Insurance scheme at the all-round premium of 7d. a week, and there is credited to his society in respect of him a reserve value (£7 9s.), as though he had accumulated that amount under the National scheme. The answer is—a certain proportion of the sums held by the friendly societies as reserve values are liberated and the societies will accordingly be able to dispose of them, subject, however, to the provisions of s. 72, which are the following. "Every registered friendly society which provides benefits similar to those conferred by this Act is to submit to the Registrar of friendly societies a scheme, adopted by a vote of its members taken in accordance with the rules of the society, for abolishing, reducing or altering such benefits with regard to those of its members, who become insured persons under this Act, and for continuing, altering or reducing the contributions of such members."* The effect of the scheme must not in any way prejudice the solvency of the society. If on an actual valuation the result of the scheme is that any part of the existing funds are liberated and are not required to meet the liabilities of the society, the scheme must provide for the application of the funds so disposable in one or more of the following ways:—

(1) Towards the cost of the provision of other or increased

* Suggestions for a scheme may be obtained from the Registrar of Friendly Societies, 28, Abingdon Street, London.

benefits payable by the society independently of this Act, to existing members whether insured or not.

No scheme is likely to receive the sanction of the Registrar unless an equitable apportionment is made between the members, having some regard to their length of membership, and unless the person who has joined at the eleventh hour, and who can have no just claim upon the accumulated funds, is excluded.

(2) In reduction of the contributions payable by the members in respect of benefits payable by the society independently of this Act, *e.g.* funeral or death benefits.

(3) Towards the payment or repayment of contributions payable under this part of the Act by such of its existing members as are entitled and elect to receive benefits under this part of the Act through the society.*

It will be observed that the section only applies to *registered* friendly societies, upon whom it is compulsory. Trade unions will not in any way be affected by it. Practically the only restriction placed on the disposal of the released funds, is that they shall not be distributed in cash, but in such of the schemes for benefit or for a reduction in the contributions payable as have been mentioned. Soldiers, sailors, and mariners who are members of a registered friendly society, and from whose pay deductions are made in respect of this Act, will be treated in precisely the same way as any other members who become "insured persons."

A branch of a registered society is also within the terms of the section, and a scheme must either be submitted in respect of it, or a society with branches may submit a scheme applicable to all its branches, and a society may provide in the scheme for the application of the funds rendered disposable, toward the discharge of any deficiencies in other branches of the same registered society.

It has been stated that the release of the friendly societies' funds in this way will amount to 20 millions, and that one society alone will benefit to the extent of £3,000,000. This is the price the country will have to pay to the friendly societies for their co-operation in the scheme. If there had been only one fund and one society this would have been unnecessary, but on the understanding on which the Act has been founded, namely, the co-operation with the existing 20,000

* A scheme may also give an option to members who become insured persons either to continue their present contributions and benefits or to pay contributions and receive benefits at a reduced rate, but it may not give such an option only to those members who elect to take the Society as their Approved Society, compelling the other members who become insured persons and do not take that Society as their Approved Society to continue their contributions and benefits as at present. Section 72 does not permit of such discrimination.

societies and branches, with all their variety in age distribution, some such arrangement was unavoidable.

The following Tables have been prepared by the Joint Board of Commissioners showing, in cases in which such provision is necessary, the reserve values which it is necessary to provide in respect of male employed contributors who enter into insurance before the 15th July, 1913, and in respect of male voluntary contributors who, being less than 45 years of age, enter into insurance before the 15th January, 1913.

TABLE G.

Reserve Values for Men.

ENGLAND, SCOTLAND, AND WALES.

Age.	Employed and Voluntary Contributors.	Age.	Employed and Voluntary Contributors.
	£ s. d.		£ s. d.
16 and under 17 . . .	Nil.	31 and under 32 . . .	4 18 0
17 " 18 . . .	0 9 0	32 " 33 . . .	5 3 0
18 " 19 . . .	0 17 6	33 " 34 . . .	5 8 6
19 " 20 . . .	1 6 6	34 " 35 . . .	5 14 0
20 " 21 . . .	1 15 0	35 " 36 . . .	5 19 6
21 " 22 . . .	2 2 0	36 " 37 . . .	6 5 0
22 " 23 . . .	2 9 6	37 " 38 . . .	6 11 0
23 " 24 . . .	2 15 6	38 " 39 . . .	6 16 6
24 " 25 . . .	3 1 0	39 " 40 . . .	7 2 6
25 " 26 . . .	3 6 6	40 " 41 . . .	7 9 0
26 " 27 . . .	3 12 0	41 " 42 . . .	7 15 6
27 " 28 . . .	3 17 6	42 " 43 . . .	8 2 0
28 " 29 . . .	4 2 6	43 " 44 . . .	8 9 0
29 " 30 . . .	4 8 0	44 " 45 . . .	8 16 0
30 " 31 . . .	4 13 0		

Age.	Employed Contributors only.	Age.	Employed Contributors only.
	£ s. d.		£ s. d.
45 and under 46 . . .	9 3 0	55 and under 56 . . .	9 18 6
46 " 47 . . .	9 10 0	56 " 57 . . .	9 18 0
47 " 48 . . .	9 16 6	57 " 58 . . .	9 16 6
48 " 49 . . .	10 3 0	58 " 59 . . .	9 13 0
49 " 50 . . .	10 9 6	59 " 60 . . .	9 7 0
50 " 51 . . .	9 5 0	60 " 61 . . .	8 2 0
51 " 52 . . .	9 9 6	61 " 62 . . .	7 15 6
52 " 53 . . .	9 13 0	62 " 63 . . .	7 5 0
53 " 54 . . .	9 15 6	63 " 64 . . .	6 11 0
54 " 55 . . .	9 17 6	64 " 65 . . .	5 12 6

TABLE H.

Reserve Values for Women.

ENGLAND, SCOTLAND, AND WALES.

Age.	Employed and Voluntary Contributors. Spinsters and Widows.	Employed Contributors. Married Women.	Age.	Employed and Voluntary Contributors. Spinsters and Widows.	Employed Contributors. Married Women.
16 and under 17 .	£ s. d. Nil.	£ s. d. Nil.	31 and under 32 .	£ s. d. 3 19 0	£ s. d. 6 9 0
17 " 18 .	0 5 0	7 12 6	32 " 33 .	4 6 0	6 11 6
18 " 19 .	0 10 0	7 4 6	33 " 34 .	4 13 6	6 14 6
19 " 20 .	0 15 6	6 16 6	34 " 35 .	5 1 0	6 17 6
20 " 21 .	1 0 6	6 10 6	35 " 36 .	5 9 0	7 1 0
21 " 22 .	1 5 0	6 6 0	36 " 37 .	5 17 0	7 4 6
22 " 23 .	1 9 0	6 3 0	37 " 38 .	6 4 6	7 8 6
23 " 24 .	1 13 0	6 1 6	38 " 39 .	6 12 6	7 12 6
24 " 25 .	1 17 6	6 0 6	39 " 40 .	7 0 0	7 17 0
25 " 26 .	2 2 6	6 0 0	40 " 41 .	7 8 0	8 2 0
26 " 27 .	2 7 6	6 0 6	41 " 42 .	7 16 0	8 7 0
27 " 28 .	2 13 0	6 1 6	42 " 43 .	8 3 6	8 13 0
28 " 29 .	2 19 0	6 3 0	43 " 44 .	8 11 0	8 19 0
29 " 30 .	3 5 0	6 4 6	44 " 45 .	8 19 0	9 5 0
30 " 31 .	3 12 0	6 6 6			

Age.	Employed Contributors only.		Age.	Employed Contributors only.	
	Spinsters and Widows.	Married Women.		Spinsters and Widows.	Married Women.
45 and under 46 .	£ s. d. 9 6 6	£ s. d. 9 11 6	55 and under 56 .	£ s. d. 10 15 6	£ s. d. 10 17 0
46 " 47 .	9 13 6	9 18 0	56 " 57 .	10 15 0	10 16 0
47 " 48 .	10 0 6	10 4 6	57 " 58 .	10 12 0	10 13 0
48 " 49 .	10 7 0	10 10 6	58 " 59 .	10 7 6	10 8 0
49 " 50 .	10 12 6	10 16 0	59 " 60 .	10 0 6	10 1 0
50 " 51 .	10 3 6	10 6 0	60 " 61 .	9 7 6	9 8 0
51 " 52 .	10 7 6	10 10 0	61 " 62 .	8 16 6	8 17 0
52 " 53 .	10 11 0	10 13 0	62 " 63 .	8 2 0	8 2 0
53 " 54 .	10 13 6	10 15 0	63 " 64 .	7 3 6	7 3 6
54 " 55 .	10 15 0	10 16 6	64 " 65 .	6 0 0	6 0 0

TABLE J.

Reserve Values for Men.

IRELAND.

Age.	Employed and Voluntary Contributors.	Age.	Employed and Voluntary Contributors.
16 and under 17 . . .	£ s. d. Nil.	31 and under 32 . . .	£ s. d. 4 15 0
17 " 18 . . .	0 9 0	32 " 33 . . .	5 0 0
18 " 19 . . .	0 17 6	33 " 34 . . .	5 5 0
19 " 20 . . .	1 6 6	34 " 35 . . .	5 10 0
20 " 21 . . .	1 15 0	35 " 36 . . .	5 15 0
21 " 22 . . .	2 2 0	36 " 37 . . .	6 0 6
22 " 23 . . .	2 8 6	37 " 38 . . .	6 6 0
23 " 24 . . .	2 14 6	38 " 39 . . .	6 11 6
24 " 25 . . .	3 0 0	39 " 40 . . .	6 17 0
25 " 26 . . .	3 5 6	40 " 41 . . .	7 3 0
26 " 27 . . .	3 10 6	41 " 42 . . .	7 9 0
27 " 28 . . .	3 15 6	42 " 43 . . .	7 15 6
28 " 29 . . .	4 0 6	43 " 44 . . .	8 2 0
29 " 30 . . .	4 5 6	44 " 45 . . .	8 8 6
30 " 31 . . .	4 10 6		

Age.	Employed Contributors only.	Age.	Employed Contributors only.
45 and under 46 . . .	£ s. d. 8 15 0	55 and under 56 . . .	£ s. d. 9 5 6
46 " 47 . . .	9 1 6	56 " 57 . . .	9 4 6
47 " 48 . . .	9 8 0	57 " 58 . . .	9 2 0
48 " 49 . . .	9 14 0	58 " 59 . . .	8 17 6
49 " 50 . . .	9 19 6	59 " 60 . . .	8 11 0
50 " 51 . . .	8 15 0	60 " 61 . . .	7 8 0
51 " 52 . . .	8 19 0	61 " 62 . . .	6 17 6
52 " 53 . . .	9 2 0	62 " 63 . . .	6 6 6
53 " 54 . . .	9 3 6	63 " 64 . . .	5 12 0
54 " 55 . . .	9 5 0	64 " 65 . . .	4 12 6

TABLE K.
Reserve Values for Women.

IRELAND.

Age.	Employed and Voluntary Contributors. Spinsters and Widows.	Employed Contributors. Married Women.	Age.	Employed and Voluntary Contributors. Spinsters and Widows.	Employed Contributors. Married Women.
16 and under 17 .	£ s. d. Nil.	£ s. d. Nil.	31 and under 32 .	£ s. d. 3 16 6	£ s. d. 6 6 0
17 " 18 .	0 5 0	7 11 6	32 " 33 .	4 3 6	6 8 0
18 " 19 .	0 10 0	7 3 6	33 " 34 .	4 10 6	6 10 6
19 " 20 .	0 15 6	6 15 6	34 " 35 .	4 18 0	6 13 6
20 " 21 .	1 0 0	6 9 6	35 " 36 .	5 5 6	6 16 6
21 " 22 .	1 4 0	6 5 0	36 " 37 .	5 13 0	7 0 0
22 " 23 .	1 8 0	6 2 0	37 " 38 .	6 0 0	7 3 6
23 " 24 .	1 12 0	6 0 0	38 " 39 .	6 7 6	7 7 0
24 " 25 .	1 16 6	5 19 0	39 " 40 .	6 15 0	7 11 6
25 " 26 .	2 1 0	5 18 6	40 " 41 .	7 2 6	7 16 0
26 " 27 .	2 6 0	5 18 6	41 " 42 .	7 9 6	8 1 0
27 " 28 .	2 11 6	5 19 6	42 " 43 .	7 17 0	8 6 0
28 " 29 .	2 17 6	6 0 6	43 " 44 .	8 4 0	8 11 6
29 " 30 .	3 3 6	6 2 0	44 " 45 .	8 11 0	8 17 6
30 " 31 .	3 10 0	6 4 0			

Age.	Employed Contributors only.		Age.	Employed Contributors only.	
	Spinsters and Widows.	Married Women.		Spinsters and Widows.	Married Women.
45 and under 46 .	£ s. d. 8 18 0	£ s. d. 9 3 0	55 and under 56 .	£ s. d. 10 1 0	£ s. d. 10 2 0
46 " 47 .	9 4 6	9 9 0	56 " 57 .	9 19 6	10 0 6
47 " 48 .	9 11 0	9 15 0	57 " 58 .	9 16 0	9 16 6
48 " 49 .	9 17 0	10 0 6	58 " 59 .	9 10 6	9 11 0
49 " 50 .	10 2 0	10 5 0	59 " 60 .	9 3 0	9 3 6
50 " 51 .	9 12 6	9 15 0	60 " 61 .	8 9 0	8 9 6
51 " 52 .	9 16 0	9 18 0	61 " 62 .	7 17 6	7 17 6
52 " 53 .	9 18 6	10 0 6	62 " 63 .	7 2 0	7 2 0
53 " 54 .	10 0 6	10 2 0	63 " 64 .	6 2 6	6 2 6
54 " 55 .	10 1 6	10 2 6	64 " 65 .	4 18 0	4 18 0

Investments.

The Commissioners are to ascertain periodically what sums standing in the Insurance Fund to the credit of the societies, and of the Post Office Fund and the Navy and Army Fund, are available for investment, and the amount not required to be handed over to the societies for investment, or to be retained for investment on their account, or for the discharge of liabilities of a society, shall be carried to a separate account to be known as the Investment Account (s. 54).

This shall be invested by the National Debt Commissioners in the manner authorised by s. 54 (3), and the National Debt Commissioners shall present to Parliament every year an account of the securities in which the funds are invested for the time being.

The amounts available for investment fall under two heads :—

(1) The proportion of the Sinking Fund, explained above, which is set up under s. 54 for the purpose of extinguishing the loss occasioned by including persons over the age of 16 at the uniform rate. The first charge on this Sinking Fund will be the interest at 3 per cent. payable to approved societies upon the reserve values created in respect of the older members (s. 55 (2)). The balance can be invested, and four-sevenths in the case of men, one-half in the case of women, may be invested by the societies in proportion to the amounts credited to them of the reserve values remaining unextinguished (s. 56).

It should be explained that the Commissioners are to periodically apportion amongst the several societies the sums so retained and invested in proportion to the amount of reserve values for the time being credited to the several societies, and in this way the deficit created by the crediting of reserve values to the societies is to be extinguished. The reserve values so credited to the societies are, of course, to be written off by the amounts repaid from time to time in this way by the Commissioners (s. 55 (4)).

(2) Any balance in hand at the end of each year, after current expenses have been paid and the Sinking Fund provided for in the manner described in (1), will belong to the societies. Each society will have the right to invest four-sevenths in the case of men, and one-half in the case of women, of its own balance.

Societies have three alternatives with regard to moneys which they may themselves invest :—

1. To invest the money themselves. This will be the ordinary course unless they give notice to the contrary.

2. To leave the money with the Commissioners to invest on their behalf in Government Securities.

3. To leave the money with the Commissioners but to choose their own investments.*

Audit.

The accounts of the National Health Insurance Fund will be audited in such manner as the Treasury may direct.

[Reference should be made to the Reports of the Actuaries (Cd. 5681, 5983) from which the Tables given in this chapter have been extracted.]

* See also footnote, page 117.

§ 2. Cost of Administration.

A matter of supreme importance to approved societies is the question of the amounts which will be available for the administration of benefits. It will be remembered that a certain proportion of the weekly contributions of 7*d.* and 6*d.*, in the case of men and women respectively, was allocated by the Government actuaries to the cost of administration of approved societies and Insurance Committees, and that whatever sums may properly be allowed, of this amount there is the obligation imposed upon the State by s. 3 to contribute two-ninths in the case of a man, and one-quarter in the case of a woman.

In a Circular issued by the Commissioners (England), dated 4th April, 1912, it was stated that, subject to the advice of the Advisory Committee, the Joint Committee of Commissioners proposes that the Regulations should be so drawn as to make available for the expenses of administration a sum equivalent to 11*d.* per member per quarter. This quarterly allowance will be calculated on the mean membership, as shown by the society's books on the first and last day of the quarter; no person to count as having become a member unless he has become an effective contributor, as evidenced by the surrender of a contribution card through the society.

Preliminary Expenses in the formation of an Approved Society.

The Circular letter, to which reference has been made, also states that the preliminary expenses incurred in the formation of a society and the obtaining of approval, in so far as other funds are not available for the purpose, may be charged to the cost of administration.

Accordingly, the allowance of 11*d.* per member will, for the first quarter after the Act comes into operation, be supplemented by an additional sum of 1*s.* in respect of every member who enters into insurance within that period, making a maximum sum available of 1*s.* 11*d.* in all.

The ordinary costs of administration will include all ordinary working expenses—*e.g.* remuneration of officers, printing of rules, expenses of enrolment of members, postage, account and minute books and general incidental expenses, and such expenses can (within the prescribed limit of amount) be charged against the account, whether incurred before or after the 15th July, 1912.

Administration Account of a Society.

The administration account of an approved society is governed by the National Health Insurance (Administrative Expenses) Regulations, 1912, which have been published since the issue of the Circular letter referred to. They provide that a separate account shall be kept, showing the amount expended in every year by the society on the administration of benefits, or paid by the society to an Insurance Committee in respect of the administrative expenses of the Committee (at the rate of 1*d.* per member of the Society).

The amount which may be placed by a society to the administration account out of the contributions of its members is limited by the regulations in this way :—

(a) For the period of 15th of July, 1912, to 12th of January, 1913, the amount is limited to the proceeds of the following calculation :—

(1) Out of each contribution paid during this period by a member of the society who surrenders a stamped contribution card the amount of nine-tenths of a penny ; or, in the case of an insured person, towards the cost of whose benefits a contribution is made by Parliament, seven-ninths of that sum in the case of men and three-fourths in the case of women ; and in addition—

(2) For each member of the society who enters into insurance during the period, and who surrenders to the society a contribution card stamped in respect of any part of the period, the amount of 1*s.* ; or, if the insured person is one, towards the cost of whose benefits a contribution is made out of moneys provided by Parliament, seven-ninths of that sum in the case of men and three-fourths in the case of women.

(b) During any quarter after the 12th of January, 1913 :—

(1) For every member of the society during that quarter the amount of 11*d.* ; or, in the case of a person, towards the cost of whose benefits Parliament contributes seven-ninths of that sum in the case of men and three-fourths in the case of women ;

(2) The foregoing paragraph is not applicable to a voluntary contributor at the special rates applicable to married women, in her case the amount of 8*d.* ; or, in the case of such a member, towards the cost of whose benefits a contribution is made out of moneys provided by Parliament, the amount of 6*d.*

NOTE.—Seamen, marines and soldiers in the naval or military service of the Crown, persons over 70 years of age and women suspended from benefits on account of marriage, are not deemed to be members of the society for the purpose of calculating the amounts which may lawfully be expended on the administration of benefits. It should also be observed that in the first six months' working of the Act a society is allowed up to an amount of 1s. in respect of every person (other than a transfer) who enters into insurance during the period and surrenders a card to the society. On the other hand, the nine-tenths of a penny per contribution, which is also allowed, is strictly limited to the number of contributions paid by a member during the period. For instance, if a member enters insurance during the period and submits a contribution card with only ten contributions stamped thereon, the administration expenses of the society in respect of him will be limited to 1s. 9d. for the half year, whereas, if his card had been stamped twenty times, an amount of 2s. 6d. would be permissible. After the expiration of the first six months the maximum amount allowed per member is 3s. 8d. per annum.

The membership of any class of a society during any quarter is arrived at in the following way: the number of persons of that class who surrender contribution cards to the society at the close of one quarter must be added to the number of those who so surrendered cards at the close of the preceding quarter, and the total must be divided by two. If, therefore, it was desired to ascertain the number of persons of a class for the quarter ending January, 1913, and it was found that 5,050 had surrendered cards in respects of that quarter, and that 6,890 had surrendered cards in respect of the quarter ended October, 1912, 5,970 would be ascertained to be the number in respect of whom 11d. might be charged for administration expenses for the quarter ending January, 1913.

The administration account must show separately the amount expended on administration for the following four classes:—

1. Male insured persons who are British subjects.
2. Female insured persons who are British subjects.
3. Persons between 65 and 70 years of age on the 15th of July, 1912, who are employed within the meaning of the Act.
4. Insured persons who are not British subjects.

In the event of any surplus being shown in the administration account for any one year it is optional to the society either to carry

forward the amount to the following year, or, to expend the amount in providing the benefits conferred by the Act. :

In the event of a deficiency being shown in the account for any one year, unless that deficiency is made good within two months after the end of the year, the Committee of Management shall forthwith order a special levy payable within one month, and shall credit the administration account for the year with the proceeds of the levy. Such a levy will be made on all members of the society other than seamen, marines, soldiers, insured persons over the age of 70 and married women suspended from benefits on account of marriage.

PART II.

§ I. INTRODUCTION.

As Part I. deals with insurance against sickness and disablement, so Part II. contains a scheme of insurance against unemployment. The two evils of sickness and unemployment are in actual life most frequently inseparable, unemployment owing to the lack of necessary sustenance is frequently the forerunner of sickness, and sickness almost invariably results in unemployment. The importance of a provision against either evil cannot be exaggerated, and though as a compulsory measure it may not receive the welcome which it merits, and though a more mature deliberation might have improved the scheme for either class of insurance, yet as the result of the measure the nation should be a healthier and a happier one.

The scheme for insurance against unemployment is confined to about one-seventh of the number comprised in the larger scheme. Its provisions are much less complicated, and therefore the major part of this book has been devoted to a consideration of Part I. of the Act; it is hoped, however, that the following pages will help to elucidate the position with regard to the proposals relating to unemployment insurance.

It is estimated that 2,421,000 workpeople of 18 years and upwards will come within the compulsory section at the outset, and that these men and women will be divided into two groups as follows:—

Engineering, shipbuilding and construction of vehicles	1,100,000
Building and works of construction	1,321,000
	<hr/>
Total	2,421,000

The membership of trade unions in the insured trades at the end of 1909 was 462,288, of whom 350,000 belonged to unions providing unemployment benefits other than travelling pay.

The number of 2,421,000 has been subdivided into classes of insured trades as follows :—

Class of Insured Trade.	Total in Insured Trades.	Building Group.	Engineering Group.
Building Trade	1,248,000	1,248,000.	—
Engineers and Ironfounders	777,000	—	777,000
Shipbuilders	137,000	—	137,000
Mill-sawyers	43,000	23,000	20,000
Coachbuilders	116,000	—	116,000
General Labourers	100,000	50,000	50,000
Total in Insured Trades .	2,421,000	1,321,000	1,100,000

The average rate of unemployment, over the whole of the insured trades, upon which the actuaries have based their estimates, is 8·6 per cent. per annum, equivalent to 26·8 days of unemployment per member per annum.

The income for the fund is raised by contributions from workmen, employers and the State, which are paid into one common fund, from which benefits for all insured trades alike are administered.

It is hoped by Part II. to secure considerably more advantages than merely compulsory insurance against unemployment in certain trades. The provision for administration through the Labour Exchanges may prove a valuable aid in attempting to organise labour generally, and casual labour in particular. Workmen, employers and the State will have a combined interest in diminishing unemployment by “preventing unnecessary idleness with a view to diminishing the burden” of their contributions, or at all events to safeguard against their increase, should the fund prove insufficient to meet the demands placed upon it.

Paragraph 19 deals with voluntary insurance which is applicable to all trades and classes of employees.

§ 2. To what Trades applicable.

Unemployment insurance is confined to workmen employed in certain trades. A workman is defined as “any person of the age of 16 and upwards employed wholly or mainly by way of manual labour who has entered into or works under a contract of service with an employer, whether the contract is expressed or implied, is oral or in

writing," and in relation to a person whilst unemployed means a person who when employed fulfilled the conditions aforesaid, but does not include an indentured apprentice (s. 107 (1)). It will, therefore, be seen that all workmen in the insured trades, whether men or women, over the age of 16 are included, and also an apprentice who is not bound by an indenture of apprenticeship.

A workman is not deemed to be unemployed whilst he is following any remunerative occupation in an insured trade or on his own account—for instance, though not employed in his ordinary insured trade, he might during a period of unemployment have turned his hand, without entering any employment, to some other remunerative occupation: he is not in such case to be entitled to draw his unemployment benefit. It is necessary to have some provision of this nature, otherwise he might work on his own account and yet draw unemployment benefit. It is intended that he should still be entitled to draw the benefit, provided that the proceeds of his temporary occupation do not exceed the amount in any week of his 7s. unemployment benefit.

Further, a workman shall not for the purposes of contributions be deemed to be employed in any period in respect of which he receives no remuneration from his employer, notwithstanding that he continues during such period in his employment. This is designed to provide for a case where a workman remains in his employment when, for instance, he is taking a week's holiday. In this case he still remains in the service of his employer, but as he does no work and receives no remuneration neither employer nor workman will be required to contribute in respect of that period.

The seven trades known as insured trades to which Part II. of the Act is confined are the following:—

1. Building.—The construction, alteration, repair, decoration or demolition of buildings, including the manufacture of any fittings of wood of a kind commonly made in builders' workshops or yards.

2. Construction of works.—The construction, reconstruction or alteration of railroads, docks, harbours, canals, embankments, bridges, piers or other works of construction.

3. Shipbuilding.—The construction, alteration, repair or decoration of ships, boats or other craft by persons not being usually the members of a ship's crew, including the manufacture of any fittings of wood of a kind commonly made in a shipbuilding yard.

4. Mechanical engineering, including the manufacture of ordnance and firearms.

5. Ironfounding, whether included in the foregoing headings or not.

6. Construction of vehicles.—The construction, repair and decoration of vehicles.

This will include the large body of men employed in building of vehicles of all kinds from rolling-stock, motor chassis building to bicycles.

7. Sawmilling, including machine woodwork carried on in connection with any insured trade or of a kind commonly so carried on. (Sixth Schedule.)

The Board of Trade have published lists of occupations which, as at present advised, they consider to be included in the insured trades specified above. The lists, which will be found most convenient both for the purposes of information and reference, are as follows:—

BUILDING.

Asphalters.	Mosaic workers.
Brickcleaners.	Oven builders.
Bricklayers.	Painters.
Cabinet makers.	Paperhangers.
Carpenters.	Parquet layers.
Carvers (brick and stone).	Paviors.
Concretors.	Plasterers (solid and fibrous).
Coppersmiths.	Plumbers.
Cranemen.	Plumbers' mates.
Decorators.	Polishers of all kinds.
Electrical wiremen.	Range setters.
Engine cleaners.	Retort builders.
Engine-men.	Roofers.
Erectors.	Scaffolders.
Excavators.	Sheeters.
Expanded metal workers.	Slaters.
Ferro concretors.	Smiths.
Fitters of all kinds.	Smiths' strikers.
Floor layers.	Steeplejacks.
Gasfitters.	Stokers.
Glaziers.	Stonesawyers.
Housebreakers.	Stove fixers.
Joiners.	Tile fixers.
Labourers (general, or to special trades).	Tilers.
Lathers.	Wallers.
Masons.	Whitewashers.
	Zinc workers.

CONSTRUCTION OF WORKS.

Asphalters.	Moulders.
Bell-men (divers).	Motor men.
Boiler makers.	Navvies.
Borers.	Navy drivers.
Bricklayers.	Paviors.
Carpenters.	Pile drivers.
Cementers.	Pipe jointers.
Concretors.	Pipe layers.
Cranemen.	Pitchers.
Divers.	Platers.
Electrical wiremen.	Platelayers.
Engine cleaners.	Plumbers.
Enginemmen.	Plumbers' mates.
Erectors.	Pump men.
Excavators.	Red leaders.
Founders.	Riveters.
Fitters of all kinds.	Rivet heaters.
Gangers (engaged in manual labour).	Roofers.
Greasers.	Scaffolders.
Hammermen.	Smiths.
Holders up.	Smiths' strikers.
Joiners.	Splicers.
Labourers (general or to special trades).	Staging hands.
Lathe, milling, press and other machinists.	Stokers.
Locomotive drivers.	Timbermen.
Masons.	Turners.
	Waller.
	Well sinkers.
	Wheelmen.

SHIPBUILDING.

Bar straighteners.	Core-makers.
Bladers (rotors and turbines).	Coppersmiths.
Boat and barge builders.	Crane drivers.
Boiler makers.	Deck and floor layers.
Brass dressers.	Divers.
Brass finishers.	Drillers.
Brass founders.	Electrical wiremen.
Cabinet-makers.	Engine cleaners.
Caulkers.	Engine drivers.
Cementers.	Erectors.

SHIPBUILDING—*continued.*

Fetlers or chippers.	Pattern makers.
Firemen.	Platers.
Fitters.	Platers' helpers.
Flangers.	Red leaders.
Forgers.	Riggers.
Frame benders.	Riveters.
French polishers.	Rivet heaters.
Furnacemen.	Scalers.
Grinders.	Scrapers.
Hammermen.	Shipwrights (iron or wood).
Holders up or holders on.	Ship joiners.
Hole-cutters.	Ship painters.
Labourers (general; or to special trades).	Ship plumbers.
Lathe, milling, press and other machinists.	Sheet metal workers.
Loftsmen.	Smiths of all kinds.
Mast makers.	Smiths' strikers.
Moulders.	Stokers.
Painters.	Tinsmiths.
	Tool makers.
	Turners.

ENGINEERING.

A.—*Mechanical Engineering.*

Bar straighteners.	Electrical winders.
Bladers (rotors and turbines).	Engine cleaners.
Boiler makers.	Enginemens.
Brass fitters and finishers.	Erectors.
Brass founders.	Fetlers.
Braziers.	Fire and furnace men.
Card makers.	Finishers.
Caulkers.	Fitters.
Comb makers.	Flangers.
Commutator builders.	Forgers.
Coppersmiths.	Founders.
Core builders.	Frame makers.
Core makers.	Glazers.
Cranemen.	Grinders.
Cupolamen.	Guagers.
Die makers.	Hackle and gill makers.
Dressers.	Hammermen.
Drillers.	Holders up.
Electrical wiremen.	Joiners.

ENGINEERING—*continued.*

Labourers (general and to special trades).	Slingers and riggers.
Lathe, milling, press and others machinists.	Smiths of all kinds.
Metal polishers.	Smiths' strikers.
Millwrights.	Spindle and flyer makers.
Moulders.	Stampers.
Pattern makers.	Stokers.
Platers.	Tapers.
Rivet heaters.	Template makers.
Riveters.	Tinsmiths.
Sheet metal workers.	Tool makers.
	Tool setters.
	Turners of all kinds.

B.—*Firearms and Ordnance.*

In addition to any of the classes included in "A.—Mechanical Engineering" the manufacture of firearms and ordnance would appear to include the following special classes of workmen :—

Action makers.	Chequerers.	Finishers.
Barrel makers.	Lock filers.	
Bluers.	Sight makers.	
Breech makers.	Stockers.	
Browners.	Varnishers.	

IRONFOUNDING.

Buffers.	Metal carriers.
Casters.	Moulders of all kinds.
Chippers.	Nobblers.
Cleaners up.	Oven firemen.
Core makers.	Oven packers.
Core stovemen.	Pattern makers.
Cranemen.	Polishers.
Crucible workers.	Pig breakers.
Cupolamen.	Riddlers.
Dressers of all kinds.	Sand blasters.
Enginemmen.	Sand mixers.
Fetlers.	Sand rollers.
Filers.	Scalemen.
Fitters-up.	Skimmers.
Glazers.	Stackers.
Grinders.	Stovemen.
Labourers (foundry and general).	Trimmers.
Ladle-men.	Wheelers.

CONSTRUCTION OF VEHICLES.

Body finishers.	Lathe, milling, press and other machinists.
Body fitters.	Liners.
Body makers.	Markers-off.
Brass finishers.	Moulders, all kinds
Braziers.	Painters.
Carpenters.	Pattern makers.
Carriage makers.	Plumbers.
Case hardeners.	Plumbers' mates.
Coach trimmers.	Polishers.
Coppersmiths.	Rivetters.
Core makers.	Rivet heaters.
Cycle builders.	Rubbers-down.
Dressers.	Sand blowers.
Enamellers.	Sheet metal workers.
Engine cleaners.	Smiths.
Enginemmen.	Smiths' strikers.
Erectors.	Stokers.
Examiners.	Template makers.
Filers. Finishers.	Tinsmiths.
Fire and furnace men.	Tool makers.
Fitters. Flatters.	Trimmers and budget makers.
French polishers.	Turners.
Gasfitters.	Upholsterers.
Gilders.	Vice hands.
Glaziers.	Wheelbuilders.
Grainers.	Wheel truers.
Hammermen.	Wheelwrights.
Joiners.	Writers.
Labourers (general and to special trades).	

SAWMILLING.

This sub-section would appear to include the following classes of workmen when engaged on work in connection with any other insured trade, or of a kind commonly so carried on :—

Backers-up.	Measurers.
Dressers-off.	Minders.
Feeders.	Sandpaperers.
Joiners.	Sawyers of all kinds.
Labourers (general or to special trades).	Saw sharpeners.
Machinists of all kinds.	Tool makers.
	Turners of all kinds

Section 107 (2) provides that in determining whether any trade in which a workman is or has been employed is an insured trade, regard shall be had to the nature of the work in which the workman is engaged rather than to the business of the employer by whom he is employed.

An instance given by the Board of Trade is that of a bricklayer, employed as a bricklayer by a gas company, who would be an insured worker, although the manufacture of gas is not an insured trade; on the other hand, a cook would not be insured, even though he was being employed by a builder or contractor.

Where during any period a workman has been employed by one employer partly in an insured trade and partly not in an insured trade, and contributions have by arrangement been paid, those contributions shall be deemed to have been duly paid in respect of employment in an insured trade.

Any person employed in trades other than the above will, at the commencement of the Act, be excluded; there is, however, contained in s. 103 a very important provision. The Board of Trade may, if it seem to them desirable and the Treasury consent, by special order (see page 244) extend the unemployment section of the Act to workmen engaged in trades other than those above specified. The special order may make such modifications in the rates of contribution and in the rates or periods of benefit as may seem expedient. No such order shall, however, be promulgated (1) if the person holding the enquiry reports that the order should not be made; (2) if the order would in the opinion of the Treasury increase the contribution by Parliament to the unemployed fund to a sum exceeding £1,000,000 a year before the expiration of three years from the making of the order. As matters now stand, the contribution from the Treasury is estimated to amount to about £750,000 per annum, so that the maximum operation of the section will be limited to an expenditure on the part of the State of a quarter of a million.

In the case of an order being made extending the provisions of the Act to trades now excluded, the rates of contribution to be applied to those trades shall not exceed the rate of contribution now imposed (viz., employer $2\frac{1}{2}d.$ per week, workman $2\frac{1}{2}d.$), and must be imposed equally, as in the case now, between employers and workmen.

Exclusion of certain Occupations by the Board of Trade.

We have seen that the Board of Trade have power under certain conditions to extend the provisions of the Act to other trades; they

have also a corresponding power given them by s. 104 of excluding by special order from the occupations which are deemed to be employment in an insured trade—

(a) Any occupation which appears to them to be common to insured and uninsured trades alike, and ancillary only to the purposes of an insured trade ; or

(b) Any occupation which appears to be an occupation in a business which, though concerned with the making of parts or the preparation of materials for use in connection with an insured trade, is mainly carried on as a separate business, or in connection with trades other than insured trades.

The Board have under consideration the making of special orders in respect of certain classes of workmen, who might otherwise be liable to compulsory insurance against unemployment, *e.g.* : carmen, galvanisers, upholsterers employed in connection with the decoration and equipment of buildings or ships, boats and other craft.

Representations as to these classes, and as to any others that should be dealt with by special orders, should be made to the Board of Trade, Whitehall, S.W.

Occasional Employment in Rural Areas.

An exception to the rule that every workman in an insured trade must contribute under the Act, is made in the case of a person who is employed in a district which is rural in character, but who usually follows some occupation other than that of an insured trade, and who is only occasionally employed in an insured trade. A man, for instance, might for a few weeks in the year become employed in building, but whose regular occupation was that of a fisherman, or an agricultural labourer ; it would be a hardship that he should have to contribute for the few weeks he might be employed in the building trade. Section 97 accordingly provides that such person shall be exempt, except in cases where both the employer and the workman agree that contributions shall be paid, notwithstanding this provision. This will relieve from the obligation to be members of the Fund, those workmen who in rural districts are not as a rule employed in an insured trade at all.

This provision can only apply in a district which is rural in character. It will readily be understood that this expression is not easy of application ; it does not necessarily follow that a "rural district," to use an expression common to local government, will fulfil the requirement, for there are many areas in rural districts of which it could not be said they were rural in character. Probably

those responsible for the section had in view some such possibility as the making of a railway through an agricultural district, where labour would frequently be recruited for the time being from the local farm hands; in such cases, as their incursion into the insured trade would be only of a temporary nature, they are relieved from the necessity of contributing towards a fund with which they are likely to have no permanent connection.

Doubtless many disputes will arise on the interpretation of the expression, which can all be speedily decided by a reference to the umpire, either by the employer or workmen in accordance with s. 91 (1) (b) of the Act.

§ 3. Contributions.

The sums required to provide the funds out of which the benefits are to be paid, are to be derived from employers, workmen, and from money provided by Parliament. The rate of such contribution is as follows :—

From every workmen employed in an insured trade for every week he is so employed	$2\frac{1}{2}d.$
From every employer by whom one or more workmen are employed in an insured trade, in respect of each workman, for every week he is so employed	$2\frac{1}{2}d.$
A contribution by Parliament equal to one-third of the total contributions received from employers and workmen during each year, equivalent for every 5 <i>d.</i> contributed by the employer and workman, to a sum of	$1\frac{2}{3}d.$

The above is the uniform rate from employers and workmen when the latter are above the age of 18.

In the case of a workman under 18 years of age, the contribution will be as follows :—

Employer, per week	$1d.$
Workman „ „	$1d.$

In such cases, except as regards benefit payable before a workman is 18, for the purpose of reckoning the number of contributions, the penny shall be treated as two-fifths of a contribution.

A period of employment for less than a week is to be treated as if it were employment for a whole week, except in the case of

employment for two days or less; in such cases, if the period does not exceed one day, the contribution will be :—

Employer	1 <i>d.</i>
Workman	1 <i>d.</i>

If the employment exceeds one but does not exceed two days, the contribution will be :—

Employer	2 <i>d.</i>
Workman	2 <i>d.</i>

If the period exceeds two days in any week, the full contribution of $2\frac{1}{2}$ *d.* will have to be paid by employer and workman alike (Eighth Schedule).

The Act will apply to the employer and to every workman in an insured trade in the United Kingdom.

An employer is not entitled to deduct from the wages of, or to recover by any legal process from, the workman the contributions payable by the employer himself; that is to say, the employer shall not deduct from the wages he pays anything more than the workmen's contribution. That is as far as any Act of Parliament can possibly stipulate, but as to what eventually the effect of the compulsory levy will be upon wages, time alone can show. The matter must be regulated by the strength of the forces on one side and the other, and by economic and industrial considerations. No Act of Parliament could protect the interest of the worker more than has been done in this case, but as to who will eventually pay the levy, or whether it will remain equally divided between both parties, will ultimately depend on which side is the stronger and which has the better argument. No Act of Parliament can prevent employers from dismissing their men and offering to re-engage them at a lower wage by $2\frac{1}{2}$ *d.* a week; neither can an Act of Parliament prevent workers from withdrawing and withholding their labour unless their wages are increased by a weekly sum of $2\frac{1}{2}$ *d.*

The Board of Trade have made regulations for the collection of contributions; this will be done in a manner similar to that described in dealing with Part I. of the Act. Books or cards are to be provided, and the employer will each week stamp the workman's card or book with a 5*d.* stamp representing their joint contribution.

No contributions are required to be made during any period of unemployment.

The regulations on the matter are known as the Unemployment Insurance Regulations, 6th of May, 1912. They provide that every

workman in an insured trade shall obtain an employment book. That every employer on engaging a workman in an insured trade shall obtain the book from the workman and shall be responsible for its custody so long as the employment continues, or till the book is returned to the workman or delivered to the labour exchanges in accordance with the Regulations. A workman has the right to inspect his book, but is not entitled to do this more than once in any one month, and only at the time fixed by the employer for the purpose.

On the termination of the employment the book shall be returned to the workman, and no note or mark of any kind shall be made in it, except what is necessary for cancelling the stamps. If the workman is unemployed he must deliver the book to the local labour exchange, where it will remain till he again obtains employment in an insured trade. If a workman dies the employer must at once deliver it to the local exchange, or local office appointed for the purpose. Seven days is allowed, after the expiration of the time for which a book is current, for the employer or workman to return it to the local office.

§ 4. Stamping of Books.

In a manner similar to that prescribed under Part I. of the Act, the employer must stamp the book prior to the payment of wages, but where the employer employs any workmen regularly, he may deposit with the Board of Trade a sum equal to the estimate of the amount of the contributions payable by him during a period of three months or such less period as may be agreed, both on his own behalf and on behalf of those workmen. In such case the necessity for stamping the books weekly no longer exists, and the employer shall be deemed to have duly affixed the necessary stamps to the books of the workmen at the several dates on which he would have been bound to affix them, if no such deposit had been made.

§ 5. Periodical Revision of Contributions.

If at any time after the expiration of seven years from the commencement of the Act (therefore not before the 15th of July, 1919), it appears to the Board of Trade that the unemployment fund is either insufficient or more than sufficient to discharge the liabilities of the Act, or if it appears that the rates of contribution are either excessive or deficient, as regards any particular trade or any branch of a particular trade, the following procedure may be adopted:—

The Board may, with the sanction of the Treasury, by special order revise the rate of contribution, or may prescribe different rates for different insured trades or branches of insured trades; but no order shall increase the rate per workman by more than 1*d.* a week, *i.e.* no order shall increase the levy to more than 3½*d.* a week, payable alike by the workman and employer, neither shall such order vary the rates unequally as between the employer and the workman, *i.e.* if the workman's contribution is increased by ½*d.* to 3*d.*, that of the employer must be increased by a like amount, or if the employer's contribution is decreased to 2*d.* a similar reduction must be made in that of the workman.

When once such a revision has been made, no further revision shall take place for another period of seven years. It will be remembered that the whole system of unemployment insurance is in an experimental stage, and the Act accordingly provides for a revision of the rates of contribution at the end of seven years, when the result of those years' working is able to be ascertained.

In some trades the contribution may be excessive, in some deficient; it is therefore proposed to have a septennial readjustment, if necessary, of the contributions payable rather than of the benefits receivable,—for whatever the trade, the needs of an unemployed man will remain the same. With regard to a possible increase in the levy, the meaning of the section is, that it can only once be increased by 1*d.*, and that there is no possibility, when it has once been made 3½*d.*, of a further levy of another 1*d.* at the end of a further seven years. As is explained when dealing with these special orders, no alteration can be made in the rates without Parliament having an opportunity of expressing its views and, if necessary, taking such action as will practically amount to a repeal of the special order (s. 102).

§ 6. Failure to pay Contributions.

It is constituted an offence under the Act (s. 101 (2)) for an employer or workman to fail to pay contributions which he is liable to pay, and for each offence he is liable to a fine not exceeding £10 on summary conviction, and is also liable to pay to the unemployment fund a sum equal to three times the amount which he has refused or neglected to pay (not exceeding £5).* This sum when paid is to be treated as a payment in satisfaction of the contributions which he has so neglected or refused to pay.

* Under Part II. there is a liability imposed upon the workman to contribute; this is not the case in reference to Part I. of the Act.

Any employer or workman or any other person who refuses or neglects to comply with any of the requirements of this part of the Act, or the regulations made in accordance with the Act, shall be liable on summary conviction to a fine not exceeding £10.

No proceedings of any sort under this section can be taken without the consent of the Board of Trade—and may be commenced at any time within three months of the date on which the offence comes to the knowledge of the Board of Trade.

No hardship can be inflicted by the section, for if either employers or workmen are in any doubt as to whether contributions should be paid in their case, s. 91 (1) (b) provides that they shall be given an opportunity of obtaining a decision of the umpire (see page 223) upon the matter. The foregoing applies to criminal proceedings being taken, but the Board of Trade are not prevented from recovering all sums due to the Unemployment Fund by civil proceedings as a debt due to the Crown. Further, if it is found that any person has been in receipt of unemployment benefit whilst the statutory conditions (see page 228) were not fulfilled, or whilst he was disqualified, he shall be liable to repay to the Unemployed Fund any such sums he may have received as a debt due to the Crown. In any proceedings either under this section or involving any question as to the payment of contributions under this part of the Act, the decision of the umpire appointed, on any question arising, shall be conclusive for the purpose of those proceedings, or if a decision of the umpire has not been obtained, or a decision is necessary for the determination of the proceedings, the question shall be referred to the umpire, for the purpose of obtaining such a decision.

The Board of Trade have issued Regulations, dated the 26th of March, 1912, relating to Decisions by the Umpire. They provide, *inter alia*, if any workman or employer desires to obtain a decision of the umpire as to whether contributions are payable, or if the Board of Trade desire such a decision, the workman, the employer, or the Board may make an application for the purpose by sending to the umpire an application in the prescribed form.

If the umpire on the consideration of any application is of opinion that the application is frivolous, or raises a question which does not admit of any reasonable doubt, he shall give his decision forthwith; but, if such is not the case he shall give public notice of the nature of the application and the date on or after which he proposes to give his decision. Prior to that date the umpire shall take into consideration any representation which may in the meantime have been made to him in writing, by, or on behalf of, any workman or employer appearing to be interested, or of the Board of

Trade, and the umpire may, in any case in which he thinks it desirable, require the attendance of any person before him to give oral information on the subject of any application. The umpire must give notice of his decision to the applicant and to the Board of Trade, and the Board shall publish the decision in such manner as they may think fit.

Copies of the prescribed forms of application to the Umpire for a decision can be obtained at any labour exchange or at the Board of Trade, Central Office for Unemployment Insurance, Queen Anne's Chambers, Westminster. The office of the Umpire is at 47, Victoria Street, Westminster, S.W.*

§ 7. Refund of Contributions to Employer.

(a) *In the case of workmen continuously employed* (s. 94).

(b) *In respect of workmen working short time* (s. 96).

The Act contains two specific provisions relating to a refund of contributions to an employer of workmen in an insured trade, viz., in the case of workmen continuously employed and in the case of workmen working short time.

(a) The Board of Trade shall, on the application of any employer, made within one month after the 14th July in any year, refund to him a sum equal to one-third of the contributions paid by him on his own behalf (*i.e.* exclusive of the workman's contribution) during that period in respect of any workman who has been continuously in his service through the period, and in respect of whom not less than 45 contributions have been paid during that period.

The provision is made as an inducement to employers to keep their workmen constantly engaged, and consequently to prevent their becoming a charge on the fund.

The rebate allowed in respect of each workman (exclusive of any contributions refunded to the employer under any other provisions of the Act) will amount to one-third of the employers' contributions during the year. As the contribution in respect of each workman means an annual sum of 10s. 10d., a refund of one-third will amount to 3s. 7½d. per workman a year. The two conditions under which the refund will be made should be noticed, both of which must be fulfilled.

(i) The workman must have been *continuously in his service*. There must have been no break in the service, though there might

* Notice of decisions of the Umpire in relation to numerous occupations have already appeared in the Board of Trade Journal.

have been in the employment, *e.g.* if a workman in consequence of accident was unable to work for a month, but remained in his employer's service, though no wages were paid during that period and no contribution accordingly either was paid or deducted, the condition would be fulfilled. But that would not be the case if the workman were dismissed on 1st July, after having worked since 1st January, and was re-engaged on 1st August till the expiration of the year, as the service would not in this instance have been continuous.

(ii) Not less than 45 contributions must have been paid in respect of him during the year.

If for instance the workman, owing to an accident, was away from work for seven weeks, the conditions would apply, but as only 45 contributions would be paid the rebate would only amount to 3s. 1½d. If, however, though still in the employer's service he was away ten weeks owing to the accident, condition (ii) would be unfulfilled, and the refund would not be claimable.

(b) If an employer satisfies the Board of Trade that during any period of depression in his business, workmen employed by him have been systematically working short time, and that during such period he has paid contributions on behalf of such workmen as well as on his own account, without recovering in any way such contributions from the workmen either by deductions from their wages or otherwise, there shall be repaid to him out of the employment fund the contributions so paid by him (including those paid on behalf of the workmen as well as those paid on his own behalf) for the period or such part thereof as in the circumstances may seem just to the Board of Trade.

No such refund shall, however, be made where the hours of work in any week have exceeded five-sixths of the number usually recognised as a full week's work at that trade in the district in respect of work performed concerning which a refund is claimed: this will not, however, apply where the working of short time has been effected by stopping work for some day in the week (*e.g.* Saturday), which has been usually recognised as a working day of at least four hours in the trade and district.

These conditions will only apply in a period of depression in the particular business in which the men are employed. Like the expression, "a district rural in character," that of a "period of depression in business" will prove difficult of interpretation. Apparently it is intended to cover the case of depression in a particular employer's business or trade for whatever reason, rather than a depression in an industry as a whole: an instance which would come

within the terms of the section would be, cotton mills in a particular district working short time on the ground that raw material was not being delivered. It is intended to give the advantage to employers who adopt the plan of working short time in times of depression, instead of dismissing some men and keeping the rest on full time. The short time must, however, be worked systematically, that is to say an employer will not be at liberty to take some men in some particular part of a factory, and work them short time, and others of exactly the same class, and work them full time, in such a case a refund would not be claimable in respect of those on short time. The section does not refer to *all* workmen employed by an employer, but to workmen working at a particular form of work, and in the latter case must apply to all such workmen.

With regard to the time to be worked, there must have been so great a reduction from the normal hours of work, as to amount to a sixth of the working week: that is to say unless the men have been stopped a sixth of the normal hours a week, the benefit of the section cannot be claimed: the exception to this rule being where a day's work is dropped and that day has been recognised of at least a four hours working day. If this exception were not made, and a Saturday's work was dropped in each week, the proviso would not apply.

The whole section is inoperative unless the employer can satisfy the Board of Trade that in his business there is existing a period of exceptional depression; in such case he would communicate with the Board of Trade to ascertain what his position would be in the matter (s. 96 (2)).

No employment benefit is payable in respect of the first week's unemployment, consequently no benefit will be payable in respect of the day missed owing to the workmen being on short time, therefore when the section is in operation no benefit will be chargeable against the fund, neither will any claims in respect of such workmen have to be discharged therefrom.

An employer desiring to obtain a refund under this section must make application to the Board on the prescribed form, which provides for answers to the following questions:—

- (a) Estimated number of workmen whom it is proposed to put on short time.
- (b) Probable period and date of commencement of short time.
- (c) Usual hours worked each day when on full time.
- (d) Proposed method of reducing hours of work, and number of hours proposed to be worked when on short time.
- (e) Nature and cause of depression in business.

§ 8. Refund of Contributions to Workmen.

Where it is shown to the satisfaction of the Board of Trade by any workman, or if such workman is deceased by his personal representatives, that the workman has paid contributions in respect of 500 weeks or upwards, and that he has reached the age of 60, or before his death had reached the age of 60, the workman or his representatives shall be entitled to be repaid the amount, if any, by which the total amount of his contributions have exceeded the total amount received by him out of the fund, together with compound interest at $2\frac{1}{2}$ per cent. per annum (s. 95).

This section cannot come into operation for at least ten years, for no workman is entitled to the benefit of it, unless and until, given certain other conditions, he has paid in at least 500 contributions.

It will, further, only apply to those who, having paid 500 contributions into the fund, have reached or exceeded the age of 60 years, and have not drawn out from the fund the full contribution which they have given from their own wage.

A man who has drawn out $7d.$ in respect of each $2\frac{1}{2}d.$ he has paid in will have nothing to be refunded; it is only when he has not drawn out as many $2\frac{1}{2}d.$'s as there are $7d.$'s to his credit that he will be entitled to receive any return under the section. Take the case of a man in constant employment, who reaches the age of 60 having paid regularly into the fund for twenty years; out of those twenty years he has only been unemployed twenty weeks. He will, therefore, have contributed to the fund $2\frac{1}{2}d. \times 52 \times 20 = \text{£}10\ 16s. 8d.$ less the twenty weeks he was unemployed ($4s. 2d.$) = $\text{£}10\ 12s. 6d.$ For the twenty weeks he was unemployed he drew unemployment benefit amounting to $7s.$ a week for nineteen weeks = $\text{£}6\ 13s.$ He would, therefore, be entitled to a refund of $\text{£}3\ 19s. 6d.$, with compound interest at $2\frac{1}{2}$ per cent. per annum.

Provision has also been made in the Act to meet the case of a man who, after such repayment, becomes entitled to unemployment benefit. In such case, he is to be treated as having paid, in respect of the period for which the repayment has been made, the number of full contributions which is most nearly equal to five-eighths of the number of contributions actually paid during that period. Presumably, in most cases where the repayment is claimed, a man will not intend, and will not in fact resume his occupation. In some cases, however, he may. In such cases the contributions will continue to be paid by the workman, by the employer and by the State; and in case he claims and is allowed unemployment benefit, in so far as he has not withdrawn his full credit from the fund, he is to be treated as if no

repayment had taken place. When the repayment was made, no account was taken of the contributions paid either by his employer or by the State on his behalf. He has received back his own $2\frac{1}{2}d.$; there will still remain in the fund in respect of him the $2\frac{1}{2}d.$ of his employer and the $1\frac{2}{3}d.$ of the State; he has withdrawn three-eighths of the whole, leaving in the fund five-eighths of the contributions made by or in respect of him, and it will be by this five-eighths, and not by the total contributions, that his benefit will be reckoned, having regard to the rule that no workman shall receive more unemployment benefit than in the proportion of one week's benefit for every five contributions paid into the fund; in the example quoted above, therefore, where 1,020 weekly contributions have been paid, as the workman has had a refund of three-eighths of the contributions, the total number of weeks' contributions upon which future benefits are to be calculated will be five-eighths of 1020. He will, therefore, be entitled to benefit not in respect of 1020, but in respect of 637 weeks (s. 95).

§ 9. Contributions of Reservists and Territorials.

Where a workman in an insured trade temporarily leaves that occupation for training as a member of the Naval Reserves, the Army Reserve or the Territorial Force, he shall, for the purposes of this part of the Act, be deemed to remain employed and shall be treated, whilst employed by the Crown, as though he were employed in an insured trade by a private individual. He will continue to pay his weekly contribution of $2\frac{1}{2}d.$, and a like sum will be paid on his behalf by the Crown.

The section (s. 98) has been inserted in the Act in order to allow an employee to continue as in the service of an insured trade although whilst he is in training, he is not actually working at an insured trade. The section prevents any break with his ordinary employment, so far as contributions are concerned (s. 98).

§ 10. Unemployment Benefit.

Section 84 enacts that every workman, who having been employed in an insured trade, and in whose case the statutory conditions are fulfilled, shall be entitled to receive benefit payments at weekly or other prescribed intervals so long as those statutory conditions continue to be fulfilled, and so long as he is not disqualified under the Act for the receipt of unemployment benefit.

No unemployment benefit is to be paid before the 15th January,

1913; neither will any benefit be paid in respect of unemployment before that date; this in order to give the fund an opportunity of accumulating balances before the provisions as to benefits come into operation. In many trade unions a period of 12 months must elapse before benefits begin to accrue, after the payment of contributions is commenced.

The statutory conditions which must be fulfilled before benefits can be received are the following:—

A workman must prove (s. 86):—

(1.) That he has been employed as a workman in an insured trade during each of not less than 26 separate calendar weeks in the preceding five years.

We have seen that with regard to men working in an insured trade at the commencement of the Act, in their case no benefit will be paid for six months; similarly in the case of a workman who joins an insured trade subsequently to the passing of the Act, there must be employment for 26 weeks in that or some other insured trade before he will be entitled to benefit from the fund. In the case of intermittent labour between an insured and an uninsured trade, a person must have been employed at least 26 weeks in an insured trade before he can make a withdrawal from the fund, but he will be entitled to calculate back for a period of five years in order to prove his employment for the stipulated number of weeks.

(2.) That he has made application for unemployment benefit in the prescribed manner (*e.g.*, by presenting his book or card at the Labour Exchange), and proves that since the date of the application he has been continuously unemployed. The details of this particular condition depend to a large extent on the regulations issued by the Board of Trade on the matter; he will be compelled to present himself daily in the majority of cases at the Exchange during working hours to show that he remains unemployed.

(3.) That he is capable of work but unable to obtain suitable employment.

A man in sickness would, therefore, be unable to draw unemployment benefit, but being an insured person within the meaning of Part I. of the Act, and being through sickness incapable of work, he would be entitled to sickness benefit; it is therefore clear that sickness and unemployment benefit cannot be paid at one and the same time, for in the one case a man must be "capable" and in the other "incapable" of work.

(4.) That he has not exhausted his right to unemployment benefit.

No workman shall receive benefit for more than 15 or such other

number of weeks as may be prescribed in any period of 12 months, neither shall he be entitled to receive more than the proportion of one week's benefit for every five contributions paid by him into the fund.

A workman shall not, however, be disqualified from receiving benefit because he has declined—

(a) An offer of employment in a situation vacant owing to a stoppage of work due to a trade dispute.

We have seen one of the Statutory conditions is that a man who is entitled to benefit must be capable of work and *unable to obtain suitable employment*.

If, therefore, a man on applying for benefit at a Labour Exchange is offered suitable employment, he must accept that offer of work or renounce his claim to the benefit. The whole position will rest on the meaning of the word "suitable," and in determining whether the position offered is, in relation to the workman applying, a "suitable" one or not.

The first dictum on the question is the above. A man is not compelled to accept employment when that employment is vacant owing to a trade dispute.

It will be noticed that the offer of employment need not be confined to the district in which a man has been working, so that presumably a man who became unemployed in Manchester and was offered suitable employment in Sheffield would have to accept that employment, or forfeit his claim to benefit; and that the term trade dispute is a very wide one and would cover the case of either a strike or a lock-out. It is defined by the Act as follows:—

The expression "trade dispute" means any dispute between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment, or the terms of employment, or with the conditions of labour, of any persons, whether workmen in the employment of the employer with whom the dispute arises or not.

(b) An offer of employment in the district where he was last ordinarily employed, at a rate of wages lower, or on conditions less favourable, than those which he habitually obtained in his usual employment in that district, or would have obtained had he continued to be so employed.

With regard to this offer of employment which a workman would be justified in declining as unsuitable, the following points call for special comment.

(i.) This applies to the district in which he was last employed, he can accordingly decline a lower wage in that district than what

he has usually obtained, or what he would have obtained had he remained employed in the district. The deciding rate of wages must be that which he has "usually" obtained; if, therefore, a man had been doing a temporary job at a high rate of wages he would not be allowed to stand out for this high rate but only for his usual wage.

(ii) The conditions must be not less favourable. Many points have to be considered besides the actual wages paid—*e.g.*, hours of work and conditions of labour.

(iii) A workman is entitled to stand out for what he would have obtained, had he continued to be so employed.

The workman is to be placed in the same position when he receives employment, as he was in, before he left his last employment. If, therefore, in the interval between being out of work, and receiving employment there has been a rise of wages, it is clear that if he was receiving the ordinary wage before, he is entitled to assume he will receive the increased rate which has come into force whilst he has been out of work, and he would be entitled to refuse an offer of work at a less wage than the increased amount.

The intention of the section (s. 86) is undoubtedly excellent, but many disputes will arise as to the interpretation of it, and the insurances officers will have cases placed before them not easy of decision; for instance, the case of a man getting on in years, who is unemployed for some short time and then has an offer of employment made to him at a lower wage than what he has been earning, but at a rate commensurate with his physical abilities; or the reverse, of a young workman gradually rising to full efficiency, who may claim if he had continued to be employed that by the date when employment is offered to him he would have risen to a higher rate of wages.

(*c*) An offer of work in any other district at a rate of wages lower or on conditions less favourable than those generally observed in such district by agreement between associations of employers and of workmen, or, failing any such agreement, than those generally recognised in such districts by good employers.

In this case, the offer of work relates to some district other than the one in which the workman has been employed, and if he declines the offer because the rate of wages is lower than that which he has been earning, his refusal would not be justified unless the rate offered were lower than that prevalent in the district in which he is offered work. As between paragraphs *b* and *c*, the point of view is changed from the individual rate (*i.e.* what he was accustomed to earn in his own district) to the collective rate (*i.e.* the rate current in the district). The object those responsible for the section have

had in view, seems to have been to avoid any interference as far as possible with the standard rate of wages; but no very great consideration is needed to appreciate the point that considerable hardship *might* be inflicted on a workman under this sub-section, if as a general rule, failing an offer of work in his own district a workman must either accept an offer of work in some other district (subject only to that work being at the standard rate, and under the conditions prevailing in that district), unless he can prove to the Insurance Officer it is "unsuitable" or otherwise must relinquish his claim on the fund.

Rate of Unemployment Benefit. (Seventh Schedule.)

The first week's unemployment will not entitle any workman to benefit, subject to that restriction the rate for each week will be 7s. for all insured trades alike, until such other rates are prescribed either generally or for any particular trade or branch of a trade.

Workmen under 17 years of age.

No benefit payable.

Workmen between 17 and 18 years of age.

Benefit per week 3s. 6d.

Workmen over 18 years of age.

Benefit per week 7s.

No workman shall receive unemployment benefit for more than fifteen weeks, or such other number of weeks as may hereafter be prescribed within any period of twelve months. The twelve months will be reckoned from the date when a workman made his first application for benefit; for instance, if a man was thrown out of work on January 1 and drew fifteen weeks' benefit, which would carry him into the month of April, he would have to wait until January and not until April of the subsequent year, before he would again be entitled to benefit.

No workman shall receive more unemployment benefit than in the proportion of one week's benefit for every five contributions paid by such workman; a man, therefore, who has contributed regularly every week for two years would be able to draw out of the fund twenty weeks' benefit in respect of those two years, subject to the rule that in any twelve months he may not receive more than fifteen weeks' benefit; this rule is subject to the two following stipulations:—

(a) In the case of a workman, who can satisfy the Board of Trade

that he is over the age of 21 years and has "habitually" worked at an insured trade prior to the commencement of the Act, there shall be deemed to be added to the number of contributions which he has actually paid, five contributions for each period of three months or part of such period during which he has so worked before the passing of the Act, subject to a maximum addition of twenty-five contributions.

Thus if a workman could satisfy the Board of Trade that he was over 21 and that prior to the Act he had worked in an insured trade for one year, there would be added to his contributions in respect of that period a number of twenty. Supposing he remains employed and contributes for a period of eight months after the passing of the Act and pays thirty-two contributions. In the ordinary course he would only be entitled to draw six weeks' benefit if he became unemployed at the end of the eight months; but with the twenty contributions added, his total is increased from thirty-two to fifty-two, and he would be entitled to draw not six but ten weeks' benefit.

(b) Where contributions are paid at greater intervals than one week, owing, for instance, to wages being paid, e.g. monthly, a workman is entitled to treat each contribution as so many contributions as there are weeks, in the intervening period before the next contribution is paid.

Any time during which a workman is disqualified for receiving benefit shall be excluded in the computation of periods of unemployment, that is to say, in any calculation in respect of what period benefit is to be payable, no account shall be taken of any period during which benefit might have been paid, if a workman had not been disqualified from some cause or another.

§ 11. Determination of Claims for Benefit.

On a workman becoming unemployed, he must present his claim for benefit. From the date of that application the period of unemployment is deemed to commence (*vide* Seventh Schedule). The ordinary procedure will be for him to take his insurance book duly stamped to the nearest Labour Exchange, lodge it and claim benefit. The decision as to how much benefit, if any, he will be entitled to, will rest with an officer to be known as the Insurance Officer. Such officers are appointed by the Board of Trade. They will decide in the first instance whether the statutory con-

ditions are fulfilled, or whether for any reason the workman is disqualified for benefit (s. 88 (1)).

The Regulations on the matter provide that where a workman desires to obtain unemployment benefit, or to obtain any payment from an association of workmen with which an arrangement has been made under s. 105 of the Act, he shall make application in the official form, he shall lodge his unemployment book at a local office, and, if required, produce to the Board his insurance book under Part I. of the Act, or furnish such other evidence as the Board may require that he is not in receipt of sickness or disablement benefit under that part of the Act.

Notice that the book has been lodged at the local office shall, if possible, be given by the Board to the person stated to be the workman's last employer. If the workman desires to obtain payment from an association under s. 105, the local office shall deliver to him a receipt for his unemployment book, in order that he may obtain from the association any payment due to him.

A workman desiring to obtain benefit must attend at the office where his book is lodged every working day, between certain prescribed hours, and shall sign a register kept for that purpose.

The following are exceptions to this rule:—

(1) A workman residing more than three, but not more than five miles from the local office nearest or most convenient to his place of residence, need only attend on alternate days, and on each attendance may sign the register for the preceding day as well as for the actual day of attendance.

(2) A workman residing more than five miles from the nearest office shall attend at such longer interval or furnish such other evidence of being unemployed as the Board of Trade may direct.

(3) A workman may for any special cause approved by the Board be excused from attendance and signing the register on any day on which he would have been liable to attend.

Attendance and signing of the register will not be conclusive evidence of unemployment, and the Board may require a workman to furnish additional evidence.

Unemployment benefit will be paid at the local office at which a workman deposits his book, and the amount paid on any occasion shall be the amount of unemployment benefit due up to and including the day next but one preceding the day on which the payment is made.

In cases under s. 105, where an association such as a trade union pays the unemployment benefit to its own members and receives a corresponding grant from the Central Fund, those members

will not need, in the case of becoming unemployed, to apply to the Insurance Officer, but will apply in the ordinary way to their own trade union.

In the cases previously referred to, where a workman applies and a decision is given by an Insurance Officer, that decision is not necessarily final; for in any case where the benefit is refused or is stopped, or where the amount allowed is not in accordance with the claim, the workman may require the officer to report the matter to a Court of Referees, and that Court after a consideration of the facts, shall make such recommendation thereon as may seem to it proper. If the decision of the Insurance Officer and that of the Court of Referees coincide, there will be no further appeal possible. But if they do not so coincide and the officer disagrees with the decision of the Court of Referees, he may refer the matter in dispute to the Umpire for a decision, which shall be final and binding on all parties.

Reference has been made to a Court of Referees and to an Umpire, and an explanation of the position of each should be made.

Section 90 provides that panels of persons chosen to represent employers and workmen respectively shall be constituted by the Board of Trade for such districts, and such trades or groups of trades as they think fit; the constitution of the Court will provide for an equal number of representatives from employers and from the workmen, and over such body will be a chairman appointed by the Board of Trade.

The Regulations constituting Courts of Referees provide—

(1) The number of members of the panel shall be such as the Board think fit.

(2) The members representing the employers in the trades or group of trades in the district shall be appointed by the Board.

(3) Members representing the workmen shall be elected by those workmen. The election shall be by ballot, and shall be conducted by the Board, and in the case of the election of any panel subsequent to the first one, no workman shall be entitled to vote unless he has paid at least thirty contributions under the Act.

(4) The term of office of a panel shall in the case of first panels be not less than one year or more than three, and shall, in the case of subsequent panels, be three years. A court of referees will consist of the chairman of the court, appointed by the Board and of one person drawn from the employers' panel and one from the workmen's. Each member of a panel shall as far as possible be summoned to serve in turn from a rota prepared in advance. The chairman will

be a person who is neither an employer nor a workman in the trade represented on the panels from which the other members of the court are drawn.

The Board of Trade may pay such remuneration to the chairman and other members of the Court, and travelling and other allowances (including compensation for loss of time) to persons required to attend the Court, and such other expenses in connection with any referees as the Board of Trade may with the approval of the Treasury determine (s. 90 (5)).

With regard to the Umpire, he may be appointed by His Majesty as distinct from other officials, and the position will be one of supreme importance in connection with the administration of this part of the Act. He will be a paid official with such salary as the Treasury may determine (s. 89 (1)).

There will be one Umpire (with a deputy) for the United Kingdom, for it is of pre-eminent importance that in all parts of the country there should be uniformity of decisions and uniformity of treatment amongst the working classes upon the many difficult points which will arise.

We have seen that if, on presenting a claim for benefit, an Insurance Officer thinks the claim should be disallowed, the workman has the right of appeal to a Court of Referees, and that, if that Court confirms the decision of the officer, the matter is concluded; but that, if that Court give a decision at variance with the officer, he can appeal to the Umpire, and the decision so obtained is final and conclusive. In matters such as the payment of benefit whilst a man is out of work, delay is the last thing which should occur. So far as an appeal to a Court of Referees is concerned, a decision will speedily be arrived at, and no benefit will be paid until that decision has been ascertained. With regard to an appeal to the Umpire, this is likely to be a more lengthy proceeding. As in this case the Court of Referees will have decided in the workman's favour, it has been thought only equitable that he should receive his benefit in the interval. If the decision, when given, is in his favour, all will be well; but if it should be against him, the payments he has received will of course be taken into account in the ordinary way.

There is yet one alternative method of procedure (s. 88 (1) (b)). An Insurance Officer, in any case where he considers it expedient, instead of determining the case himself, may refer the matter or question direct to the Court of Referees: in such case the decision they give shall be final, and there shall be no appeal.

Should any new facts be brought to the knowledge of an Insurance Officer, a Court of Referees or the Umpire, they shall be

at liberty to revise the recommendation or decision they have previously given, and the revised decision shall be substituted for the one previously given; there seems to be no provision to prevent an Insurance Officer from appealing to the Umpire against such a revised decision of the Court of Referees, in precisely the same way as he is at liberty to do in respect of any original decision they may arrive at; similarly, a workman may appeal to a Court of Referees in respect of a revised decision of the Insurance Officer.

§ 12. Disqualifications for Benefit.

A workman will be disqualified from receiving unemployment benefit:—

(1) If he has lost employment owing to a stoppage of work which is due to a trade dispute where he was employed: in such case he will be disqualified whilst and so long as the stoppage of work continues.

The principle underlying this disqualification is that no workman shall receive benefit if he falls out of employment owing to a strike or a lock-out, or the like. The Unemployment Fund must support neither one side nor the other in industrial warfare, and the test to be applied will be, is there a trade dispute at the place where the workman has been employed: if the answer is "yes," the workman will be debarred from drawing benefit, but not if the strike is a sympathetic one.

A "trade dispute" is defined by the Trades Disputes Act, 1906 (6 Edw. 7, cap. 47), and by this Act as being "any dispute between an employer and workman or between workman and workman which is in connection with the employment or non-employment, or terms of employment or conditions of labour of any such person." It will therefore be seen that persons engaged in what the Solicitor-General aptly described in the House as an "original" strike will be disqualified for benefit, and the disqualification will also apply to those who lose their employment owing to a sympathetic strike, even though there may not be an actual dispute at the place at which such persons are employed.

The section is not easy of interpretation, but it is believed the foregoing contains the construction which will be placed upon it.

This disqualification will not apply to a man who having lost his work through a trade dispute, obtains employment similar to that he was in (query, in an insured trade) from which he again subsequently

becomes unemployed ; in such case he will be able to draw benefit. But the second phase of employment must be *bonâ fide*, and not factitiously obtained for the purpose of becoming entitled to benefit through the means of that temporary work.

(2) If he has lost his employment through misconduct, or has voluntarily left his employment without just cause, no benefit will be paid for a period of six weeks from the date when he so lost the employment.

(3) If he becomes an inmate of a prison, workhouse or other institution supported wholly or partly out of public funds, or whilst he is resident temporarily or permanently outside the United Kingdom, he will during such period as he is maintained in such institution or during such period as he is resident outside the United Kingdom be disqualified from receiving benefit.

(4) If he is in receipt of any sickness or disablement benefit or allowance under Part I. (s. 87).

§ 13. Provisions as to Workmen of Defective Knowledge.

It will be remembered that by s. 86 (3) one of the statutory conditions necessary to obtaining unemployment benefit is that "the workman is capable of work and unable to obtain suitable employment."

The case of a workman, who owing to defective skill or knowledge is unable to obtain or retain a position, has had to be provided for in the Act, otherwise such a man would be continually applying for benefit. Section 100 provides that if it appears to an Insurance Officer that an insured workman is unable to obtain or retain employment owing wholly or partly to defects in skill or knowledge, he may offer to arrange for the attendance of the workman at a suitable institution for technical instruction, either as a test in the first instance or for instruction, and may out of the fund pay all or any of the expenses incidental to such attendance. While a man is under such supervision or test he will receive his benefit in the ordinary way.

If the workman fails or refuses either to avail himself of the offer or to produce satisfactory evidence of his competence, or as a result of the test if the Insurance Officer reports that the skill or knowledge of the workman is defective, and there is no reasonable prospect of such defects being remedied, these facts shall be taken into consideration in determining what is suitable employment for such workman. In such case the workman might be compelled to take employment

in a less remunerative occupation, or forego his claim to benefit. If the Insurance Officer decides to take this course, the workman will have a right to appeal under s. 88 to a Court of Referees.

If in any case the Insurance Officer as a result of the test of the workman's knowledge being made, reports that there is a reasonable prospect of the defects being remedied by technical instruction, he may, subject to the Board of Trade, pay out of the unemployment fund the expenses, or a portion thereof, of the instruction if he is of opinion that the charge on the fund by that course is likely to be diminished.

§ 14. Provisions as to Workmen engaged through a Labour Exchange.

Any employer, liable to pay contributions under Part II. of the Act, may make an arrangement with the Board of Trade for all his duties in connection with this part of the Act, in respect of those workmen engaged through a Labour Exchange, or in respect of those workmen already in his employ, to be undertaken by the Labour Exchange: in such cases he may be relieved of all the trouble of keeping and stamping the necessary cards. A further advantage will also be extended to him, in that he may treat all the successive periods of the same or different workmen, engaged through the Labour Exchange, as a single continuous period of employment of one workman. In other words, he may pay according to the amount of labour he has actually obtained through the Exchange, even though the employment has been discontinuous and though he has not always had the same workman (s. 99 (1)). The object of the section is to decasualise labour. Under the Act the cheapest method open to an employer is to keep a man regularly employed for a year and at the end of the period the rebate, provided by s. 94, of one-third will be refunded. The next most economical manner will be to obtain labour through the Labour Exchange, *e.g.*, if an employer engages a labourer at the dock gates and keeps him employed on Monday and Tuesday in any week, and on Thursday engages another for two days, he will have to pay in respect of each 2*d.* (Schedule 8), an amount of 4*d.* in the week; whereas if he had engaged his labour through the exchange his contribution of 4*d.* would be reduced to one of 2½*d.* The intention of the section appears to be that this part of the Act should be used as a lever to make it of financial advantage to an employer to obtain his casual labour through an exchange. The Board of Trade will then be placed more closely in touch with all casual labour than has really

been the case hitherto, and will be afforded an opportunity of organising persons engaged in that labour in accordance with local demands and circumstances. The section contains a further provision, that where one or more employers come to an arrangement with the Board of Trade, all periods of employment during which a workman, engaged through an exchange, is engaged by one or more such employers may, on the application of the workman, be treated for the continuous period of employment under one employer, and the regulations on the subject may provide for the refund of part of his contributions accordingly.

Labour Exchanges are administered by the Board of Trade under the Labour Exchange Act, 1909.

Every arrangement made by the Board with an employer under this section shall provide that the employer must deposit with the Board a sum sufficient to cover the estimated amount of contributions payable by himself and the workmen during a period of three months or such less period as may be agreed upon between the employer and the Board. Every workman shall have the same right of inspecting his book whilst it is in the custody of a labour exchange under this section, as he would have had if the book had been in the custody of his employer.

§ 15. Arrangements with Associations of Workmen in Insured Trades.

The Act provides (s. 105) for arrangements being made by the Board of Trade with any association of workmen (the rules of which provide for payment to its members during periods of unemployment) which will enable the members to draw unemployment benefit not through the Labour Exchanges, but through the Association. Trade Unions and similar associations have been formed for the purpose of, as far as possible, reducing unemployment amongst their members to a minimum. They have therefore been chosen as "efficient instruments" for administering Part II. of the Act. But the Act is not limited to those trade unions existing before the Act came into force, which have rules to provide for the distribution of unemployment benefit amongst their members; a trade union which does not now pay this benefit will be at liberty to so amend its rules that it would become entitled to make an arrangement under the section. It is obvious, however, that in this matter some check must be instituted, and this has been effected in the following way:

there will be repaid to an association out of the Unemployment Fund, as nearly as possible the equivalent to the aggregate amount which such workmen would have received in benefit, if no such arrangement had been made, but in no case shall the sum exceed three-fourths of the amount of benefit paid by the association to such workmen whilst unemployed. In other words, contributions will be credited to the Unemployment Fund, and out of that fund will be repaid 5s. 3d. in respect of every 7s. paid by an association to its members in an insured trade: presumably, however, the benefit will exceed this figure, and the provision will amount to this—for every 7s. benefit receivable from the fund, the association must make a grant in addition of 2s. 4d., or 9s. 4d. in all, in respect of every 7s. received. Where such an arrangement has been made, and a workman becomes unemployed, he will go, whether a trade unionist or not, to the Labour Exchange, and will receive a voucher that his book has been lodged and that he is out of employment. That voucher the trade unionist will take to his union, who will deal with him as one of their ordinary unemployment class, and subsequently will make a claim upon the fund for three-fourths of the benefit paid, if the facts substantiate the claim. The Labour Exchange will retain his book, and he will be unable to obtain employment without producing his book to be stamped in the ordinary course. This will act as some prevention against a man drawing benefit whilst he is working in an insured trade, and further notice will have to be given to his employer of the fact that he has come on the fund, so that the reason for his leaving employment may be on record.

The council or governing body of an association making such an arrangement with the Board of Trade, may treat the contributions due from its members to the Unemployed Fund as part of the ordinary subscriptions payable by those members to the association, and may reduce their subscriptions accordingly.

The Board of Trade have made regulations for giving effect to this section (s. 105), and for referring to the Umpire any question which may arise under the section.

Every application by an association of workmen shall be made in the prescribed form and shall be accompanied by a copy of the rules of the association.

It shall be a condition of every arrangement made, that the association—

- (1) Shall have a system, satisfactory to the Board, of notifying to their unemployed members opportunities for employment; and
- (2) Shall, to enable the Board to determine the sum to be repaid, allow the Board to inspect any books of account, vouchers and

other documents relating to the payments of benefits in respect of unemployment.

When any member of the association lodges his book at a local office in order to claim benefit, the Board shall send to the association a notice stating the amount of benefit which, in the opinion of the Board, he is entitled to receive, or if, in the opinion of the Board, he is not entitled to receive benefit under the Act, a notice shall be sent to that effect.

The first repayment by the Board to an association shall be on such date as may be specified in the arrangement, and subsequent repayments shall be made at intervals of three months or at such longer intervals as may be specified.

In addition to repayments under s. 105, an association will be entitled to partake of the subsidy for voluntary insurance provided for in s. 106.

The association must be substantially an association of workmen, though it may consist partly of persons other than workmen.

§ 16. The Unemployment Fund.

All contributions whether payable by a workman, by his employer or by Parliament are to be paid into a fund to be known as the Unemployment Fund, and out of this all claims for benefit and for other payments under the Act are to be defrayed. The accounts of the fund are to be subject to an audit in such manner as the Treasury may direct (s. 92). There will be one fund for all trades and all branches of trades concerned, but Mr. Buxton informed Parliament that it was the intention to keep separate accounts as between the various trades so as to obtain the information which will be required for the septennial valuation, when there will be an opportunity of considering as between the several trades the possibility of varying the rates of contribution.

Any moneys forming part of the fund may be paid over to the National Debt Commissioners by the Board of Trade, who will have the management and control of the fund, for investment in accordance with regulations made by the Treasury in any securities which are authorised by Parliament as investments for savings banks moneys. The National Debt Commissioners must present to Parliament each year an account of the securities in which such moneys are for the time being invested.

§ 17. Powers of the Board of Trade.

The Board of Trade are entrusted with the administration of Part II. of the Act. For this purpose (s. 89) an umpire may be appointed, and such number of insurance officers as the Treasury may sanction, also such other officers, inspectors and servants at such salaries or remuneration as the Board may, with the sanction of the Treasury, determine. Towards the expenditure on such salaries a sum not exceeding one-tenth of the receipts paid into the fund, apart from any advances made by the Treasury, may be appropriated in the aid of money provided by Parliament, for the purpose of such salaries and expenses. The Treasury are to determine what the exact sum to be treated in this manner shall be, subject to the restriction to one-tenth of the total receipts. Any expenses incurred by the Board of Trade in carrying unemployment insurance into effect shall be defrayed out of moneys provided by Parliament, to such an amount as may be sanctioned by the Treasury.

The following powers are conferred upon the Board of Trade by the Act.

1. To arrange for the appointment of Courts of Referees and to elect a Chairman for each Court so appointed (s. 90).

To make regulations in the following matters:—

(a) For determining the method of the payment and the collection of contributions (85 (5)).

(b) For permitting workmen who are employed under the same employer partly in an insured trade and partly not in an insured trade to be treated with the consent of the employer as if they were wholly employed in an insured trade. (For other regulations, *vide* s. 91 in the Appendix.)

3. To control and manage the unemployment fund (s. 92).

4. To make temporary modifications in the rates of contributions or in the rates or periods of benefit to secure the solvency of the Unemployment Fund, if any advance from the Treasury is outstanding, when the Treasury so direct (s. 93).

5. Under certain conditions to make a refund of part of contributions paid by employers in respect of workmen continuously employed (s. 94).

6. To determine when repayment shall be made to workmen of 60 years of age and upwards, and whether they fulfil the specified conditions (s. 95).

7. Under certain conditions and in accordance with regulations made by the Board to make a refund of contributions paid in respect of workmen working short time (s. 96).

8. To prescribe conditions under which arrangements may be made in respect of workmen engaged through labour exchanges (s. 99).

9. To give directions as to payment out of the fund in respect of the instruction of a workman of defective skill or knowledge (s. 100).

10. To consent, if it seems to them desirable, before any proceedings can be taken under this part of the Act (s. 101 (3)).

11. To recover by means of civil proceedings any sums due to the fund (s. 101 (4)).

12. To periodically revise, if it seems to the Board expedient, the rates of contribution under the Act (s. 102).

13. To extend the provisions of the Act by special order with the consent of the Treasury to trades other than those contained in the Sixth Schedule (s. 103).

14. To exclude by special order if they consider it desirable subsidiary occupations in an insured trade (s. 104).

15. To make arrangements with associations of workmen in insured trades as to the payment of benefit to such workmen through their associations and to make regulations for giving effect thereto (s. 105).

16. To make arrangements with associations as to voluntary insurance (s. 106).

It would appear that the powers of the Board of Trade may be divided into four classes :—

(1) To make regulations—which are not subject to a special review by the Houses of Parliament, *e.g.* regulations under s. 85 (5) for the payment and collection of contributions.

(2) To make regulations such as those enumerated above and contained in s. 91, which must be laid before each House of Parliament, as soon as may be after they are made. Either House shall have the power within the first forty days, during which the House has sat, subsequent to the regulations being laid before them, of annulling such regulations, which shall thenceforth become void, but without prejudice to the validity of anything previously done thereunder, or to the making of any new regulation.

(3) To make an order, *e.g.* modifying the rates of contribution or the rates or periods of benefit under s. 93 (2).

(4) To make regulations in certain specific cases, in the form of a special order ; this procedure is dealt with more fully in the next Chapter.

§ 18. Special Orders.

The Board of Trade can make regulations only by means of a special order in the following cases.

(1) When they deem it expedient, on a septennial revision, to revise the rate of contribution, either for a particular trade or a particular branch thereof (s. 102).

(2) When they desire to extend the provisions of the Act to trades other than those specified in the Sixth Schedule (s. 103).

(3) When they consider it desirable to exclude from the occupations which are deemed to be employment in an insured trade, those occupations defined in s. 104.

The procedure to be adopted in the making of a special order is that contained in ss. 80 and 81 of the Factory and Workshop Act, 1901, as adopted in the Ninth Schedule to this Act. Before any such special order comes into force, it shall be laid before each House of Parliament, for a period of not less than thirty days during which such House is sitting, and if during that period either House presents an address to His Majesty against the order, or any part thereof, no further proceedings shall be taken thereon, without prejudice to the making of any new order.

Reference should be made to one distinction in which a special order in case 2 quoted above appears to differ from the other two occasions, which require a special order to enforce them; in the case of an extension of the Act to trades other than those at present incorporated in the scheme, if the person holding the preliminary inquiry reports that the order should not be made, or if the order in the opinion of the Treasury would increase the contribution of moneys to be provided by Parliament to the extent specified and explained on page 216, the matter will be at an end for the time being, and no order must be issued as the result of that particular inquiry.

The Ninth Schedule specifies at some length the procedure to be adopted by the Board of Trade before the issue of a special order. That procedure contains provisions with regard to public notice of the proposal, the making of objections to the draft order, and the holding of a public inquiry, when any objector or person affected shall have an opportunity of stating his case.

§ 19. Repayments to Associations who make Payments to their Members when Unemployed.

Thus far we have dealt with Part II. of the Act in relation to compulsory insurance. Important provisions are, however, contained as an encouragement to voluntary insurance apart from those persons employed in an insured trade.

It is provided by s. 106 that if an association not trading for profit grants unemployment benefit, to the allowance which they make shall be added a contribution by the State. It is accordingly proposed that the Board of Trade may with the consent of the Treasury repay out of moneys provided by Parliament,* to any such association in respect of unemployment benefit paid to workmen whether insured or not under this Act, such part not exceeding one-sixth of the aggregate amount so spent in the preceding year. Any payment out of the fund made in accordance with s. 105 and described on page 239 shall not be excluded from the account, and no benefit paid in excess of 12s. a week shall be taken into the calculation.

An example may illustrate the point: an association not trading for profit pays 12s. a week benefit to A., a workman in an insured trade, and to B., a workman not in an insured trade. Under the section there might be repaid to the association in respect of A. first of all a sum of 7s. by way of refund in accordance with s. 105. This would leave a balance of 5s., of which sum a further grant might be made by the State not exceeding $\frac{1}{6}$ th = 10d., or 7s. 10d. in all, or a State grant in all of 2s. 7d. (1s. 9d. being the contribution of the State to the 7s. benefit + 10d. being one-sixth of 5s., the special grant under this section).

With regard to B., as he is not a workman in an insured trade, there would be no grant under s. 106, but under this section there would be paid a sum not exceeding $\frac{1}{6}$ th = 2s. If the benefit exceeded the 12s. the grant would still remain stationary at 2s.

It is estimated that the cost to the State of this special grant in the first year will be £60,000, rising subsequently to about £80,000.

It will be noticed the wording of the section is exceedingly wide; "association of persons" would, for instance, apparently include an association of clerks, and an association which does not now give unemployment benefit with the prospect of this additional bonus may make arrangements to provide this benefit, and in this way voluntary insurance will receive a great impetus.

* This is in no way a deduction from the Unemployment Fund.

No payment is to be made under this section in respect of any period before the expiration of six months from the commencement of the Act, therefore not in respect of any period before the 15th January, 1913.

An association which intends to claim under this section must give notice to the Board of Trade in the prescribed form. Every notice must be accompanied by a copy of the rules of the association, and a statement of the system adopted for—

(a) Requiring their unemployed members to furnish members of the fact that they are unemployed, either by signing a register or otherwise; and

(b) Notifying to their unemployed members opportunities for employment. No repayment will be made to any association unless they have a system, which in the opinion of the Board is reasonably effective for this purpose.

No repayment shall be made to any association—

(a) In respect of payments made other than in respect of unemployment;

(b) In respect of payments made to a member engaged in a trade dispute, or while sick or superannuated, or whilst temporarily suspended from employment disciplinary reasons;

(c) In respect of payments made for providing a member with tools, or enabling him to travel to or in search of a situation.

§ 20. Offences.

Apart from the offences described in § 4, a person is liable under s. 101 (1) on summary conviction to imprisonment for a term not exceeding three months, with or without hard labour, who for the purpose of obtaining any benefit or payment or avoiding any payment under this part of the Act, either for himself or any other person, knowingly makes a false statement or false representation. If imprisonment without the option of a fine is imposed, there is an appeal to Quarter Sessions.

§ 21. Financial.

For a detailed exposition upon the financial position in relation to Part II. of the Act, reference should be made to the Report by Mr. T. G. Ackland presented to the House of Commons and dated 16 May, 1911.

From the Report it would appear that the average cost of benefit under the Act in the group of building trades is 23s. and in the engineering trades is 16s. 10d., and over the combined groups of

trades is 20s. 2d. From this sum must be deducted the saving effected by the non-payment of benefits during the first week's unemployment, and there must be added the cost of the refund to workmen 60 years of age and upwards under s. 95, thereby reducing the average cost of benefit under the Act to 18s. 3d. per annum per insured workman.

On the contribution side of the account, the total contribution of employer ($2\frac{1}{2}d.$), of workman ($2\frac{1}{2}d.$) and of the State, $\frac{1}{3}$ is equivalent to a total weekly contribution of $6\frac{2}{3}d.$ From this sum must be deducted 10 per cent. for the cost of administration, leaving a net contribution of 6d.

The average period of unemployment per annum is calculated to be 26·8 days. Taking into consideration periods for sickness, holidays, short time and the like, it is estimated that contributions will on the average be paid over forty-four weeks per annum. A sum of 6d. weekly, therefore over forty-four weeks will produce a net annual income of £1 2s. Taking the number of contributions at forty-four weeks, the employer's and workman's joint contribution will amount to 18s. 4d.; from this sum must be deducted an allowance in the case of compounding, etc., reducing the joint contribution from 18s. 4d. to 16s. 8d., and the State's $\frac{1}{3}$ from 6s. $1\frac{1}{3}d.$ to 5s. $6\frac{2}{3}d.$ Thus the average contributions per insured member received respectively from the workman, the employer and the State, and the net contribution available for benefit will be:—

		<i>s.</i>	<i>d.</i>
Workman	per annum	9	2
Employer	„	7	6
The State	„	5	$6\frac{2}{3}$
		<hr/>	
		22	$2\frac{2}{3}$
Expenses of administration		2	$2\frac{2}{3}$
		<hr/>	
Average contribution available for benefit		20	0
		<hr/>	

Taking the average cost of benefit per annum at 18s. 3d., and the average annual contribution available for benefit at £1, a surplus is shown of 1s. 9d. per member per annum or £211,837 10s. in respect of the number of workmen estimated to become insured under Part II. of the Act. It will be seen, therefore, that there is every prospect of the fund having an available balance to meet a period of ordinary depression of trade; but it must be borne in mind that capital reserves will not be accumulated in a manner similar to the

financial position under Part I. and that though the balance will, it is estimated, be sufficient to meet the ordinary charges upon the fund, yet a period of acute and prolonged depression might, owing to an increase in claims for benefit, and a decrease in contributions, tax the resources of the fund to a point when the Treasury would have to be approached to preserve the solvency of the fund. Provision is accordingly made by s. 93 for such an eventuality. By that section, the Treasury is empowered to advance out of the Consolidated Fund on the security of the Unemployment Fund any sums required for discharging the liabilities of the fund up to a sum not exceeding £3,000,000, which is equal to about one and a half year's contributions from employers and employed.

The section further provides, that whilst any part of such advance is outstanding, if it appears to the Treasury that the fund is insolvent, the Board of Trade shall, if the Treasury so direct, by order, make such temporary modifications in any of the rates of contribution or periods of benefit, and for such period as the Treasury may consider necessary, to secure the solvency of the fund; but no such order shall reduce the benefit below 5s. a week, or shall increase the rates of contribution from employers or workmen by more than 1d. per workman per week, *i.e.* 3½d. from the employer and 3½d. from the workman, or shall increase the rates unequally as between employers and workmen, s. 93 (2). After all the advances and interest have been repaid, no such order shall remain in force for more than three months.

This section provides for the case of emergency. Section 102, which has already been discussed, provides for a miscalculation in the estimates upon which this part of the Act has been based, and under each section power is taken to increase the contribution from the employer and from the workman by 1d. in each case, making a contribution of 4½d. from each source, which with the State's one-third added, gives a possible though improbable total contribution of 6½d. + 5½d. = 1s. The section should not be misunderstood; it does not of necessity follow that because an advance is made, that sub-section (2) will operate; this will only be the case when the Treasury are of opinion that the fund is insolvent, and when to remedy that state of affairs they direct that the rate of contributions or the rate or period of benefit shall be temporarily modified.

APPENDIX A.

Estimate of the total number of persons liable to compulsory contribution at the initiation of Part I. of the scheme, either as members of approved societies, or as "deposit contributors," young persons under 16 years of age being omitted :—

	Members of Approved Societies.	Deposit Insurers.
Men	8,579,000	638,000
Women	3,628,000	244,000
Both Sexes	12,207,000	882,000

NOTE.—It is estimated the 12,207,000 will
 in 1917-18 have reached 13,606,000 and
 in 1922-23 " " 14,767,000 and
 in 1927-28 " " 15,898,000 and
 in 1932-33 " " 16,999,000.

The number of 12,207,000 is divided thus—

England	9,464,000
Wales	577,000
Scotland	1,395,000
Ireland	771,000

Voluntary contributors.

Estimate of number of persons eligible to become voluntary contributors at the initiation of the scheme :—

Men	1,578,000
Women	542,000
Both sexes	2,120,000

NOTE.—It is estimated the number of voluntary members who will be members of approved societies will be as follows :—

Year.	Both Sexes.
1912-13	829,000
1917-18	818,000
1922-23	795,000
1927-28	765,000
1932-33	730,000

The number 829,000 is divided thus—

Year.	Both Sexes.
England	518,000
Wales	31,000
Scotland	67,000
Ireland	213,000

APPENDIX B.

ESTIMATE OF THE TOTAL NUMBER OF PERSONS ABOVE THE AGE OF SIXTEEN WHO ARE ESTIMATED TO COME WITHIN PART I. OF THE SCHEME.

	Members of Approved Societies.		Deposit Contributors.	Total.
	Compulsory.	Voluntary.		
Men	8,579,000	625,000	638,000	9,842,000
Women—				
Spinsters and Widows	3,080,000	204,000	191,000	3,475,000
Married	548,000	—	53,000	601,000
Total Women	3,628,000	204,000	244,000	4,076,000
Both Sexes	12,227,000	829,000	882,000	13,918,000

APPENDIX C.

TABLE SHOWING ESTIMATED NUMBER OF WEEKS' SICKNESS PER CONTRIBUTOR PER ANNUM.

Age.	Temporary Sickness.		Per- manent Sickness.	All Periods of Sickness.	Age.	Temporary Sickness.		Per- manent Sickness.	All Periods of Sickness.
	First 13 Weeks.	Second 13 Weeks.				After First 26 Weeks.	First 13 Weeks.		
16	0·930	0·054	0·021	1·005	43	0·899	0·182	0·568	1·649
17	0·899	0·057	0·024	0·980	44	0·918	0·191	0·609	1·718
18	0·855	0·063	0·034	0·952					
19	0·807	0·069	0·048	0·924	45	0·938	0·200	0·656	1·794
					46	0·960	0·210	0·709	1·879
20	0·763	0·075	0·063	0·901	47	0·985	0·222	0·772	1·979
21	0·729	0·081	0·079	0·889	48	1·012	0·237	0·847	2·096
22	0·708	0·086	0·096	0·890	49	1·041	0·254	0·935	2·231
23	0·699	0·088	0·113	0·900					
24	0·695	0·091	0·127	0·913	50	1·072	0·272	1·040	2·384
					51	1·104	0·289	1·163	2·556
25	0·695	0·093	0·140	0·928	52	1·137	0·309	1·299	2·745
26	0·696	0·094	0·151	0·941	53	1·173	0·328	1·454	2·955
27	0·697	0·096	0·161	0·954	54	1·212	0·352	1·621	3·185
28	0·701	0·098	0·169	0·968					
29	0·706	0·101	0·178	0·985	55	1·255	0·378	1·805	3·438
					56	1·299	0·408	2·008	3·715
30	0·713	0·104	0·190	1·007	57	1·345	0·441	2·233	4·019
31	0·722	0·107	0·204	1·033	58	1·392	0·476	2·489	4·357
32	0·731	0·111	0·221	1·063	59	1·440	0·514	2·791	4·745
33	0·740	0·115	0·240	1·095					
34	0·750	0·119	0·260	1·129	60	1·490	0·557	3·151	5·198
					61	1·545	0·602	3·587	5·734
35	0·761	0·124	0·283	1·168	62	1·603	0·648	4·109	6·360
36	0·773	0·130	0·309	1·212	63	1·662	0·695	4·715	7·072
37	0·788	0·135	0·339	1·262	64	1·721	0·743	5·399	7·863
38	0·805	0·142	0·373	1·320					
39	0·824	0·148	0·411	1·383	65	1·778	0·792	6·161	8·731
					66	1·833	0·846	7·006	9·685
40	0·843	0·156	0·450	1·449	67	1·884	0·906	7·957	10·747
41	0·862	0·165	0·489	1·516	68	1·926	0·970	9·032	11·928
42	0·881	0·173	0·528	1·582	69	1·954	1·032	10·238	13·224

N.B.—The above are Central Rates, *i.e.* the ratios of the total amount of sickness of each kind at each age to the number of persons alive in the middle of the year of age.

APPENDIX D.

THE ADVISORY COMMITTEE.

The following is the Advisory Committee appointed (under Section 58 of the National Insurance Act, 1911) by the Joint Committee of the several bodies of Commissioners for the purpose of giving such Joint Committee advice and assistance in connection with the making and altering of Regulations under Part I. of the Act:—

I.—REPRESENTATIVES OF EMPLOYERS AND ASSOCIATIONS OF EMPLOYERS. 25

William Bagley	Association of Glass Bottle Manufacturers of Great Britain and Ireland.
Thomas Biggart	Shipbuilding Employers' Federation.
F. L. Blundell	Agriculture (England).
W. H. Boase	Master Stevedores and Master Porters' Association.
Rev. E. F. Campbell	Agriculture (Ireland).
R. Garrett Campbell	Flax Spinners' Association.
J. Walker Clark	National Chamber of Trade.
Henry Clement	Welsh Plate and Sheet Manufacturers' Association.
J. H. C. Crockett	Incorporated Federated Association of Boot and Shoe Manufacturers of Great Britain and Ireland.
William Crowther, J.P. . . .	Huddersfield and District Woollen Manufacturers' and Spinners' Association; Huddersfield and District Yarn Spinners' Association; Master Dyers' and Finishers' Association.
James Cunningham	Dundee and District Spinners' and Manufacturers' Association.
James Farquharson	Scottish Building Trades Federation.
John Gordon	National Federation of Merchant Tailors.
F. A. Hargreaves	North and North-East Lancashire Cotton Spinners' and Manufacturers' Association.
A. W. Last	National Association of Master Bakers and Confectioners.
Cuthbert Laws	The Shipping Federation (Limited).
Joseph Shaw, K.C. . . .	The Mining Association of Great Britain.
A. Siemens	Engineering Employers' Federation.
C. L. A. Skinner	Festiniog District Slate Quarry Proprietors' Association.
F. Whitley Thomson, J.P. . . .	Association of Chambers of Commerce of the United Kingdom.

Christopher Turnor, J.P.	Central Chamber of Agriculture.
Thomas Tweddell	The Co-operative Union (Limited).
Sir Matthew G. Wallace	Agriculture (Scotland).
W. A. Waterlow	Federation of Master Printers and Allied Trades of Great Britain and Ireland.
John W. White	National Federation of Building Trades' Employers of Great Britain and Ireland.

II.—REPRESENTATIVES OF INSURED PERSONS.

I. FRIENDLY SOCIETIES 20

(a) NATIONAL CONFERENCE OF FRIENDLY SOCIETIES (10).

Walter Davies (President).
 A. H. Warren, J.P. (Vice-President).
 R. Campbell.
 G. Cromar.
 J. Duncan.
 J. N. Lee.
 M. Marlow.
 R. W. Moffrey, J.P.
 Walter Stead.
 J. H. Steele, J.P.

(b) SMALL SOCIETIES (4).

Charles Bathurst, M.P. (England).
 Henry Haydn Jones, M.P. (Wales).
 John Mann, junior (Scotland).
 M. J. O'Lehane (Ireland).

(c) HOLLOWAY AND DEPOSIT SOCIETIES (2).

F. W. Daniels.
 F. W. Tuckfield.

(d) DIVIDING AND UNREGISTERED SOCIETIES (2).

H. Kingsley Wood.
 P. Rockliff.

(e) PROVIDENT FUNDS AT PARTICULAR WORKS (2).

F. H. Brown (Great Western Railway Provident Society).
 H. T. Manley (South Metropolitan Gas Company).

2. INDUSTRIAL ASSURANCE COMPANIES AND COLLECTING FRIENDLY SOCIETIES 8

NOMINATED BY THE ASSOCIATION OF INDUSTRIAL ASSURANCE COMPANIES AND COLLECTING FRIENDLY SOCIETIES AND THE PRUDENTIAL ASSURANCE COMPANY :—

F. D. Bowles, J.P.
 R. Wm. Green.
 A. Henri.
 F. T. Jefferson.
 J. E. Owens.
 F. Schooling.
 Ed. Smith, J.P.
 A. C. Thompson.

3. TRADE UNIONS 26

W. Adamson, M.P.	Miners' Federation.
Mrs. O. M. Aldridge	Women Confectioners' Society.
W. A. Appleton	General Federation of Trade Unions.
J. N. Bell, J.P.	National Amalgamated Union of Labour.
C. W. Bowerman, M.P.	London Society of Compositors.
Thomas Chambers	National Sailors' and Firemen's Union.
F. Chandler, J.P.	Amalgamated Society of Carpenters and Joiners.
W. B. Cheesman	United Government Workers' Federation.
J. Collins	Grimsby Steam Fishing Vessels Engineers' and Firemen's Union.
R. Davies	Municipal Employees' Association.
W. J. Davis, J.P.	National Society of Amalgamated Brass Workers and Metal Mechanics.
George Edwards	Eastern Counties Agricultural Labourers' and Small Holders' Union.
A. H. Gill, M.P.	Amalgamated Association of Operative Cotton Spinners.
A. Gossip	National Amalgamated Furnishing Trades Association.
Miss M. A. Henry	National Amalgamated Union of Shop Assistants, Warehousemen and Clerks.
Jenkin Jones	Amalgamated Society of Engineers.
R. T. Jones	North Wales Quarrymen's Union.
Miss M. R. Macarthur	National Federation of Women Workers.
Wm. Mosses	Engineering and Shipbuilding Federation.
Miss Grace Neal	Domestic Workers' Union of Great Britain.
George Parker	National Federation of Enginemen, Stokers and Kindred Trade Societies.
E. L. Poulton, J.P.	National Union of Boot and Shoe Operatives.
James Sexton, J.P.	National Union of Dock Labourers.
D. Sheard	National Union of Life Assurance Agents.
Ben Turner, J.P.	General Union of Weavers and Textile Workers.
J. E. Williams	Amalgamated Society of Railway Servants.

4. OTHER REPRESENTATIVES OF INSURED PERSONS,
NOT INCLUDED IN THE ABOVE CATEGORIES . 13

The Countess of Aberdeen	Women's National Health Association of Ireland.
William Binnie	Agriculture in Scotland.
Miss Bondfield	Women's Trade Union League.
F. Bradley	Agriculture in Ireland.
Mrs. Allan H. Bright	National Union of Women Workers.
Mrs. Edwin Gray	National Union of Women Workers.
Miss E. H. Haldane	Social Worker in Scotland.
Miss L. Harris	Women's Co-operative Guild.
Miss S. C. Harrison	Social Worker in Ireland.
J. J. Mallon	National Anti-Sweating League.
Miss G. Morgan	Poor Law Guardian.
Miss Constance Smith	National Union of Women Workers.
Miss Gertrude Tuckwell	Women's Trade Union League.

III.—MEDICAL MEMBERS.

I. QUALIFIED MEDICAL PRACTITIONERS WITH PERSONAL EXPERIENCE OF GENERAL PRACTICE . 16

(a) NOMINATED BY THE BRITISH MEDICAL ASSOCIATION (13).

John Adams, M.B., C.M.
 R. M. Beaton, M.B., C.M.
 T. M. Carter, M.D.
 J. S. Darling, M.D., M.Ch.
 S. Hodgson, M.D.
 J. A. Macdonald, LL.D., M.D.
 J. Munro Moir, M.D., J.P.
 J. Neal.
 E. O. Price, M.D., C.M.
 D. F. Todd.
 E. B. Turner, F.R.C.S.
 T. Jenner Verrall.
 A. H. Williams, M.D., C.M.

(b) NOMINATED BY THE ASSOCIATION OF REGISTERED MEDICAL WOMEN (3).

Miss M. H. F. Ivens, M.S.
 Miss C. E. Long, M.D. (Brux.).
 Miss A. M. Watson.

2. MEDICAL MEN SELECTED BY THE COMMISSIONERS 17

Christopher Addison, M.D., Secretary of Board of Intermediate
 M.P. Medical Studies, University of London.
 Sir T. Clifford Allbutt, M.D., Regius Prof. of Physic, University of
 K.C.B. Cambridge.
 C. J. Bond, F.R.C.S. . . . Senior Honorary Surgeon, Leicester
 Infirmary.
 Sir R. J. Collie, M.D., J.P. . Medical Examiner, London County
 Council.
 Sir Frederick S. Eve, Surgeon, London Hospital.
 F.R.C.S.
 Adam Fulton, M.B., B.Ch. . Surgeon, South Yorks, Notts and Derby-
 shire Coalfield.
 R. McKenzie Johnston, Consulting Aural Surgeon, Royal Infirmary,
 M.D., C.M. Edinburgh.
 Herbert Jones Medical Officer of Health, Herefordshire
 Sanitary Districts.
 E. J. Maclean, M.D. . . . Senior Gynæcologist, Cardiff Infirmary.
 H. H. Mills, M.D. . . . Physician in General Practice.
 G. Reid, M.D. Medical Officer of Health, Staffordshire.
 J. Robertson, M.D. . . . Medical Officer of Health, Birmingham.
 Lauriston E. Shaw, M.D. . Physician, Guy's Hospital.
 Prof. R. Stockman, M.D. . Prof. of Materia Medica and Therapeutics,
 University of Glasgow.
 W. E. Thomas, M.D., C.M. Surgeon, Pentre and Tynybedw Collieries
 and Pentre Engineering Works.
 Norman Walker, M.D., C.M. Physician, Diseases of Skin, Royal In-
 firmary, Edinburgh.
 Prof. G. Sims Woodhead, Prof. of Pathology, Cambridge University.
 M.D.

IV.—OTHER PERSONS SELECTED BY THE COMMISSIONERS.

1. PHARMACISTS	2
P. J. Gilmour	Pharmaceutical Standing Committee on National Health Insurance.
W. J. U. Woolcock	Pharmaceutical Standing Committee on National Health Insurance.
2. MIDWIVES	2
Mrs. Bedingfeld	Incorporated Midwives' Institute.
Miss Alice Gregory	Incorporated Midwives' Institute.
3. NURSES	2
Miss M. Hardman	Superintendent, Leicester District Nursing Association.
Miss A. Michie	Superintendent, Worcester City and County Nursing Association.
4. HOSPITAL AUTHORITIES	2
D. J. Mackintosh, M.B., M.V.O.	British Hospitals Association.
A. William West	Central Hospital Council for London.
5. CHARTERED ACCOUNTANT	1
Sir William Plender	President of the Institute of Chartered Accountants.
6. LOCAL AUTHORITIES	10
W. F. Anderson, D.L.	Convention of Royal Burghs.
Horatio Brevitt	Association of Municipal Corporations.
D. J. Cogan	Irish County Councils' General Council.
Michael A. Ennis	Irish County Councils' General Council.
Rt. Hon. Henry Hobhouse	County Councils' Association.
F. L. Jones, LL.B.	Urban Districts in Wales.
Thomas Munro	Associations of County Councils in Scotland.
R. Beattie Nicholson	Association of Municipal Corporations.
Alderman Thomas Parry	Boroughs in Wales.
Sir Edward White, J.P.	London County Council.

There will also be included in the Advisory Committee to the Joint Committee five persons (of whom one will be a woman) from the Advisory Committees to the Scottish, Irish, and Welsh Commissions respectively.

APPENDIX E.

Table, which should be read in conjunction with Tables on pages 60, 61, showing the Voluntary Rate applicable to all females, whether in Great Britain or Ireland, who, being of the age of 45 and upwards, enter into insurance as Voluntary contributors before the 15th day of January, 1913.

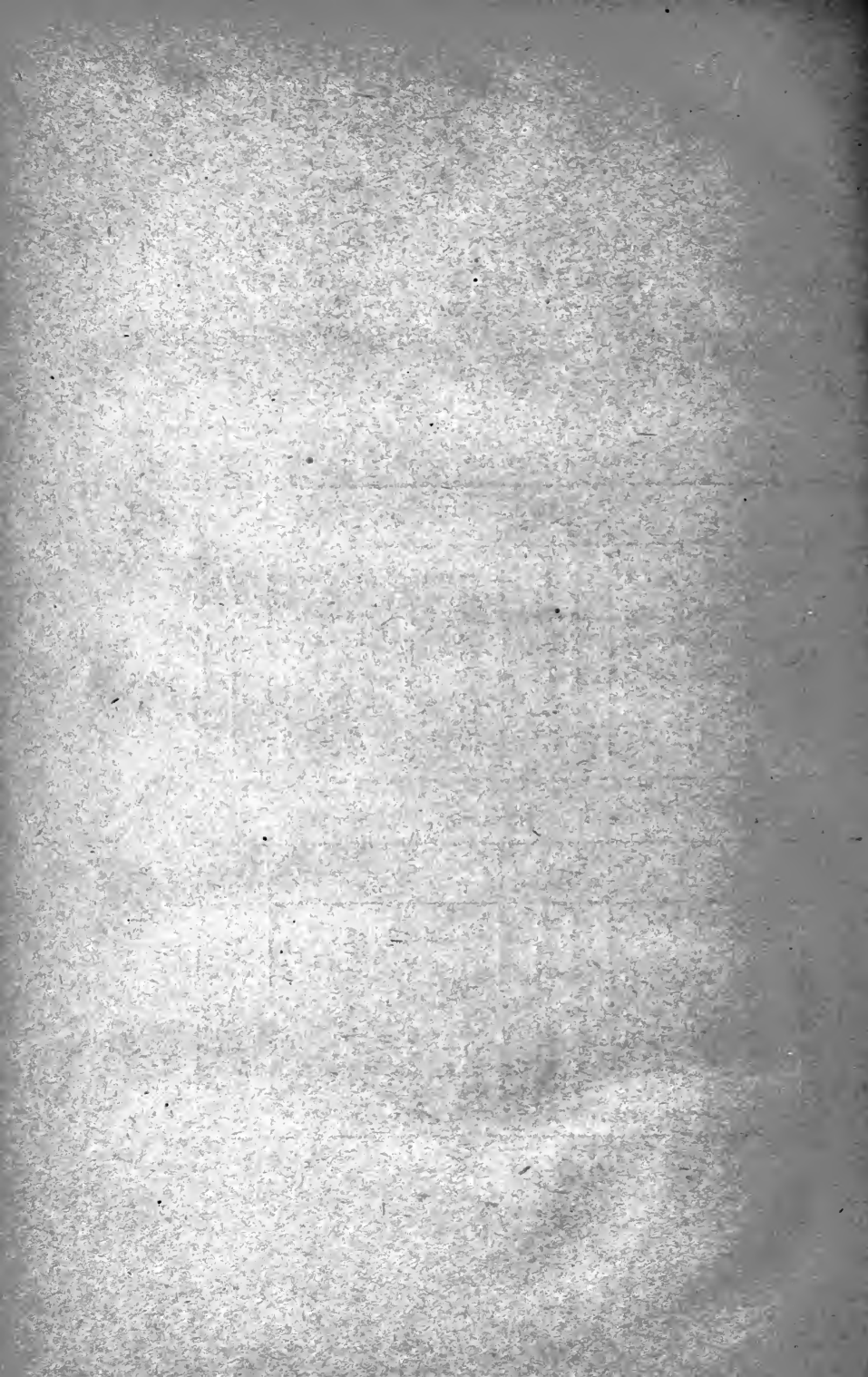
Female Voluntary Contributors.

ENGLAND, SCOTLAND, AND WALES.

Age.	Weekly Contribution.	Age.	Weekly Contribution.
	<i>s. d.</i>		<i>s. d.</i>
45 and under 46 . . .	0 8	55 and under 56 . . .	0 11
46 " 47 . . .	0 8½	56 " 57 . . .	0 11½
47 " 48 . . .	0 8½	57 " 58 . . .	1 0
48 " 49 . . .	0 9	58 " 59 . . .	1 0½
49 " 50 . . .	0 9	59 " 60 . . .	1 1
50 " 51 . . .	0 9½	60 " 61 . . .	1 1
51 " 52 . . .	0 9½	61 " 62 . . .	1 1½
52 " 53 . . .	0 10	62 " 63 . . .	1 1½
53 " 54 . . .	0 10½	63 " 64 . . .	1 1½
54 " 55 . . .	0 11	64 " 65 . . .	1 1½

IRELAND.

Age.	Weekly Contribution.	Age.	Weekly Contribution.
	<i>s. d.</i>		<i>s. d.</i>
45 and under 46 . . .	0 6	55 and under 56 . . .	0 9
46 " 47 . . .	0 6½	56 " 57 . . .	0 9½
47 " 48 . . .	0 6½	57 " 58 . . .	0 9½
48 " 49 . . .	0 7	58 " 59 . . .	0 10
49 " 50 . . .	0 7	59 " 60 . . .	0 10
50 " 51 . . .	0 7½	60 " 61 . . .	0 10½
51 " 52 . . .	0 7½	61 " 62 . . .	0 10½
52 " 53 . . .	0 8	62 " 63 . . .	0 10½
53 " 54 . . .	0 8½	63 " 64 . . .	0 10½
54 " 55 . . .	0 8½	64 " 65 . . .	0 10½



APPENDIX F.

NATIONAL INSURANCE ACT, 1911.

(1 & 2 GEORGE 5, CH. 55.)

ARRANGEMENT OF SECTIONS.

PART I.

NATIONAL HEALTH INSURANCE.

Insured Persons.

Section.

1. Insured persons.
2. Exemptions.

Contributions.

3. Contributions by insured persons, employers, and the Treasury.
4. Rates and rules for contributions by employed contributors and their employers.
5. Rates and rules for contributions by voluntary contributors.
6. Change from voluntary rate to employed rate and *vice versa*.
7. Power to make regulations for the payment of contributions.

Benefits.

8. Benefits.
9. Reduced rates of benefit in certain cases.
10. Reduced rates of benefits where contributions are in arrear.
11. Provisions in the case of contributors entitled to compensation or damages.
12. Provisions in the case of contributors who are inmates of hospitals, &c.
13. Power to vary benefits in certain cases.

Administration of Benefits.

14. Administration of benefits by approved societies or the Insurance Committee
15. Administration of medical benefit.
16. Administration of sanatorium benefit.
17. Power to extend sanatorium benefit to dependants.
18. Administration of maternity benefit.
19. Punishment of husband in certain cases of neglect.
20. Reinsurance for the purposes of maternity benefit.
21. Power to subscribe to hospitals, &c.
22. Power of councils of boroughs and districts to contribute to certain expenditure on medical and sanatorium benefits.

Approved Societies.

23. Conditions for the approval of approved societies.
24. Power of societies to undertake business under Part I.
25. Special provisions for employers' provident funds, &c.
26. Security to be given by approved societies.
27. Provisions as to approved societies.
28. Secessions, &c.
29. Withdrawal of approval.

Membership of Approved Societies and Transfer of Members.

Section.

30. Admission of insured persons to membership in approved societies.
31. Transfer from one approved society to another.
32. Transfers to foreign and colonial societies.
33. Transfer of values of emigrants who remain members of approved societies.
34. Prohibition against double insurance.

Accounts: Valuations: Surplus and Deficit.

35. Approved societies to keep proper accounts.
36. Valuations of approved societies.
37. Surplus.
38. Deficit.
39. Pooling arrangements in the case of small societies.
40. Special provisions with regard to societies with branches.
41. Power to separate men's and women's funds.

Deposit Insurance.

42. Provisions as to deposit contributors.
43. Transfer from approved society to deposit insurance and *vice versa*.

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SCHEDULES.

CHAPTER 55.

An Act to provide for Insurance against Loss of Health and for the Prevention and Cure of Sickness and for Insurance against Unemployment, and for purposes incidental thereto.

[16th December, 1911.]

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

PART I.

NATIONAL HEALTH INSURANCE.

Insured Persons.

Insured
persons.

1.—(1) Subject to the provisions of this Act, all persons of the age of sixteen and upwards who are employed within the meaning of this Part of this Act shall be, and any such persons who are not so employed but who possess the qualifications hereinafter mentioned may be, insured in manner provided in this Part of this Act, and all persons so insured (in this Act called "insured persons") shall be entitled in the manner and subject to the conditions provided in this Act to the benefits in respect of health insurance and prevention of sickness conferred by this Part of this Act.

(2) The persons employed within the meaning of this Part of this Act (in this Act referred to as "employed contributors") shall include all persons of either sex, whether British subjects or not, who are engaged in any of the employments specified in Part I. of the First Schedule to this Act, not being employments specified in Part II. of that Schedule :

Provided that the Insurance Commissioners hereinafter constituted may, with the approval of the Treasury, by a special order made in manner hereinafter provided, provide for including amongst the persons employed within the meaning of this Part of this Act any persons engaged in any of the excepted employments specified in Part II. of the said schedule either unconditionally or subject to such conditions as may be specified in the order.

(3) The persons not employed within the meaning of this Part of this Act who are entitled to be insured persons include all persons who either—

(a) are engaged in some regular occupation and are wholly or mainly dependent for their livelihood on the earnings derived by them from that occupation ; or

(b) have been insured persons for a period of five years or upwards ;

and the persons possessing such qualifications who become or continue to be insured persons are in this Act referred to as voluntary contributors : Provided always that no person whose total income from all sources exceeds one hundred and sixty pounds a year shall be entitled to be a voluntary contributor unless he has been insured under this Part of this Act for a period of five years or upwards.

(4) Except as herein-after provided, nothing in this section shall require or authorise a person of the age of sixty-five or upwards not previously insured under this Part of this Act to become so insured.

2.—(1) Where any person employed within the meaning of this Part of this Act proves that he is either—

- (a) in receipt of any pension or income of the annual value of twenty-six pounds or upwards not dependent upon his personal exertions; or
- (b) ordinarily and mainly dependent for his livelihood upon some other person,

he shall be entitled to a certificate exempting him from the liability to become or to continue to be insured under this Part of this Act.

(2) All claims for exemption shall be made to, and certificates of exemption granted by, the Insurance Commissioners in the prescribed manner and subject to the prescribed conditions, and may be so made and granted before, as well as after, the commencement of this Act: Provided that the regulations of the Insurance Commissioners may provide for claims under this section being made to and certificates granted by approved societies and Insurance Committees herein-after constituted.

Contributions.

3. Except as otherwise provided by this Act, the funds for providing the benefits conferred by this Part of this Act and defraying the expenses of the administration of those benefits shall be derived as to seven-ninths (or, in the case of women, three-fourths) thereof from contributions made by or in respect of the contributors by themselves or their employers, and as to the remaining two-ninths (or, in the case of women, one quarter) thereof from moneys provided by Parliament.

Contributions by insured persons, employers, and the Treasury.

4.—(1) The contributions payable in respect of employed contributors shall be at the rate specified in Part I. of the Second Schedule to this Act (herein-after referred to as the employed rate), and shall comprise contributions by the contributors and contributions by their employers at the rates specified in that Part of that schedule, and shall be payable at weekly or other prescribed intervals: Provided that in the case of an employed contributor of the age of twenty-one or upwards whose remuneration does not include the provision of board and lodging by the employer and the rate of whose remuneration does not exceed two shillings a working day, such part of the contributions payable in respect of him as is specified in the said schedule shall be paid out of moneys provided by Parliament.

Rates and rules for contributions by employed contributors and their employers.

(2) The employer shall, in the first instance, pay both the contributions payable by himself (in this Act referred to as the employer's contributions), and also on behalf of the employed contributor the contributions payable by such contributor, and shall be entitled to recover from the contributor by deduction from his wages or otherwise the amount of the contributions so paid by him on behalf of the contributor, in accordance with the rules set out in the Third Schedule to this Act.

(3) Contributions in respect of employed contributors shall cease to be payable on their attaining the age of seventy.

(4) The employer of a person who though employed within the meaning of this Part of this Act is not insured under this Part of this Act by reason either—

- (a) that, not having previously been an insured person, he has become employed within the meaning of this Part of this Act after attaining the age of sixty-five; or
- (b) that he has obtained and still holds a certificate of exemption under this Part of this Act;

shall be liable to pay the like contributions as would have been payable as employer's contributions if such person had been an employed contributor, and such contributions shall be carried to such account and dealt with in such manner as may be prescribed by regulations made by the Insurance Commissioners, and those regulations may provide for applying the sums standing to the credit of the account, or any part thereof, for the benefit of any persons in respect of whom contributions have been so paid, in the event of such persons subsequently becoming employed contributors.

Rates and rules for contributions by voluntary contributors.

5.--(1) The contributions payable by voluntary contributors shall be at the rate appropriate to their age at the date of their entry into insurance ascertained in accordance with a table to be prepared by the Insurance Commissioners (herein-after referred to as the voluntary rate) and shall be paid by the voluntary contributors at weekly or other prescribed intervals:

Provided that—

- (a) In the case of a person who enters into insurance within six months after the commencement of this Act, the voluntary rate shall, if he is below the age of forty-five at the date of entering into insurance, be the same as the employed rate, and if he is of the age of forty-five or upwards, be such rate, ascertained according to a table to be prepared by the Insurance Commissioners, as, having regard to his age at that date, will be sufficient to cover seven-ninths, or in the case of a woman three-fourths, of the benefits conferred by this Part of this Act;
- (b) Where a person, having been an employed contributor for five years or upwards, becomes a voluntary contributor the rate of contribution payable by him shall continue to be the employed rate.

(2) Contributions by voluntary contributors shall cease to be payable on their attaining the age of seventy.

Change from voluntary rate to employed rate and vice versa.

6.—(1) Where an insured person has become a member of an approved society as a voluntary contributor, the rate of contributions payable in respect of him shall, notwithstanding that he becomes employed within the meaning of this Part of this Act, remain the voluntary rate, unless at any time after becoming so employed he gives notice in the prescribed manner of his wish to be transferred to the employed rate.

(2) Where he gives such notice the rate payable in respect of him shall be the employed rate, but in such case the rate of sickness benefit payable in respect of him shall be such reduced rate as would have been payable had he not previously been insured, subject to such addition as may according to tables prepared by the Insurance Commissioners represent the value at that time of the contributions previously paid by him.

(3) Where he does not give such notice, and until he does so, the contributions payable by his employer in respect of him during any period of employment within the meaning of this Part of this Act shall be the same as if he had been transferred to the employed rate, and the contributions so paid by the employer shall be treated as in part satisfaction of the contributions at the voluntary rate payable by the contributor, and if the contributor fails to pay the balance he shall be deemed to be in arrear to that extent.

(4) Where an employed contributor within five years from his entry into insurance ceases to be employed within the meaning of this Part of this Act and becomes a voluntary contributor, he shall be deemed to be in a *par*, as from the date when he so became a voluntary contributor, to the amount of the difference between the aggregate contributions paid by or in respect of him since his entry into insurance and the aggregate of the contributions which would have been payable by him had he throughout been a voluntary contributor, and the difference between any reserve value which is credited to the approved society of which he is a member in respect of him and the reserve value (if any) which would have been credited to that Society in respect of him had he originally become a voluntary contributor shall be cancelled.

Power to make regulations for the payment of contributions.

7. Subject to the provisions of this Act, the Insurance Commissioners may make regulations providing for any matters incidental to the payment and collection of contributions payable under this Part of this Act, and in particular for—

- (a) payment of contributions whether by means of adhesive or other stamps affixed to or impressed upon books or cards or otherwise, and regulating the manner, times, and conditions in, at, and under which such stamps are to be affixed or impressed or payments are otherwise to be made;
- (b) the entry in or upon books or cards of particulars of contributions paid

and benefits distributed in the case of the insured persons to whom such books or cards belong ;

- (c) the issue, sale, custody, production, and delivery up of books or cards and the replacement of books or cards which have been lost, destroyed, or defaced.

Benefits.

8.—(1) Subject to the provisions of this Act, the benefits conferred by this Part of this Act upon insured persons are—

- (a) Medical treatment and attendance, including the provision of proper and sufficient medicines, and such medical and surgical appliances as may be prescribed by regulations to be made by the Insurance Commissioners (in this Act called "medical benefit") ;
- (b) Treatment in sanatoria or other institutions or otherwise when suffering from tuberculosis, or such other diseases as the Local Government Board with the approval of the Treasury may appoint (in this Act called "sanatorium benefit") ;
- (c) Periodical payments whilst rendered incapable of work by some specific disease or by bodily or mental disablement, of which notice has been given, commencing from the fourth day after being so rendered incapable of work, and continuing for a period not exceeding twenty-six weeks (in this Act called "sickness benefit") ;
- (d) In the case of the disease or disablement continuing after the determination of sickness benefit, periodical payments so long as so rendered incapable of work by the disease or disablement (in this Act called "disablement benefit") ;
- (e) Payment in the case of the confinement of the wife or, where the child is a posthumous child, of the widow of an insured person, or of any other woman who is an insured person, of a sum of thirty shillings (in this Act called "maternity benefit") ;
- (f) In the case of persons entitled under this Part of this Act to any of the further benefits mentioned in Part II. of the Fourth Schedule to this Act (in this Act called "additional benefits") such of those benefits as they may be entitled to.

(2) Subject to the provisions of this Part of this Act, the rates of sickness benefit and disablement benefit to which insured persons are entitled shall be the rates specified in Part I. of the Fourth Schedule to this Act.

(3) In the case of insured persons who have attained the age of seventy the right to sickness benefit and disablement benefit shall cease.

(4) No insured person shall be entitled to any benefit during any period when he is resident either temporarily or permanently outside the United Kingdom :

Provided that if a person is temporarily resident in the Isle of Man or the Channel Islands he shall not, whilst so resident, be disentitled to benefits other than medical benefit, and that if with the consent of the society or committee by which the benefit is administered, a person is temporarily resident outside the United Kingdom elsewhere than in the Isle of Man or the Channel Islands, the society or committee may allow him, whilst so resident, to continue to receive sickness or disablement benefit, and that a person resident out of the United Kingdom shall not be disentitled to maternity benefit in respect of the confinement of his wife, if his wife at the time of her confinement is resident in the United Kingdom.

(5) Where an insured person, having been in receipt of sickness benefit, recovers from the disease or disablement in respect of which he receives such benefit, any subsequent disease or disablement, or a recurrence of the same disease or disablement, shall be deemed to be a continuation of the previous disease or disablement, unless in the meanwhile a period of at least twelve months has elapsed, and at least fifty weekly contributions have been paid by or in respect of him.

(6) Where a woman confined of a child is herself an insured person, and is a married woman, or, if the child is a posthumous child, a widow, she shall be entitled to sickness benefit or disablement benefit (as the case may be) in respect of her confinement in addition to the maternity benefit to which she or her

husband may be entitled, but, save as aforesaid, a woman shall not be entitled to sickness benefit or disablement benefit for a period of four weeks after her confinement unless suffering from disease or disablement not connected directly or indirectly with her confinement.

Medical benefit shall not include any right to medical treatment or attendance in respect of a confinement.

(7) Where a pension or superannuation allowance is payable by an approved society in whole or in part as an additional benefit under this Part of this Act or out of any fund to which contributions have been made in accordance with paragraph (10) of Part II. of the Fourth Schedule to this Act, it may be made a condition of the grant of the pension or allowance that a member of the society shall, whilst in receipt of such pension or allowance, be excluded in whole or in part from his right to sickness benefit and disablement benefit, or to either of such benefits.

(8) Notwithstanding anything in this Part of this Act, no insured person shall be entitled—

- (a) to medical benefit during the first six months after the commencement of this Act ;
- (b) to sickness benefit unless and until twenty-six weeks have elapsed since his entry into insurance, and at least twenty-six weekly contributions have been paid by or in respect of him ;
- (c) to disablement benefit unless and until one hundred and four weeks have elapsed since his entry into insurance, and at least one hundred and four weekly contributions have been paid by or in respect of him ;
- (d) to maternity benefit unless and until twenty-six, or in the case of a voluntary contributor fifty-two, weeks have elapsed since his entry into insurance, and at least twenty-six, or in the case of a voluntary contributor fifty-two, weekly contributions have been paid by or in respect of him.

(9) As soon as the sums credited to approved societies as reserve values in respect of persons who enter into insurance within one year after the commencement of this Act have been written off in manner provided by this Part of this Act, the benefits payable to insured persons under this Part of this Act shall be extended in such manner as Parliament may determine.

9.—(1) In the case of insured persons who are under the age of twenty-one years and unmarried, sickness benefit and disablement benefit shall be at the reduced rates specified in Table B. in Part I. of the Fourth Schedule to this Act :

Provided that where any such person being a member of an approved society proves that one or more members of his family are wholly or mainly dependent upon him, the society shall dispense with such reduction.

(2) Where in the case of any insured persons the rate of sickness benefit or disablement benefit (as the case may be) exceeds two-thirds of the usual rate of wages or other remuneration earned by such persons, the rate of such benefit may be reduced to such an extent as the society or committee administering the benefit, with the consent of the Insurance Commissioners, determines ; but where such reduction is made provision shall be made by the society or committee, with the like consent, for the grant of one or more additional benefits of a value equivalent to such reduction.

(3) The rate of sickness benefit shall be reduced in accordance with Table C. in Part I. of the Fourth Schedule to this Act in the case of any insured person who becomes an employed contributor within one year after the commencement of this Act, and is at the date of so becoming an employed contributor of the age of fifty years or upwards and the number of weekly contributions paid by or in respect of him is at the date of any claim by him for such benefit less than five hundred.

(4) In the case of every person who, not having been previously insured under this Part of this Act, becomes an employed contributor subsequently to the expiration of one year from the commencement of this Act, and is, at the time of so becoming an employed contributor, of the age of seventeen or upwards, the rate of sickness benefit to which he is entitled shall (unless he proves that his time since he attained the age of seventeen has been spent in a school or college, in indentured apprenticeship or otherwise under instruction without wages, or

Reduced rates of benefit in certain cases.

otherwise in the completion of his education, or unless he undertakes himself to pay the difference between the voluntary rate and the employed rate, or pays to the Insurance Commissioners, to be credited to the society, such capital sum as will be sufficient to secure him benefits at the full rate) be such reduced rate as may be fixed in accordance with tables to be prepared by the Insurance Commissioners, but not in any case less than five shillings a week :

Provided that if at any time subsequently such person would become entitled to sickness benefit at a higher rate if he were treated as having become an employed contributor as from the time when he attained the age of seventeen, or as from the expiration of one year after the commencement of this Act, whichever date may be the later, and as being in arrear for all contributions which, had he become an employed contributor at that date, would have been payable in respect of him between that date and the date when he actually became an employed contributor, he shall, if he so elects, be entitled to be so treated.

10.—(1) Where an insured person being a member of an approved society is in arrear to an amount greater than thirteen weekly contributions a year on the average since his entry into insurance, his right to benefits under this Part of this Act other than medical benefit, sanatorium benefit, and maternity benefit shall be suspended, and where he is in arrears to an amount greater than twenty-six weekly contributions a year on the average since his entry into insurance his right to medical benefit, sanatorium benefit, and maternity benefit shall be suspended, and at the expiration of the calendar year next after the date when he becomes suspended from all benefits any sums credited to the society in respect of him, calculated in the prescribed manner, shall, if his right to benefits still continues to be suspended, be carried to such account and dealt with in such manner as may be prescribed for the benefit (except so far as such sums comprise sums in respect of a reserve value) of the society or any other society to which such person may subsequently be transferred :

Reduced rates of benefits where contributions are in arrear.

Provided that if at any time after suspension from any such benefits he becomes employed within the meaning of this Part of this Act, he shall be entitled to those benefits at such rate, after the lapse of such time and after the payment of such number of contributions, as would have been applicable to his case had he not previously been an insured person, but if he so elects at any time the benefits to which he is entitled shall be such as he would be entitled to, were the period from the time of his original entry into insurance taken as a whole.

(2) Where an employed contributor claiming sickness benefit is at the date of such claim in arrears but the arrears are less than as aforesaid, then the rate of sickness benefit shall be reduced to a sum not less than five shillings a week, or the time when sickness benefit commences deferred, proportionately to the amount of arrears in accordance with the table in the Fifth Schedule to this Act.

(3) Where a voluntary contributor is in arrears he shall be liable to such proportionate reduction of benefits as may be prescribed.

(4) In calculating arrears of contributions, no account shall be taken of any arrears accruing—

(a) during any period when the person in question has been, or but for this section or any other provision of this Act disentitling a person to such benefit would have been, in receipt of sickness benefit or disablement benefit ; or

(b) in the case of a woman who, being an insured person, is herself entitled to maternity benefit during two weeks before and four weeks after her delivery, or in the case of maternity benefit payable in respect of the posthumous child of an insured person during the period subsequent to the father's death ; or

(c) in the case of an employed contributor during the first twelve months after the commencement of this Act ;

but, save as aforesaid, contributions shall be deemed to be payable in respect of every week from the date of entry into insurance.

(5) Where an insured person has paid any arrears of contributions payable by or in respect of him which accrued during the calendar year current at the date of payment and the previous calendar year, he shall be treated for the purposes of this section as if the arrears so paid had never become due :

Provided that if such person is at the date of payment or subsequently within one month thereafter becomes incapable of work by reason of disease or disablement, he shall for the purposes of this section be deemed to be still in arrear in respect of the amount so paid until after the expiration of one month from the date of such payment.

(6) Any approved society may, if it thinks fit, excuse any part of the arrears which may have accrued due by or in respect of any member who is an employed contributor during any period of unemployment not exceeding such part as would have been payable by the employer had the member continued in his last employment, and in such case the amount of the arrears of that member shall be reduced accordingly.

(7) The average amount of arrears for the purposes of this section shall be calculated in such manner as the Insurance Commissioners may prescribe.

Provisions in the case of contributors entitled to compensation or damages.

6 Edw. 7
c. 58.
43 & 44 Vict.
c. 42.

11.—(1) Where an insured person has received or recovered or is entitled to receive or recover, whether from his employer or any other person, any compensation or damages under the Workmen's Compensation Act, 1906, or any scheme certified thereunder, or under the Employers' Liability Act, 1880, or at common law, in respect of any injury or disease, the following provisions shall apply:—

(a) No sickness benefit or disablement benefit shall be paid to such person in respect of that injury or disease in any case where any weekly sum or the weekly value of any lump sum paid or payable by way of compensation or damages is equal to or greater than the benefit otherwise payable to such person, and where any such weekly sum or the weekly value of any such lump sum is less than the benefit in question, such part only of the benefit shall be paid as, together with the weekly sum or the weekly value of the lump sum, will be equal to the benefit:

(b) The weekly value of any such lump sum as aforesaid may be determined by the society or committee by which the sickness and disablement benefits payable to such person are administered, but if the insured person is aggrieved by such determination, the matter shall be settled in manner provided by this Part of this Act for settling disputes between insured persons and societies or committees:

(c) Where an agreement is made as to the amount of such compensation as aforesaid, and the amount so agreed is less than ten shillings a week or as to the redemption of a weekly payment by a lump sum under the Workmen's Compensation Act, 1906, the employer shall, within three days thereafter, or such longer time as may be prescribed, send to the Insurance Commissioners, or to the society or committee concerned, notice in writing of such agreement giving the prescribed particulars thereof, and proviso (d) to paragraph (9) of the Second Schedule of the Workmen's Compensation Act, 1906 (which relates to the powers of registrars of county courts to refuse to record memoranda of agreements and to refer the matter to the judge) shall, in cases where the workman is an insured person, apply to agreements as to the amount of compensation, in like manner as to agreements as to the redemption of weekly payments by lump sums.

(2) Where an insured person appears to be entitled to any such compensation or damages as aforesaid and unreasonably refuses or neglects to take proceedings to enforce his claim, it shall be lawful for the society or committee concerned, either—

(a) at its own expense, to take in the name and on behalf of such person such proceedings, in which case any compensation or damages recovered shall be held by the society or committee as trustee for the insured person; or

(b) to withhold payment of any benefit to which apart from this section such person would be entitled.

In the event of the society or committee concerned taking proceedings as aforesaid, and failing in the proceedings, it shall be responsible for the costs of the proceedings as if it were claiming on its own account.

(3) Nothing in this section shall prevent the society or committee paying to

an insured person benefit by way of advance pending the settlement of his claim for compensation or damages, and any advance so made shall, without prejudice to any other method of recovery, be recoverable by deductions from or suspension of any benefits which may subsequently become payable to such person.

12.—(1) No payment shall be made on account of sickness, disablement or maternity benefit to or in respect of any person during any period when the person to or in respect of whom the benefit is payable is an inmate of any work-house, hospital, asylum, convalescent home, or infirmary, supported by any public authority or out of any public funds or by a charity, or voluntary subscriptions, or of a sanatorium or similar institution approved under this Part of this Act. Provisions in the case of contributors who are inmates of hospitals, &c.

(2) During such period as aforesaid the sum which would otherwise have been payable on account of any such benefit to or in respect of such person—

- (a) shall be paid to or applied in whole or in part for the relief or maintenance of his dependants (if any) in such manner as the society or committee by which the benefit is administered after consultation whenever possible with such person, thinks fit ; or
- (b) if such person, being a member of an approved society, is an inmate of a sanatorium or similar institution in which he is receiving treatment in accordance with the provisions of this Part of this Act, and has no dependants, shall be paid to the Insurance Committee towards the general purposes thereof ; or
- (c) if such person, being a member of an approved society, is an inmate of a hospital, asylum, convalescent home, or infirmary supported by charity or by voluntary subscriptions and has no dependants, shall, if an agreement for the purpose has been made between the society or committee and the hospital, asylum, convalescent home, or infirmary, be paid, in whole or in part, according to such agreement, towards the maintenance of such person in the hospital, asylum, convalescent home, or infirmary :

Provided that—

- (i) any part of such sum which is not so applied as aforesaid may, if the society or committee thinks fit, be applied in the provision of any surgical appliances required for the insured person or otherwise for his benefit ; and
- (ii) if such an inmate as aforesaid is a married woman or widow, and the sums so payable or applicable as aforesaid include the sums which would have been payable both on account of sickness or disablement benefit and on account of maternity benefit, no part of the sum which would otherwise be payable on account of maternity benefit shall be paid or applied for the relief or maintenance of her dependants, but such sum may be paid to the hospital, asylum, convalescent home, or infirmary of which she is an inmate as aforesaid in like manner as if she had no dependants.
- (iii) Where any person who is entitled to any benefit under this Part of this Act, or a woman whose husband is entitled to maternity benefit in respect of her confinement, applies for admission to any work-house infirmary, admission thereto shall not be refused on the ground only of the right to such benefit.

13.—(1) Any approved society may submit to the Insurance Commissioners a scheme for substituting any of the additional benefits for sickness benefit and disablement benefit or either of those benefits or any part thereof, and the scheme may provide as respects the members of the society to whom the scheme applies that any such benefits shall be abolished or the rate thereof reduced or, in the case of sickness benefit, the commencement thereof postponed ; and the scheme may contain such incidental and consequential provisions as appear necessary for adapting the other provisions of this Part of this Act to the members to whom the scheme applies. Power to vary benefits in certain cases.

(2) The scheme shall apply either to all members of the society or to any specified class thereof or to any members of the society who may elect to come under the scheme, according as may be provided by the scheme.

(3) A scheme made under this section shall not have any effect unless and until confirmed by the Insurance Commissioners, and the Insurance Commissioners shall not confirm any such scheme unless satisfied that the value of the additional benefits conferred by the scheme is equivalent to the value of the benefits for which they are substituted, and that, in view of the special circumstances of the members or class of members intended to come under the scheme, there is good reason for substituting the additional benefits conferred by the scheme for the benefits for which they are substituted.

(4) Nothing in this section or in any scheme made thereunder shall affect the amount of any reserve value to be credited to a society in respect of a member, and such reserve values shall be calculated as if the scheme had not been made.

Administration of Benefits.

Administra-
tion of
benefits by
approved
societies or
the In-
surance
Committee.

14.—(1) Sickness benefit, disablement benefit, and maternity benefit shall be administered, in the case of insured persons who are members of an approved society, by and through the society, or a branch thereof, and in other cases by and through the Insurance Committees; medical and sanatorium benefits shall in all cases be administered by and through the Insurance Committees, additional benefits shall be administered by the society or branch of which the persons entitled thereto are members, except where such benefits are in the nature of medical benefits, in which case they shall be administered by and through the Insurance Committees.

(2) Subject to the provisions of this Part of this Act, an approved society may, with the consent of the Insurance Commissioners, provide for the application of its existing rules or make new rules with regard to the manner and time of paying or distributing and mode of calculating benefits, suspension of benefits, notices and proof of disease or disablement, behaviour during disease or disablement, and the visiting of sick or disabled persons, and for the infliction and enforcement of penalties (whether by way of fines or suspension of benefits or otherwise) in the case of any member being an insured person who is guilty of any breach of any such rule, or of any imposition or attempted imposition in respect of any benefit under this Part of this Act, and may from time to time with the like consent alter or repeal any such rules; but—

- (a) no fine imposed under any such rule shall exceed ten shillings or, in the case of repeated breaches of rules, twenty shillings;
- (b) no such rule shall provide for the suspension of any benefit for a period exceeding one year;
- (c) every such rule relating to the visiting of insured persons by visitors appointed by the society shall provide that women shall not be visited otherwise than by women;
- (d) every such rule relating to behaviour during disease or disablement shall be in the prescribed form;
- (e) no such rule shall prescribe any penalty, nor shall any insured person be subject to any penalty, whether by suspension of benefit or otherwise, on account of the refusal by any such person to submit to a surgical operation, or vaccination, or inoculation of any kind, unless such refusal in the case of a surgical operation of a minor character is considered by the society, or on appeal the Insurance Commissioners, unreasonable;
- (f) no such rule shall provide for inflicting as a penalty for breach of rules or imposition or attempted imposition on the part of an insured person suspension of maternity benefit in respect of the confinement of his wife, where his wife has not herself been guilty of any such breach, imposition, or attempted imposition.

(3) The Insurance Committee shall, subject to the approval of the Insurance Commissioners, make rules in respect of any of the matters mentioned in the last preceding subsection with regard to the administration of benefits by the committee:

Provided that no such rule relating to anything to be done by, to, or through the Post Office shall be made without the consent of the Postmaster-General.

(4) Where, under any such rule as aforesaid, payment of sickness or disable-

ment benefit is suspended on the ground that the disease or disablement has been caused by the misconduct of the person claiming the benefit, such person shall not thereby become disentitled to medical benefit.

(5) Where under any Act regulating the constitution of a society which becomes an approved society the rules of the society are required to be registered, any rules approved under this section by the Insurance Commissioners shall forthwith be registered, but till so registered shall have effect as if they had been duly registered.

15.—(1) Every Insurance Committee shall for the purpose of administering medical benefit make arrangements with duly qualified medical practitioners in accordance with regulations made by the Insurance Commissioners.

Administra-
tion of
medical
benefit.

(2) The regulations made by the Insurance Commissioners shall provide for the arrangements made being subject to the approval of the Insurance Commissioners and being such as to secure that insured persons shall, save as hereinafter provided, receive adequate medical attendance and treatment from the medical practitioners with whom arrangements are so made, and shall require the adoption by every Insurance Committee of such system as will secure—

- (a) the preparation and publication of lists of medical practitioners who have agreed to attend and treat insured persons whose medical benefit is administered by the committee;
- (b) a right on the part of any duly qualified medical practitioner who is desirous of being included in any such list as aforesaid of being so included, but where the Insurance Commissioners, after such inquiry as may be prescribed, are satisfied that his continuance in the list would be prejudicial to the efficiency of the medical service of the insured, they may remove his name from the list;
- (c) a right on the part of any insured person of selecting, at such periods as may be prescribed, from the appropriate list the practitioner by whom he wishes to be attended and treated, and, subject to the consent of the practitioner so selected, of being attended and treated by him;
- (d) the distribution amongst and, so far as practicable, under arrangements made by, the several practitioners whose names are on the lists, of the insured persons who after due notice have failed to make any selection, or who have been refused by the practitioner whom they have selected;
- (e) the provision of medical attendance and treatment, on the same terms as to remuneration as those arranged with respect to insured persons, to members of any friendly society which, or a separate section of which, becomes an approved society who were such members at the date of the passing of this Act, and who are not entitled to medical benefit under this Part of this Act by reason either that they are of the age of sixty-five or upwards at the date of the commencement of this Act, or that being subject to permanent disablement at that date they are not qualified to become insured persons:

Provided that if the Insurance Commissioners are satisfied after inquiry that the practitioners included in any list are not such as to secure an adequate medical service in any area, they may dispense with the necessity of the adoption of such system as aforesaid as respects that area, and authorise the Committee to make such other arrangements as the Commissioners may approve or the Commissioners may themselves make such arrangements as they think fit, or may suspend the right to medical benefit in respect of any insured persons in the area for such period as they think fit, and pay to each such person a sum equal to the estimated cost of his medical benefit during that period, and where the Commissioners take any such action themselves they shall retain and apply for the purpose such part of the sums payable to the Insurance Committee in respect of medical benefit as may be required.

(3) The regulations made by the Insurance Commissioners shall authorise the Insurance Committee by which medical benefit is administered to require any persons whose income exceeds a limit to be fixed by the Committee, and to allow any other persons, in lieu of receiving medical benefit under such arrangements as aforesaid, to make their own arrangements for receiving medical attendance and treatment (including medicines and appliances), and in such case the Committee

shall, subject to the regulations, contribute from the funds out of which medical benefit is payable towards the cost of medical attendance and treatment (including medicines and appliances) for such persons sums not exceeding in the aggregate the amounts which the Committee would otherwise have expended in providing medical benefit for them.

(4) The regulations shall provide that, in the case of persons who are entitled to receive medical attendance and treatment under any system or through any institution existing at the time of the passing of this Act, and approved by the Insurance Committee and the Insurance Commissioners, such medical attendance and treatment may be treated as, or as part of, their medical benefit under this Part of this Act, and may provide for the Committee contributing towards the expenses thereof the whole or any part of the sums which would be contributed in the case of persons who have made their own arrangements as aforesaid, so, however, that such regulations shall secure that no person be deprived of his right, if he so elects, of selecting the duly qualified medical practitioner by whom he wishes to be attended and treated, in accordance with the foregoing provisions of this section.

(5) Every such Committee shall also make provision for the supply of proper and sufficient drugs and medicines and prescribed appliances to insured persons in accordance with regulations made by the Insurance Commissioners, which shall provide for the arrangements made being subject to the approval of the Insurance Commissioners, and being such as to enable insured persons to obtain from any persons, firms, or bodies corporate with whom arrangements have been made such drugs, medicines, and appliances if ordered by the medical practitioner by whom they are attended, and shall require the adoption by every Insurance Committee of such a system as will secure—

- (a) The preparation and publication of lists or persons, firms, and bodies corporate who have agreed to supply drugs, medicines, and appliances to insured persons whose medical benefit is administered by the Committee, according to such scale of prices as may be fixed by the Committee;
- (b) A right on the part of any person, firm, or body corporate desirous of being included in any such list as aforesaid, of being so included, for the purpose of supplying such drugs, medicines, and appliances as such person, firm, or body corporate is entitled by law and authorised by the Committee to supply, except in cases where the Insurance Commissioners after inquiry are satisfied that the inclusion or continuance of the person, firm, or body corporate in such list would be prejudicial to the efficiency of the service:

Provided that—

- (i) If the Insurance Commissioners are satisfied that the scale of prices fixed by the Committee is reasonable, but that the persons, firms, or bodies corporate included in any list are not such as to secure an adequate and convenient supply of drugs, medicines, and appliances in any area, they may dispense with the necessity of the adoption of such system as aforesaid as respects that area and authorise the Committee to make such other arrangements as the Commissioners may approve;
- (ii) Except as may be provided by regulations made by the Insurance Commissioners, no arrangement shall be made by the Insurance Committee with a medical practitioner under which he is bound or agrees to supply drugs or medicine to any insured persons;
- (iii) Subject to the regulations made by the last foregoing proviso the regulations shall prohibit arrangements for the dispensing of medicines being made with persons other than persons, firms, or bodies corporate entitled to carry on the business of a chemist and druggist under the provisions of the Pharmacy Act, 1868, as amended by the Poisons and Pharmacy Act, 1908, who undertake that all medicines supplied by them to insured persons shall be dispensed either by or under the direct supervision of a registered pharmacist or by a person who, for three years immediately prior to

the passing of this Act, has acted as a dispenser to a duly qualified medical practitioner or a public institution ;

- (iv) Nothing in this Act shall interfere with the rights and privileges conferred by the Apothecaries Act, 1815, upon any person qualified under that Act to act as an assistant to any apothecary in compounding and dispensing medicines. 55 Geo. 3
c. 194.

(6) There shall in each year be paid to the Insurance Committee for each county or county borough out of moneys credited to a society which has members resident in the county or county borough such sum in respect of the medical benefit of such members and the cost of administration thereof as may be agreed between the society and committee or, in default of agreement, may be determined by the Insurance Commissioners.

(7) If in any year the amount payable to an Insurance Committee in respect of all persons for the administration of whose medical benefit it is responsible is insufficient to meet the estimated expenditure thereon, the Committee may, through the Insurance Commissioners, transmit to the Treasury and to the council of the county or county borough an account showing the amount so payable and the estimated expenditure, and the Treasury and the county council or the council of the county borough may, if they think fit and if satisfied that the amounts so payable and the proposed expenditure are reasonable and proper in the circumstances, sanction the expenditure.

(8) The Treasury and the council of the county or county borough sanctioning any such expenditure as aforesaid shall thereupon each be liable to make good, in the case of the Treasury out of moneys provided by Parliament, and in the case of the council of a county or county borough out of the county fund or borough fund or borough rate, as the case may be, one half of any sums so sanctioned by them and expended by the Insurance Committee on medical benefit in the course of the year in excess of the amounts so payable to the Insurance Committee as aforesaid.

16.—(1) For the purpose of administering sanatorium benefit Insurance Committees shall make arrangements, to the satisfaction of the Insurance Commissioners,— Administra-
tion of
sanatorium
benefit

- (a) with a view to providing treatment for insured persons suffering from tuberculosis or any other such disease as aforesaid in sanatoria and other institutions, with persons or local authorities (other than poor law authorities) having the management of sanatoria or other institutions approved by the Local Government Board, which treatment it shall be lawful for a local authority to provide as respects insured persons resident outside as well as respects those resident within their area ; and
- (b) with a view to providing treatment for such persons otherwise than in sanatoria or other institutions, with persons and local authorities (other than poor law authorities) undertaking such treatment in a manner approved by the Local Government Board, which treatment (including the appointment of officers for the purpose) it shall be lawful for a local authority, if so authorised by the Local Government Board, to undertake.
- (2) The sums available for defraying the expenses of sanatorium benefit in each year shall be—
- (a) one shilling and threepence in respect of each insured person resident in the county or county borough payable out of the funds out of which benefits are payable under this Part of this Act ;
- (b) one penny in respect of each such person payable out of moneys provided by Parliament :

Provided that the Insurance Commissioners may retain the whole or any part of the sums so payable out of moneys provided by Parliament to be applied in accordance with regulations made by the Commissioners for the purposes of research.

(3) An insured person shall not be entitled to sanatorium benefit unless the Insurance Committee recommends the case for such benefit.

(4) An Insurance Committee may, out of the sums available for defraying the expenses of sanatorium treatment, defray in whole or in part the expenses of the conveyance of an insured person to or from any sanatorium or institution to which he may be sent for treatment therein, or may make advances for the purpose.

Power to extend sanatorium benefit to dependants.

17.—(1) The Insurance Committee for any county or county borough may, if it thinks fit, extend sanatorium benefit to the dependants of the insured persons resident in the county, or any part of the county, or in the county borough, or any class of such dependants, and in such case the arrangements to be made by the committee shall include arrangements for the treatment of such dependants, and the sums available for sanatorium benefit shall be applicable to the purpose.

(2) If in any year the amount available for defraying the expenses of sanatorium benefit is insufficient to meet the estimated expenditure on sanatorium benefit for insured persons and such dependants, the Insurance Committee may, through the Insurance Commissioners, transmit to the Treasury and the council of the county or county borough an account showing the estimated expenditure for the purpose and the amount of the sums available for defraying the expenses of sanatorium benefit, and the Treasury and council may if they think fit sanction such expenditure.

(3) The Treasury and the council of the county or county borough sanctioning such expenditure as aforesaid shall thereupon each be liable to make good, in the case of the Treasury out of moneys provided by Parliament, and in the case of the council of the county or county borough out of the county fund or borough fund or borough rate, as the case may be, one-half of any sums so sanctioned by them and expended by the Insurance Committee on sanatorium benefit for insured persons and their dependants in the course of the year in excess of the amount available for defraying the expenses of the committee on sanatorium benefit.

Administration of maternity benefit.

18.—(1) Where the mother of the child is herself an insured person, and is not the wife or, in the case of a posthumous child, the widow of an insured person, maternity benefit shall be treated as a benefit for her and shall be administered in cash or otherwise by the approved society of which she is a member, or, if she is not a member of any society, by the Insurance Committee; in any other case the benefit shall be treated as a benefit for her husband and shall be administered in cash or otherwise by the approved society of which he is a member, or, if he is not a member of any such society, by the Insurance Committee, and shall be payable in respect of a posthumous child as if the husband were still alive:

Provided always that the mother shall decide whether she shall be attended by a duly qualified medical practitioner or by a duly certified midwife, and shall have free choice in the selection of such practitioner or midwife, but if in the case of a midwife being selected, a duly qualified medical practitioner is subsequently summoned in pursuance of the rules made under the Midwives Act, 1902, the prescribed fee shall, subject to regulations made by the Insurance Commissioners, be recoverable as part of the maternity benefit.

2 Edw. 7
c. 17.

35 & 36 Vict.
c. 65.

(2) In deciding whether or not they shall make an order under the Bastardy Laws Amendment Act, 1872, for the payment of the expenses incidental to the birth of a child, the justices shall not take into consideration the fact that the mother of the child is entitled to receive maternity benefit under this Part of this Act.

Punishment of husband in certain cases of neglect.

19. Without prejudice to any other legal liability, where, under the immediately foregoing section, which relates to the administration of maternity benefit, of this Act, maternity benefit is given or paid to the husband, it shall be the duty of the husband to make adequate provision to the best of his power for the maintenance and care of his wife during her confinement, and for a period of four weeks after her delivery, and if he neglects or refuses to do so he shall be liable upon summary conviction to imprisonment, with or without hard labour, for any term not exceeding one month.

Reinsurance for the purposes of maternity benefit.

20. For the purpose of the administration of maternity benefit the Insurance Commissioners may, if they think fit, by special order provide for the reinsurance with them of the liabilities of all approved societies in respect of maternity benefit,

and the order may provide for the method of calculating the premiums to be charged against the several societies in respect of such reinsurances and may contain such other incidental, consequential, and supplemental provisions as may appear necessary for the purpose.

21. It shall be lawful for an approved society or Insurance Committee to grant such subscriptions or donations as it may think fit to hospitals, dispensaries and other charitable institutions, or for the support of district nurses, and to appoint nurses for the purpose of visiting and nursing insured persons, and any sums so expended shall be treated as expenditure on such benefits under this Part of this Act as may be prescribed.

Power to subscribe to hospitals, &c.

22.—(1) The council of any borough or urban or rural district may agree with the council of the county in which the borough or district is situate to repay to the latter council the whole or any part of the sums payable by that council in accordance with the provisions of this Part of this Act towards the excess expenditure on medical or sanatorium benefit so far as such excess is properly attributable to the borough or district, and any sums payable by the council of the borough or district in pursuance of such an agreement shall be payable in the case of a borough out of the borough fund or borough rate, and in any other case as part of the general expenses incurred by the council in the execution of the Public Health Acts.

Power of councils of boroughs and districts to contribute to certain expenditure on medical and sanatorium benefits.

(2) The agreement may provide that the county council shall not raise any sum on account of any expenditure incurred by them under this Part of this Act for the purpose to which the agreement relates within the borough or urban or rural district the council of which has entered into such agreement, during the continuance of such agreement.

Approved Societies.

23.—(1) Any society, that is to say, any body of persons, corporate or unincorporate (not being a branch of another such body), registered or established under any Act of Parliament, or by Royal Charter, or if not so registered or established, having a constitution of such a character as may be prescribed which complies with the requirements of this Act relating to approved societies, may be approved by the Insurance Commissioners, and if so approved shall be an approved society for the purposes of this Part of this Act:

Conditions for the approval of approved societies.

Provided that where any society establishes for the purposes of this Part of this Act a separate section consisting of insured persons, whether with or without honorary members not being insured persons, and so constituted as to comply with the requirements of this Act relating to approved societies, such separate section may be approved by the Insurance Commissioners, and if so approved shall be an approved society, and the provisions of this Part of this Act relating to the conditions of approval of societies and to approved societies shall apply only to such separate section of the society.

(2) No society shall receive the approval of the Insurance Commissioners unless it satisfies the following conditions:—

- (i) It must not be a society carried on for profit;
- (ii) Its constitution must provide to the satisfaction of the Insurance Commissioners for its affairs being subject to the absolute control of its members being insured persons or, if the rules of the society so provide, of its members whether insured persons or not, including provision for the election and removal of the committee of management or other governing body of the society, in the case of a society whose affairs are managed by delegates elected by members, by such delegates, and in other cases in such manner as will secure absolute control by its members;
- (iii) If the society has honorary members, its constitution must provide for excluding such honorary members from the right of voting in their capacity of members of the society on all questions and matters arising under this Part of this Act.

(3) Applications for approval under this section may be made and approval granted at any time before or after the commencement of this Act, and the Insurance Commissioners may grant approval either unconditionally or subject

to the condition of the society taking within such time as the Commissioners may allow such steps as may be necessary to make the society comply with the requirements of this Part of this Act relating to approved societies.

Power of societies to undertake business under Part I.

24.—(1) It shall be lawful for any body of persons, corporate or unincorporate, established before the passing of this Act which is desirous of transacting insurance business under this Part of this Act, or of making any amendments in its constitution, or administration, or contributions, or benefits, or otherwise which may be necessary or expedient in consequence of the passing of this Act, notwithstanding anything in the provisions of the Acts under which it is established or registered or carried on, or of its memorandum or articles of association, rules, or other instruments governing its constitution or defining its objects, to do all such acts and things (including the establishment of a separate section as aforesaid) as may be necessary for the purpose of enabling the body to undertake the transaction of such business as soon as may be after the passing of this Act and, if the instrument regulating the constitution of the body contains provisions requiring any interval to elapse before action can be taken, such provisions shall not apply to action taken for the purposes aforesaid.

59 & 60 Vict. c. 25.

(2) Subsections (3) and (4) of section 70 of the Friendly Societies Act, 1896, shall not apply to any resolutions for amalgamation or transfer of engagements when the resolution is made expressly for the purposes of this Part of this Act.

(3) This section shall come into operation on the passing of this Act, and shall not continue in force beyond the expiration of one year from the commencement of this Act, except so far as may be necessary to enable a society which has undertaken the transaction of insurance business under this Part of this Act to continue to transact such business.

Special provisions for employers' provident funds, &c.

25.—(1) Where a society consists of persons entitled to rights in a superannuation or other provident fund established for the benefit of persons employed by one or more employers, the society may be approved, notwithstanding that the employer is entitled to representation on the committee or other body administering the fund, to an extent not exceeding one quarter of the total number of the body, if the employer, in addition to the employer's contributions payable by him under this Part of this Act, is responsible for the solvency of the fund or for the benefits payable thereout, or is liable to pay a substantial part of, or to make substantial contributions to, or substantially to supplement, the benefits payable out of the fund:

Provided that no such society as aforesaid shall be approved unless by its constitution it is prohibited so far as concerns the benefits under this Part of this Act from refusing to allow a member to transfer to another approved society, and from refusing to allow a member who is discharged from or leaves the employment of the employer and is unable to obtain admission to another approved society on account of the state of his health to continue a member, and unless its constitution provides for the election of the members of the committee of management (other than the employer's representatives) by ballot:

Provided also that no such society shall be approved if the employer makes membership of such society a condition of employment.

(2) Where, for the purpose of enabling any such society to become an approved society, it is necessary to make any alteration in the existing rules or constitution of the society which it is not competent for the society under its existing constitution to make, a scheme for the purpose may be submitted for the approval of the Insurance Commissioners.

(3) Where such a scheme has been approved by the Insurance Commissioners, the Act or deed constituting the society shall have effect subject to the provisions of the scheme, but the Insurance Commissioners shall not approve any such scheme unless they are satisfied that the members of the society have been given an opportunity of voting by ballot thereon, and that the scheme makes proper provision for safeguarding existing rights and interests.

Security to be given by approved societies.

26.—(1) Every approved society and every society desirous of becoming an approved society shall give such security as the Insurance Commissioners may consider sufficient to provide against any malversation or misappropriation by

officers of the society of any funds coming to the hands of the society under this Part of this Act, and in determining the amount of the security to be required the Commissioners shall have regard to the amount of the funds so coming into the hands of the society :

Provided that no security shall be required from any society which proves to the Insurance Commissioners that the only funds coming into the hands of the society under this Part of this Act are such funds as are required for reimbursing to the society sums previously expended by the society under this Part of this Act.

(2) In the case of an approved society with branches having insured persons among their members, security shall be given in respect of each such branch by the society.

(3) The Insurance Commissioners may from time to time vary the amount of security to be given or maintained by an approved society as may be thought proper, and where security is given by way of deposit of securities, the society which made the deposit may, with the consent of the Insurance Commissioners, substitute other securities for the time being deposited.

(4) Any dividends or interest arising from securities deposited by an approved society under this section shall be paid to the society.

27.—(1) Every approved society shall, as respects the administration of the affairs of the society under this Part of this Act, make proper provision by rules to the satisfaction of the Insurance Commissioners for the government of the society, and if a society with branches—

Provisions
as to
approved
societies.

(a) for the government of the society and its branches ;

(b) for the determination of disputes arising between the society and any branch thereof, or between one such branch and another ;

(c) for the administration of benefits by the branches as respects insured persons who are members of such branches ;

(d) for the keeping of proper books of account by the branches in any case where separate accounts are usually kept by those branches ;

(e) for depriving of or suspending from the right of administering benefits under this Part of this Act any branch which is guilty of maladministration of those benefits, or is convicted of any offence under any Act, and for providing in such a case for their administration by the society or otherwise.

(2) Every approved society and every branch thereof shall comply with any regulations made by the Insurance Commissioners as to the place in which meetings are to be held, and those regulations may provide for the use for such meetings, with or without payment, of any offices or other buildings under the control of a Government department (including offices or buildings occupied by or in connexion with a labour exchange) or belonging to or under the management of a local authority, but subject to the consent of the Government department or the local authority concerned.

(3) Where under any Act regulating the constitution of an approved society the rules of the society are required to be registered, any rules approved under this section by the Insurance Commissioners shall forthwith be registered, but until so registered shall have effect as if they had been duly registered.

28.—(1) No branch of an approved society having insured persons among its members shall be entitled to secede or withdraw from the society without the consent of the Insurance Commissioners ; but such consent shall not be given unless the seceding or withdrawing branch complies with the conditions of approval requisite in the case of approved societies, and on any such consent being given the branch shall be subject in all respects to the provisions and requirements of this Part of this Act relating to approved societies :

Secessions,
&c.

Provided that such consent shall not be required if the branch makes provision to the satisfaction of the Insurance Commissioners for the transfer to other approved societies or to other branches of the society from which it is seceding or withdrawing of such of its members as are insured persons.

(2) An approved society or a branch thereof shall not be dissolved without the sanction of the Insurance Commissioners, and any such dissolution, so far as it

affects members who are insured persons, shall be carried out in the prescribed manner.

(3) No branch of an approved society shall be expelled from the society unless proper provision is made to the satisfaction of the Insurance Commissioners with respect to any members of the branch who are insured persons.

(4) This section shall have effect notwithstanding anything contained in any Act regulating the constitution of the society.

With-
drawal of
approval.

29. Where an approved society or a branch of any approved society fails to comply with any of the provisions or requirements of this Part of this Act relating to approved societies, or where such a society or branch or the body of which the society forms a separate section is convicted of any offence under any Act regulating its constitution or under any other Act, the Insurance Commissioners may withdraw their approval, and thereupon the society shall cease to be an approved society and the Insurance Commissioners shall make such provision as they may consider necessary with respect to members of the society who are insured persons.

Membership of Approved Societies and Transfer of Members.

Admission of
insured
persons to
membership
in approved
societies.

30.—(1) Subject to the provisions of this Act, any insured person and any person entitled to become an insured person may apply to an approved society for membership therein.

(2) An approved society shall be entitled, in accordance with its rules, to admit or reject any such applicant, or to expel any of its members being insured persons: Provided that no such application shall be refused solely on the ground of the age of the applicant.

(3) This section shall come into operation on the passing of this Act.

Transfer
from one
approved
society to
another.

31.—(1) If an insured person, being a member of an approved society, ceases to be a member of that society, whether voluntarily or by expulsion, and becomes a member of another approved society, there shall be transferred to such other society in respect of such person a sum representing the liability under this Part of this Act of the first-mentioned society in respect of him (in this Act called "transfer value") calculated in accordance with tables to be prepared by the Insurance Commissioners:

Provided that such transfer value shall not be so transferred in any case where the first-mentioned society proves that the insured person voluntarily ceased to be a member of that society without the consent of the society, and that that consent was not unreasonably withheld.

(2) This section shall apply to transfers from one branch of an approved society to another branch of the same or any society in like manner as it applies to transfers from one society to another society.

Transfers to
foreign and
colonial
societies.

32.—(1) If an insured person ceases to be permanently resident in the United Kingdom and becomes a member of any society or institution established in a British possession or foreign country, of a kind similar to an approved society, which is approved by the Insurance Commissioners, or of any branch established outside the United Kingdom of an approved society, the transfer value of such person, or, in the case of a deposit contributor, the amount standing to his credit in the Post Office fund, shall be paid to such society or institution or branch; but no such payment shall be made unless the Insurance Commissioners are satisfied that the society, institution, or branch in question gives corresponding rights to any of its members becoming resident in the United Kingdom.

(2) Where an arrangement has been made with the Government of any British possession or with the Government of any foreign State, whereby insured persons may be transferred to a society or institution established in the British possession or foreign State similar to an approved society or the Post Office fund, and members of any such society or institution may be transferred to approved societies or to the Post Office fund, it shall be lawful for the Insurance Commissioners to make such arrangements as may be necessary for any such transfer as aforesaid, and for the determination of the amount to be transferred in any such

case, and of the rights to which any person transferred is to be entitled; so, however, that nothing in this section shall affect the rights of a society under this Part of this Act to refuse applications for membership.

33. If a person who has for not less than five years been a member of an approved society for the purposes of this Part of this Act has ceased permanently to reside in the United Kingdom, and does not join such a society, branch, or institution as is in the last foregoing section mentioned, and the approved society is willing to permit him to remain a member of the society and to become entitled to benefits independently of this Act, the society may, subject to regulations by the Insurance Commissioners, transfer from the account of the society under this Part of this Act to the credit of the society independently of this Act such sum as would have been transferred to the Post Office fund had the member ceased to be a member of the society and become a deposit contributor, and so much of any reserve value which may have been credited to the society in respect of him as would in such a case have been cancelled shall be cancelled.

Transfer of values of emigrants who remain members of approved societies.

34. A person shall not be or attempt to become a member for the purposes of this Part of this Act of more than one approved society at the same time, or, being a deposit contributor, to become at the same time a member for the purposes of this Part of this Act of an approved society, but nothing in this Act shall prevent any person who is a member of an approved society under this Part of this Act becoming a member of the same or any other society independently of this Act, or prevent a deposit contributor becoming a member of any society independently of this Act, or affect the right of an approved society to reject or expel from membership any person not being an insured person, or the rights or liabilities of an approved society or of any member thereof arising otherwise than under this Part of this Act; and, subject to the provisions of this Part of this Act, all rules made by a society which becomes an approved society or any branch thereof shall remain and be of the same force and effect as though this Act had not been passed.

Prohibition against double insurance.

Accounts : Valuations : Surplus and Deficit.

35.—(1) Every approved society and every branch of an approved society must—

Approved societies to keep proper accounts.

- (a) Keep its books and accounts under this Part of this Act separate from all other books and accounts of the society or branch, and in such form as may be prescribed by the Insurance Commissioners, and, when required, submit them to audit by auditors to be appointed by the Treasury;
- (b) Submit to have its assets and liabilities under this Part of this Act valued in accordance with the provisions of this Part of this Act;
- (c) In the event of a surplus or deficiency being shown upon any such valuation, comply with the provisions relating to surpluses and deficiencies herein-after contained;
- (d) Render such returns as the Insurance Commissioners may require.

(2) Regulations made under this section shall provide for a separate account being kept showing the amount expended on administration, and for limiting the amount which may be carried to that account out of the contributions under this Part of this Act, and for requiring any deficiency in such account (if not otherwise defrayed) to be met forthwith by a special levy.

(3) The provisions of this Part of this Act relating to accounts audit, valuation and returns shall, as respects the transactions of any approved society or branch thereof under this Part of this Act, be substituted for such of the provisions of any Act regulating the constitution of the society or branch as deal with the like matters.

(4) In the case of a society or branch transacting other business besides that of insurance business under this Part of this Act, all funds and credits of the society or branch under this Part of this Act shall be as absolutely the security of the members for the purposes of this Part of this Act as if they belonged to a society

or branch carrying on no other business than such insurance business, and shall not be liable for any contracts of the society or branch for which they would not have been liable had the business of the society or branch been only that of such insurance, and shall not be applied directly or indirectly for any purposes other than those of insurance business under this Part of this Act.

Where a separate section of a society has been established, and such separate section is an approved society under this Part of this Act, the expression "society" in this subsection means the society of which the separate section has been established and not the separate section.

Valuations
of approved
societies.

36.—(1) A valuation of the assets and liabilities arising under this Part of this Act of every approved society and of every branch of an approved society shall be made by a valuer, to be appointed by or with the approval of the Treasury, at the expiration of every three years dating from the commencement of this Act, or at such other times as the Insurance Commissioners appoint; the times so appointed may be at shorter or longer intervals than three years and at regular or irregular intervals, and may apply to all approved societies or any particular society or societies.

(2) Every such valuation shall be made on such basis as may be prescribed.

Surplus.

37.—(1) If upon any such valuation a surplus (certified by the valuer to be disposable) is found, the following provisions shall apply:—

(a) If the society is not a society with branches the society may submit to the Insurance Commissioners a scheme for distributing out of such surplus any one or more additional benefits among insured persons who are members thereof for the purposes of this Part of this Act, and upon any such scheme being sanctioned by the Insurance Commissioners the society may distribute such additional benefit or benefits in accordance with the provisions thereof:

(b) If the society is a society with branches, any surplus in the central fund of the society, including any surplus transferred from the branches to the society under the provisions of this section, shall, subject to the provisions of the next succeeding section of this Act, be applied in the first instance towards making good any deficiency shown by any of its branches; and the society may distribute the balance of the surplus, after making good deficiencies as aforesaid, amongst such of its branches as have a surplus in proportion to the amounts of such surpluses, and the sum so apportioned to a branch shall be treated as an addition to the disposable surplus of that branch:

(c) If on the valuation of a branch of an approved society a surplus is shown in respect of such branch, there shall be transferred to the central body or other central authority of the society of which it is a branch one-third of the surplus, and the branch may, with the approval of the society, submit to the Insurance Commissioners a scheme for distributing out of the remaining two-thirds of such surplus, together with any such addition as aforesaid, any one or more additional benefits, and upon any such scheme being sanctioned by the Insurance Commissioners, the branch may distribute such additional benefit or benefits in accordance with the provisions thereof:

(d) If at any time after a scheme submitted by a society or branch has been so sanctioned as aforesaid there is found to be a deficiency in the funds of the society or branch, no additional benefits shall be distributed under the scheme until such deficiency is extinguished and a surplus shown.

(2) A scheme made under this section may prescribe the conditions to be complied with as respects any additional benefit conferred by the scheme, and every such scheme shall, so far as practicable, provide for the reduction, suspension, or deprivation of the additional benefits conferred by the scheme in the case of members who are in arrears, and may make a corresponding reduction in the amount to which such members are to be deemed to be in arrears for the purpose of reckoning the rate of sickness benefit.

(3) No surplus and no part of any surplus shall be applied for the purpose of paying any benefits payable on death or any benefits other than one or more of the additional benefits specified in Part II. of the Fourth Schedule to this Act.

38.—(1) If upon any such valuation a deficiency is found, the following Deficit provisions shall apply :—

(a) If the deficiency is shown by a branch of an approved society, three-quarters, or if the society thinks fit, the whole thereof, shall, in the first place, so far as possible, be made good out of any surplus available for that purpose in the hands of the central body or other central authority of the society :

Provided that the society may, if it is satisfied that the deficiency is due to any maladministration on the part of the branch in question, with the consent of the Insurance Commissioners, refuse to make good any part of the deficiency out of such surplus :

(b) Subject as aforesaid, every deficiency shall be made good in accordance with a scheme for that purpose to be prepared by the society, or, in the case of a deficiency in a branch, by the branch subject to the approval of the society, and submitted to the Insurance Commissioners for their sanction ; such a scheme shall provide for making good the deficiency, within a period of three years from the date at which the valuation was made, in any one or more of the following ways :—

(i) By a compulsory levy by way of increase of the weekly rate of contributions upon members of the society or branch being insured persons ;

(ii) By reducing the rate of sickness benefit either for the whole period during which sickness benefit is payable or for any part thereof ;

(iii) By deferring the day as from which sickness benefit becomes payable ;

(iv) By reducing the period during which sickness benefit is payable ;

(v) By increasing the period which is required by this Part of this Act to elapse between two periods of disease or disablement to prevent the one being treated as a continuation of the other ;

(vi) By any other method approved by the Insurance Commissioners,

and on the sanction of the Insurance Commissioners being given to the scheme the society or branch shall proceed to make good the deficiency in accordance therewith ;

(c) Payment of the amount of any compulsory levy made in accordance with a scheme sanctioned under this section may be enforced in such manner as may be provided by the rules of the society or branch ; and where those rules so provide it shall be lawful for the society or branch in the case of any member to enforce payment of the amount of the levy by giving notice in the prescribed manner to the employer of such member requiring him to pay the amount of the levy, and upon such notice being given such amount shall be payable as if it were part of the contribution to be paid by the employer on behalf of the member, and all the provisions of this Part of this Act relating to the payment of such contributions and the recovery thereof from members shall apply accordingly :

(d) If a member chargeable with a levy falls into arrears his arrears shall reckon as though the total sum thereof, inclusive of the levy, consisted of the contributions payable by or in respect of him had no levy been made :

(e) If within six months after the declaration of a deficiency, or where an enquiry as to excessive sickness is pending under this Part of this Act, such longer period as the Insurance Commissioners determine, such scheme as aforesaid has not been submitted to and sanctioned by the Insurance Commissioners, or if at any time thereafter it appears

to the Insurance Commissioners that the society or branch to which the scheme relates is not enforcing the provisions of the scheme, the Insurance Commissioners may take over the administration of the affairs of the society or branch under this Part of this Act, and shall as soon as possible thereafter take such steps as they may think necessary to make good the deficiency by any or all of the methods mentioned in paragraph (b) of this section, and for that purpose they shall be entitled to exercise all or any of the powers given to the society or branch by this Part of this Act :

- (f) The Insurance Commissioners after taking over the administration of the affairs of any society or branch shall within a reasonable time, not exceeding three years, make arrangements for the restoration to the society or branch of its powers of self-government or, failing that, for the transfer of the members of the society or branch, being insured persons, to other approved societies or branches or to the Post Office fund :
- (g) Any question or dispute arising between the Insurance Commissioners and the society or branch in respect of the amount of the deficiency, or as to the adequacy of any scheme proposed for making it good, shall be submitted to an independent valuer to be appointed by the Lord Chief Justice, and such valuer shall, subject to the provisions of this Act and of the regulations thereunder, act, so far as practicable, on his own knowledge and experience, and shall have power to determine how and by what parties the costs of proceedings, including his own remuneration, not exceeding such amount as the Treasury may prescribe, are to be defrayed, and his decision shall be final and conclusive :
- (h) A scheme made under this section shall not affect any person who becomes a member of the society or branch after the date as at which the valuation was made, or any member over seventy years of age :
- (i) Any insured person who having been a member of the society or branch at the date as at which the valuation disclosing the deficiency was made is transferred to another society or to another branch of the same or any other society before the deficiency is made good, shall be liable to any levy or reduction of benefits which has been or may be made in respect of such deficiency in like manner in all respects as if he had not ceased to be a member, and if the transfer took place before the scheme imposing the levy or reduction of benefits was sanctioned, such adjustment in the amount of any transfer value paid in respect of him shall be made as the circumstances require.
- (2) Any member liable to a levy payable at intervals may relieve himself of the liability thereto, and a member subject to a diminution of benefits by virtue of any such scheme may, with the consent of the society or branch, acquire a right to undiminished benefits on payment to the Insurance Commissioners of the capitalised value of the levy or diminution of benefits, as the case may be, ascertained in the prescribed manner.

Pooling arrangements in the case of small societies.

39.—(1) Subject to the provisions of this section all approved societies which at the date of any valuation have less than five thousand insured persons as members for the purposes of this Part of this Act shall, for the purposes of the valuation—

- (a) if they have joined an association formed under this section, be associated with the other societies in the same association ; and
- (b) if they have not joined any such association, be grouped together according to the localities in which they carry on business.
- (2) Any such societies may, with the consent of the Insurance Commissioners, form for the purposes of this section an association with a central financial committee, provided that the aggregate number of insured persons who are members of the associated societies is not less than five thousand, and the conditions on which a society shall be entitled or allowed to join, or having joined to secede from, an association, shall be such as may be prescribed.

(3) Any such society which has not joined any such association as aforesaid, and which carries on business in any county or county borough, shall, for the purposes of this section, be grouped with the other unassociated societies carrying on business in the same county or county borough.

(4) The provisions of this Part of this Act as to the application of surpluses of branches of societies with branches shall apply to such associated and grouped societies as if all the societies in any association or group were branches of a single society, subject to the following modifications :—

(a) A reference to the central financial committee in the case of an association, and to the Insurance Committee for the county or county borough in the case of a group, shall be substituted for the reference to the central authority of the society ;

(b) The approval of the central financial committee or Insurance Committee shall not be required to any scheme prepared by an associated or grouped society for the distribution of any surplus.

(5) Where an associated or grouped society is a society with branches, the provisions of this Part of this Act relating to surpluses and deficiencies of societies with branches (except those requiring the approval of a society to a scheme prepared by a branch as to the distribution of a surplus or the making good of a deficiency) shall not apply to the society, but each branch shall, for the purposes of this section, be deemed to be a separate society.

(6) For the purposes of this section a society shall be deemed to carry on business only in the county or county borough in which its registered office or other principal place of business is situate :

Provided that where of the insured persons who are members of a grouped society at the date of any valuation more than one hundred or more than one-sixth reside in some county or county borough other than that in which the registered office or other principal place of business is situate, the proper proportion of any surplus or deficiency of the society shall, if application for the purpose is made by any of the Insurance Committees concerned, be apportioned to the Insurance Committee of that other county or county borough, such proportion to be determined, in default of agreement between the Insurance Committees concerned, by the Insurance Commissioners.

(7) The Insurance Commissioners may exempt from this section any society consisting of persons entitled to rights in a superannuation or other provident fund established for the benefit of persons employed by one or more employers, if the employer, in addition to the contributions payable by him under this Part of this Act, is responsible for the solvency of the fund, or for the benefits payable thereout, or is liable to pay a substantial part of, or to make substantial contributions to, or substantially to supplement the benefits payable out of the fund, and this section shall not apply to any society to which such an exemption has been granted.

(8) Except so far as relates to the power of refusing to make good any part of a deficiency due to maladministration on the part of any society, nothing in this section shall be construed as conferring on any central financial committee or Insurance Committee any powers of control over the administration of associated or grouped societies.

40.—(1) Where a society with branches is so organised that the branches in different geographical areas are grouped together for the purposes of this section, the branches in any such area may, if and to such extent as the rules of the society so provide, and if the number of members of the branches being insured persons in the area exceeds five thousand, be treated for the purposes of the provisions of this Part of this Act relating to valuations, surpluses, and deficiencies as if they formed a separate society.

Special provisions with regard to societies with branches.

(2) The rules of any society with branches may provide for the branches reinsuring with the society their liabilities in respect of any of the benefits under this Part of this Act, or if the society is so organised as aforesaid for such reinsurance either with the society or with the group.

(3) Where a society with branches has among its members insured persons who are not members of any branch, and the benefits of such members are administered by the society itself, such members shall be treated for the purposes of this Part

of this Act relating to valuations, surpluses, and deficiencies as if they formed a separate branch.

Power to separate men's and women's funds.

41. Where an approved society, not being a society with branches, has amongst its members both men and women, and the rules of the society so provide, the provisions of this Part of this Act with respect to valuations, surpluses, and deficiencies shall apply to the society as if it were a society consisting of two branches, the one comprising the male members and the other comprising the female members.

Deposit Insurance.

Provisions as to deposit contributors.

42. Until the first day of January nineteen hundred and fifteen, the following provisions shall apply in the case of insured persons (in this Act referred to as deposit contributors) who have not joined an approved society within the prescribed time, or who, having been members of an approved society, have been expelled or have resigned therefrom and have not within the prescribed time joined another approved society:—

- (a) Contributions by or in respect of a deposit contributor shall be credited to a special fund to be called the Post Office fund :
- (b) The sums required for the payment of any sickness, disablement, or maternity benefit payable to a deposit contributor, except so far as they are payable out of moneys provided by Parliament, shall be paid out of the money standing to his credit in the Post Office fund, and his right to benefits under this Part of this Act shall be suspended on the sums standing to his credit in that fund being exhausted, except that his right to medical benefit and sanatorium benefit shall continue until the expiration of the then current year, and that the Insurance Committee, if it has funds available for the purpose and thinks fit so to do, may allow him to continue to receive medical benefit or sanatorium benefit or both such benefits after the expiration of such year :
- (c) Such sum as may be prescribed shall in each year be payable in respect of each deposit contributor towards the expenses incurred by the Insurance Committee in the administration of benefits :
- (d) Such sum as the Insurance Committee may, with the consent of the Insurance Commissioners, determine shall in each year be payable in respect of each deposit contributor for the purposes of the cost of medical benefit :
- (e) The sums payable in respect of a deposit contributor for the purposes of medical benefit and sanatorium benefit, and towards the expenses of administration, shall except so far as they are payable out of moneys provided by Parliament, be deducted at the commencement of each year from the amount standing to his credit in the Post Office fund, and if at the commencement of any year the amount so standing to his credit is insufficient to provide such sums, he shall not, unless the Insurance Committee consents, and except subject to such conditions as that committee may impose, be entitled to any benefits during that year :
- (f) Upon the death of a deposit contributor four-sevenths (or in the case of a woman one-half) of the amount standing to his credit in the Post Office fund shall be paid to his nominee or, in default of a nomination, to the person entitled to receive the sum as if it were money payable on the death of a member of a registered friendly society, and the balance thereof shall be forfeited, and sections fifty-six to sixty-one of the Friendly Societies Act, 1896, as amended by any subsequent enactment, shall, subject to the prescribed adaptations, apply accordingly :
- (g) Where a deposit contributor proves to the satisfaction of the Insurance Committee that he has permanently ceased to reside in the United Kingdom, four-sevenths (or in the case of a woman one-half) of the amount standing to his credit in the Post Office fund may be paid to him.

43.—(1) If an insured person, being a member of an approved society, ceases to be a member of that society, whether voluntarily or by expulsion, and fails to become within the prescribed time a member of another approved society, then—

- (a) if he becomes a deposit contributor, his transfer value shall be carried to his credit in the Post Office fund: Provided that if a reserve value has been credited to the society in respect of him, such part of that reserve value as is still outstanding (or if the amount so outstanding exceeds the transfer value such part of the reserve value as is equal to the transfer value) shall be cancelled, and the amount, if any, by which the transfer value exceeds the amount so cancelled shall be carried to the credit of the deposit contributor;
- (b) if he does not become a deposit contributor, his transfer value shall be carried to such account and dealt with in such manner as may be prescribed.

(2) If an insured person who is a deposit contributor subsequently becomes a member of an approved society for the purposes of this Part of this Act, there shall be transferred to the society the amount standing to his credit in the Post Office fund:

Provided that—

- (a) if that amount exceeds the value of the contributions paid by or in respect of him estimated on the assumption that he had been a member of an approved society since his entry into insurance, the excess shall not be transferred to the society but shall be carried to the credit of the Post Office fund;
- (b) if that amount is less than such value the insured person shall be treated as being in arrear to the amount of the deficiency.

Provisions as to Special Classes of Insured Persons.

44.—(1) Where a woman who has before marriage been an insured person marries, she shall be suspended from receiving the ordinary benefits under this Part of this Act until the death of her husband, and if she is a member of an approved society one-third of her transfer value shall be carried to a separate account called the married women's suspense account, but if at any time after the death of her husband she becomes an employed contributor, the period between her marriage and the expiration of one month from the death of her husband shall be disregarded for the purpose of reckoning arrears, and there shall be transferred from the married women's suspense account to the society of which she is a member the proper reserve value calculated according to tables to be prepared by the Insurance Commissioners:

Provided that where a woman who has been employed within the meaning of this Part of this Act before marriage proves that she continues to be so employed after marriage, she shall not be so suspended so long as she continues to be so employed, and that where a married woman so suspended from the ordinary benefits becomes employed within the meaning of this Part of this Act before the death of her husband, contributions shall thereupon again become payable in respect of her, and she shall cease to be suspended from receiving the ordinary benefits, but, subject to regulations made by the Insurance Commissioners, she shall, for the purposes of those benefits, be treated as if she had not previously been an insured person.

(2) Where a married woman being a member of an approved society is so suspended from the ordinary benefits as aforesaid, she may, if she so elects within one month after such suspension, or, subject to the consent of the society, after the expiration of that month, and notwithstanding that she is not engaged in any regular occupation, become whilst so suspended a voluntary contributor, subject to the following modifications, but not otherwise:—

- (a) The rate of contributions payable by her shall be threepence a week;
- (b) The benefits to which she shall be entitled shall be—
- (i) medical benefit; and
 - (ii) sickness benefit and disablement benefit at the rates and subject to the conditions specified in Table D. of Part I. of the Fourth Schedule to this Act;

Transfer from approved society to deposit insurance and vice versa.

Special provisions with respect to married women.

- (c) No part of her contributions shall be retained by the Insurance Commissioners for the purpose of discharging their liabilities to approved societies in respect of the reserve values created under this Act :

Provided that where a married woman elects not to become such a voluntary contributor she shall be entitled to have a sum equal to the remaining two-thirds of her transfer value applied in accordance with regulations of the Insurance Commissioners towards the payment of any of the benefits specified in Part III. of the Fourth Schedule to this Act until the same is exhausted, except that, where a reserve value was credited to the society in respect of such woman at the date of her entrance into insurance, so much of such sum as aforesaid as may be prescribed shall not be so applied but shall be written off the amount of the reserve values credited to the society.

(3) Where the husband of a married woman who has been so suspended from ordinary benefits as aforesaid and who is a member of an approved society dies, she may, if she is qualified to become a voluntary contributor, and elects to do so within one month after the death of her husband, become an ordinary voluntary contributor paying contributions at the rate which would have been applicable to the case had she become such a contributor at the date of her entry into insurance :

Provided that she may, whether or not so qualified, if she so elects within one month after the death of her husband, continue to be or become a voluntary contributor on the same terms and subject to the same conditions as above provided as respects married women.

In either such case there shall be transferred from the married women's suspense account to the society the proper reserve value calculated as aforesaid.

(4) Where a married woman who was at the date of her marriage a deposit contributor is by virtue of this section suspended from the ordinary benefits under this Part of this Act, two-thirds of the sum standing to her credit in the Post Office fund shall be applied in accordance with the regulations of the Insurance Commissioners towards the payment of any of the benefits specified in Part III. of the Fourth Schedule to this Act until the same is exhausted.

(5) Where a woman who was a married woman at the commencement of this Act at any time subsequently either before or within one year after the death of her husband becomes an employed contributor and a member of an approved society, she shall be entitled to full benefits notwithstanding that at the time of so becoming she is of the age of seventeen or upwards.

(6) Where any arrears of contributions have accrued due in respect of a married woman during coverture such arrears shall, on the death of her husband, be disregarded and she shall be thenceforth entitled to benefits as if such arrears had never accrued due.

(7) Except as provided by this section, a married woman shall not be entitled to become a voluntary contributor, and if a woman is before marriage a voluntary contributor she shall on marriage not be entitled to continue to be such a contributor.

(8) If a woman, whilst a voluntary contributor at such reduced rates of benefit as are provided by this section, becomes employed within the meaning of this Part of this Act, she shall be entitled to a certificate (to be granted in manner herein-before provided) exempting her from liability to become an employed contributor so, however, that such exemption shall not exempt the employer from his liability to pay contributions in respect of her, or deprive him of his right to recover such part of those contributions as is payable on her behalf, but of each weekly contribution so paid by the employer threepence shall be treated as her contribution as a voluntary contributor and the balance shall be applied for her benefit in such manner as the society may determine.

(9) If at any time the married women's suspense account is insufficient to meet the liabilities imposed on it by this section, the deficiency shall be made good out of the sums retained by the Insurance Commissioners for discharging their liabilities in respect of the reserve values created by this Act.

(10) Transfer value for the purposes of this section shall be calculated in such manner as the Insurance Commissioners may prescribe.

(11) Where a woman is a member of an approved society at the time when

she is entitled to exercise an option under this section, it shall be the duty of the society to give her full information as to the nature of her rights.

(12) Where a deficiency has been found in respect of the society or branch of which a woman is a member at a valuation previous to the time when she became suspended from ordinary benefits under this Part of this Act, and that deficiency has not been made good at the time of her marriage, or where a woman is in arrears at that time, such adjustments in the sums transferred to the married women's suspense account, and in the balance of her transfer value, and in the rates of benefit to which she is entitled under this section, shall be made as the Insurance Commissioners may prescribe.

(13) Save as aforesaid, the provisions of this Part of this Act shall apply to a woman who has been married, both during and after coverture, in like manner as if she had never been married.

(14) This section shall apply in the case of a woman whose marriage has been dissolved or annulled, or who has for a period of not less than two years been actually separated from or deserted by her husband, as if her husband had died at the date at which such dissolution or annulment took effect, or, as the case may require, at the expiration of such period of two years.

45.—(1) This Part of this Act shall apply to persons of the age of seventeen or upwards at the date of entry into insurance who are not British subjects, subject to the following modifications:— Special provisions as to aliens.

- (a) No such person shall be qualified to become a member of an approved society for the purposes of this Part of this Act except upon the terms and subject to the conditions herein-after mentioned;
 - (b) No part of the benefits to which such persons may become entitled shall be paid out of moneys provided by Parliament;
 - (c) The rate of sickness, disablement, and maternity benefit shall, as respects a deposit contributor, be reduced, in the case of men, to seven-ninths, or in the case of women to three-quarters, of the rate to which they would otherwise be entitled under this Part of this Act;
 - (d) No part of the sums payable in respect of such persons for medical benefit and sanatorium benefit or towards the expenses of administration of benefits shall in the case of such persons be paid out of moneys provided by Parliament.
- (2) Where such a person becomes a member of an approved society the following provisions shall have effect:—
- (i) The contributions payable by or in respect of such persons shall be credited to the society;
 - (ii) The society shall in each year pay to the Insurance Committee the whole of the sums payable in respect of such person for medical benefit and sanatorium benefit;
 - (iii) The rate and conditions of sickness benefit, and disablement benefit, and maternity benefit shall be such as may be determined by the society;
 - (iv) Such person shall not be deemed to have joined an approved society for the purposes of the provisions of this Part of this Act relating to reserve values, and no part of the contributions of such person shall be retained by the Insurance Commissioners towards the discharge of their liabilities in respect of reserve values.

(3) A woman who, having been a British subject before marriage, has ceased to be a British subject by reason of marriage with a person not being a British subject, shall not be subject to the provisions of this section if her husband is dead, or the marriage has been dissolved or annulled, or she has for a period of not less than two years been actually separated from or deserted by her husband.

(4) This section shall not apply to any person who on the fourth day of May nineteen hundred and eleven, was a member of a society which, or a separate section of which, becomes an approved society, and had then been resident in the United Kingdom for five years or upwards, or to any person who is transferred to an approved society or the Post Office fund in pursuance of an arrangement with the Government of any foreign State.

Special provisions with regard to persons in the naval and military service of the Crown.
28 & 29 Vict. c. 73.

46.—(1) For the purpose of providing seamen, marines, and soldiers with such benefits during their term of service and after their return to civil life as are herein-after in this section mentioned, there shall be deducted from the pay of every seaman and marine within the meaning of the Naval and Marine Pay and Pensions Act, 1865, and of every soldier of the regular forces (other than soldiers of His Majesty's Indian Forces, the Royal Malta Artillery, and native soldiers of any regiment raised outside the United Kingdom), the sum of one penny half-penny a week, and there shall be contributed by the Admiralty and the Army Council respectively, out of moneys provided by Parliament for navy and army services, in respect of every such seaman, marine, and soldier who has joined an approved society in the manner hereafter mentioned the sum of one penny half-penny per week, and in respect of every other such seaman, marine, and soldier such sum per week as may be prescribed :

Provided that no such deduction shall be made from the pay of a seaman, marine, or soldier who has completed the period of his first engagement and has re-engaged for pension unless he so elects within the prescribed time, and that no contribution shall be made by the Admiralty or Army Council in respect of any week in respect of which such a deduction is not made.

(2) A seaman, marine, or soldier—

- (a) who was at the date of his entry or enlistment an insured person and had joined and was at that date a member of an approved society ; or
- (b) who within six months from the date of his entry or enlistment, or, in the case of a seaman, marine, or soldier serving at the commencement of this Act, within six months after the commencement of this Act, or within such longer period as may be prescribed, joins an approved society for the purposes of this Part of this Act ;

shall for the purposes of this Part of this Act be treated as if he were an employed contributor, subject, until his discharge, to the following modifications :—

- (i) The employed rate shall be three pence, and the deductions made from his pay and the contributions made in respect of him by the Admiralty or Army Council shall be treated as the contributions paid in respect of him ;
 - (ii) He shall not be entitled to medical benefit, sanatorium benefit, sickness benefit, or disablement benefit ;
 - (iii) Maternity benefit shall be payable notwithstanding that both he and his wife are resident outside the United Kingdom at the date of the confinement, and the society may arrange with the Admiralty or Army Council for the administration of the benefit through the Admiralty or Army Council ;
 - (iv) The sum to be retained out of each weekly contribution by the Insurance Commissioners towards the discharge of their liabilities in respect of reserve values shall be one penny, and the remaining five-ninths of a penny shall be paid out of the Navy and Army Insurance Fund herein-after constituted.
- (3) With respect to seamen, marines, and soldiers who have not joined an approved society as aforesaid, the following provisions shall have effect :—
- (a) The sums so deducted and the contributions so made as aforesaid in respect of such men shall be paid into the National Health Insurance Fund, and out of such sums there shall be retained by the Insurance Commissioners towards discharging their liabilities in respect of the reserve values created under this Part of this Act the like amount as if such men were members of approved societies, and the balance shall be credited to a special fund to be called the Navy and Army Insurance Fund :
 - (b) There shall also be paid into the Navy and Army Insurance Fund in each year out of moneys provided by Parliament a sum equal to two-ninths of the amount, calculated in the prescribed manner, which would have been payable in that year in respect of medical sanatorium sickness and disablement benefits (including expenses of administration) had all seamen, marines, and soldiers from whose pay deductions are made

under this section been members of approved societies and entitled to such benefits as employed contributors :

- (c) The weekly contributions to be made by the Admiralty and Army Council in respect of such men shall be such as may from time to time be required to keep the Navy and Army Insurance Fund solvent :
- (d) If any such man was at the date of his entry or enlistment a deposit contributor he shall, for the purpose of dealings with the sum standing to his credit in the Post Office fund, be treated as if the Navy and Army Insurance Fund had been an approved society, and he had at the date of his entry or enlistment become a member of that society :
- (e) In the case of a seaman, marine, or soldier serving at the commencement of this Act there shall be credited to the Navy and Army Insurance Fund such reserve value as would have been credited to an approved society had he at that date become a member of the society as an employed contributor : Provided that no such reserve value shall be credited to that fund if at the date aforesaid he had completed the period of his first engagement and had re-engaged for pension, unless he elects to have deductions made from his pay, or unless, not having so elected, he becomes on discharge entitled to benefits payable out of that fund as herein-after mentioned :
- (f) Every such man shall until discharged be entitled to maternity benefit payable out of the Navy and Army Insurance Fund, and shall be entitled to such benefit notwithstanding that both he and his wife are at the date of the confinement resident outside the United Kingdom, and the benefit shall be administered by the Admiralty and Army Council either directly or through Insurance Committees :
- (g) On the discharge of a seaman, marine, or soldier, from whose pay deductions have been made and continue to be made up to the date of his discharge there shall be debited to the Navy and Army Insurance Fund, and if he becomes a member of an approved society within the prescribed time from his discharge there shall be credited to that society, or if he does not become a member of such a society within the prescribed time from his discharge, there shall, unless he becomes entitled to benefits out of the Navy and Army Insurance Fund as herein-after mentioned, be carried to his credit in the Post Office fund the transfer value which would have been payable in respect of him had he been a member of an approved society throughout his period of service, or, in the case of a man serving at the date of the commencement of this Act, since that date, and if he becomes a deposit contributor, so much of the reserve value, if any, credited to the Navy and Army Insurance Fund in respect of him shall be cancelled as would have been cancelled had he been transferred from an approved society to the Post Office fund :
- (h) A man discharged from service as a seaman, marine, or soldier who proves that the state of his health is such that he cannot obtain admission to an approved society may, if he so elects, on making application to the Insurance Commissioners in the prescribed manner within three months of his discharge, or such longer time as may be prescribed, become, subject to regulations made by the Insurance Commissioners after consultation with the Admiralty and Army Council, entitled to benefits (other than additional benefits) provided under this Part of this Act at the full rate, the cost of which benefits shall be payable out of the Navy and Army Insurance Fund, and such benefits shall be administered by Insurance Committees or otherwise in such manner as may be prescribed by such regulations as aforesaid, and any contributions paid under this Part of this Act by or in respect of him shall be paid into that fund :

Provided that—

- (i) no deductions from benefits shall be made on account of any pension to which a man may be entitled ;

(ii) the rate of sickness benefit shall be reduced, in the case of a man who entered into insurance when of the age of seventeen or upwards or who is in arrears, to the like extent as it would be reduced had he been an employed contributor and a member of an approved society who entered into insurance at the like age or who is in arrears to the like extent, so however that the rate of sickness benefit shall in no case be reduced below five shillings a week ;

(iii) there shall in each year be repaid to the Navy and Army Insurance Fund, out of moneys provided by Parliament, a sum equal to two-ninths of the amount expended out of the fund on such benefits as aforesaid, including the expenses of administration ;

(iv) if a man who is so entitled to benefits payable out of the Navy and Army Insurance Fund at any time becomes a member of an approved society for the purposes of this Part of this Act he shall cease to be entitled to benefits payable out of that fund, and there shall be debited to that fund and credited to such society the transfer value which would have been so debited and credited if he had been at that time transferred from one approved society to another approved society.

(4) In the application of this Part of this Act to a man who is or has been a seaman, marine, or soldier, and to whom this section applies—

(i) the date of his entry or enlistment as a seaman, marine, or soldier, or if he was serving at the commencement of this Act, the date of that commencement, shall, unless he was an insured person at the date of his entry or enlistment, be treated as the date of his entry into insurance ;

(ii) deductions from pay, with the corresponding contributions made by the Admiralty and Army Council, shall be treated as payments of contributions at the employed rate for the purpose of reckoning the number of contributions made in respect of him, arrears, and transfer value, and for the purpose of qualifications for becoming a voluntary contributor ;

(iii) a seaman, marine, or soldier during his term of service shall, if he has joined an approved society as aforesaid before his entry or enlistment, be deemed to reside in that part of the United Kingdom in which he resided immediately before his entry or enlistment, or, if after his entry or enlistment, in the part of the United Kingdom in which the registered office or other principal place of business of the society or branch which he has joined is situate, and in any other case in England, and all persons entitled to benefits payable out of the Navy and Army Insurance Fund shall be deemed to reside in England.

(5) Discharge shall in the case of a seaman, marine, or soldier who on the completion of any term of service is transferred to a reserve include such transfer.

(6) This section shall not apply to a seaman, marine, or soldier who entered or enlisted before the age of sixteen until he attains that age, and on attaining that age shall apply to him as if he had entered or enlisted at the time when he attained that age.

(7) The foregoing provisions of this section shall, subject to such adaptations and modifications as may be prescribed, apply to men belonging to the Naval Reserves when employed on service during war or any emergency, and to men of the Army Reserve when called out on permanent service, and to men of the Territorial Force when called out on embodiment, but, except as aforesaid, shall not apply to any such men.

(8) Where a man of the Naval Reserves, the Army Reserve, or the Territorial Force is being trained and is in receipt of pay out of the moneys provided by Parliament for Navy or Army services, he shall for the purposes of this Part of this Act be deemed, whilst so training, to be employed within the meaning of this Part of this Act and to be in the sole employment of the Crown. Provided that this subsection shall not apply to a man who was not immediately before the

training an insured person, except in such cases and under such circumstances as may be specified in a special order made by the Insurance Commissioners.

47.—(1) The Insurance Commissioners shall from time to time make special orders specifying any classes of employment in which a custom or practice is shown to their satisfaction to prevail according to which the persons employed receive full remuneration during periods of disease or disablement, or any part thereof, and where the custom or practice is confined to certain localities the order shall also specify the localities in which the custom prevails, and, subject to the provisions of this section, the order may contain such incidental, supplemental, and consequential provisions as appear necessary for adapting the other provisions of this Part of this Act to cases under this section.

Special provisions where employer liable to pay wages during sickness.

(2) It shall be lawful for any employer who employs persons in any class of employment specified in any such order, within a locality (if the custom is confined to certain localities) so specified, to give to the Insurance Commissioners the prescribed notice, and thereupon the employer shall, as respects all such persons, be subject to the liabilities, and this Part of this Act shall apply in respect of all such persons, subject to the modifications herein-after mentioned.

(3) The employer shall be liable to pay full remuneration to every such person during any period or periods not exceeding six weeks in the aggregate in any one year during which such person may be suffering from any disease or disablement commencing while such person is in his employment, notwithstanding that such person may have left his employment before the expiration of that time :

Provided that if any such person is engaged for a term of not less than six months certain, the employer shall be liable to pay full remuneration during any period of disease or disablement lasting less than six weeks, and for the first six weeks of any period of disease or disablement lasting more than six weeks, notwithstanding that the aggregate exceeds six weeks, but where any such period extends beyond the term of the engagement, the employer shall not be liable to make any payment in respect of any part thereof after the expiration of such term.

(4) This Part of this Act shall apply in respect of persons so employed as aforesaid, subject to the following modifications :—

- (a) Sickness benefit shall not be payable in respect of any period during which full remuneration is payable by the employer under this section, but for the purpose of calculating the rate and duration thereof, shall be deemed to have been paid for six weeks before the date as from which it becomes actually payable :
- (b) The employed rate shall be reduced by two pence (or, where the employed contributor is a woman, one penny halfpenny) :
- (c) The weekly contributions payable by the employer shall be reduced by one penny (or, where the employed contributor is a woman, one halfpenny), and the weekly contributions payable by the employed contributor shall be reduced by one penny :
- (d) There shall be credited to the approved society of which any such person is a member, or, if he is a deposit contributor, to his account in the Post Office fund, the difference between the amount of contributions at such reduced rate actually paid in respect of him and the amount which would have been paid if those contributions had been at the full rate, and the amount of that difference shall be treated as having been expended on sickness benefit, and the proper proportion thereof shall accordingly be paid out of moneys provided by Parliament :
- (e) Contributions shall not be payable in respect of any period of disease or disablement during which full remuneration is payable under this section if the prescribed notice has been given :
- (f) The rules of an approved society or Insurance Committee as to notices and proof of disease and disablement may extend to periods of disease and disablement during which full remuneration is payable under this section.

(5) Where a person on ceasing to be so employed becomes temporarily unemployed, paragraphs (b) and (d) of the last foregoing subsection shall

continue to apply in respect of him, and sickness benefit shall not be payable in respect of the first six weeks of any period of disease or disablement commencing after he ceased to be so employed, but for the purpose of calculating the rate and duration thereof shall be deemed to have been paid during those six weeks, and notwithstanding anything in this Part of this Act a disease or disablement shall not for the purposes of sickness benefit be treated as a continuation of a previous disease or disablement unless the medical practitioner attending such person certifies that it in fact is so.

(6) Where such a person as aforesaid ceases to be employed within the meaning of this Part of this Act, and is entitled to become a voluntary contributor paying contributions at the employed rate, paragraphs (b) and (d) of subsection (4) shall, if he becomes a voluntary contributor, continue to apply in respect of him, and sickness benefit shall not be payable in respect of the first six weeks of any period of disease or disablement commencing after he became a voluntary contributor, but, for the purpose of calculating the rate and duration thereof, shall be deemed to have been paid during those six weeks, and notwithstanding anything in this Part of this Act a disease or disablement shall not, for the purposes of sickness benefit, be treated as a continuation of a previous disease or disablement unless the medical practitioner attending such person certifies that it in fact is so:

Provided that if any such person at any time wishes to become an ordinary voluntary contributor, he may become such after the payment of twenty-six weekly contributions at the full rate, or, if the society of which he is a member consents, after the payment of such less number of such contributions as the society may appoint.

(7) Where any employers wish to avail themselves of the provisions of this section as respects the persons employed by them in a class of employment, or in a locality in which no such custom or practice as aforesaid exists, they may apply to the Insurance Commissioners, and the Commissioners, if, after ascertaining the views of the persons so employed, they think fit, may make a special order extending the provisions of this section as respects the applicants to the class of employment or locality mentioned in the application as if it were a class of employment or locality in which such a custom or practice as aforesaid prevailed.

(8) Any question as to whether an employer is entitled to avail himself of the provisions of this section as respects any persons employed by him shall be determined by the Insurance Committee, subject to appeal to the Insurance Commissioners.

(9) The payment of contributions purporting to be at the reduced rate authorised by this section as respects any persons employed by an employer in any class of employment shall be conclusive evidence that he is, as respects those persons and all other persons employed by him in the same class of employment in the same locality, under the liability imposed by this section.

(10) An employer who has given such notice as aforesaid may, by giving three months' previous notice to the Insurance Committee, withdraw his notice as from the commencement of the next calendar year, and in such case, as from that date, this section shall cease to apply in respect of the persons employed by him in the class of employment to which the notice of withdrawal relates.

(11) None of the provisions of this section shall apply as respects any person employed at a rate of remuneration which is less than ten shillings a week.

(12) Nothing in this section shall relieve any employer from any legal liability to pay wages during sickness to any person employed by him in accordance with any established custom.

Special provisions as to the mercantile marine.

48. In the application of this Part of this Act to masters, seamen, and apprentices to the sea service and the sea fishing service the following provisions shall have effect:—

(1) Neither sickness benefit nor disablement benefit shall be paid to a master, seaman, or apprentice suffering from any disease or disablement in respect of any period during which the owner of the ship is under the Merchant Shipping Act, 1894, as amended by any subsequent enactment or otherwise, liable to defray the expense of the necessary surgical and medical advice and attendance and medicine, and of his

maintenance, but for the purpose of calculating the rate and duration of sickness benefit such benefit shall be deemed to have been paid from the commencement of the disease or disablement until the determination of such liability as aforesaid, and he shall not be entitled to medical benefit during such period :

- (2) In the case of masters, seamen, and apprentices serving on foreign-going ships or ships engaged in regular trade on foreign stations, the employed rate and the employer's contributions shall each be reduced by one penny a week, and every four weekly contributions paid in any calendar year by a master, seaman, or apprentice whilst serving on such a ship shall, for the purposes of determining the number of contributions to be paid by him in that year and for the purposes of calculating arrears, be treated as five such contributions :

Provided that—

(a) nothing in this provision shall affect the number of employer's contributions to be paid in respect of such a master, seaman, or apprentice, but no employer's contributions paid in respect of any week in respect of which no contribution is payable by the master, seaman, or apprentice shall be taken into account in reckoning the amount of his arrears ;

(b) there shall be credited to the approved society of which the master, seaman, or apprentice is a member, or, if he is a deposit contributor, to his account in the Post Office Fund, a sum equal to two-fifths of the amount of the contributions actually paid in respect of him, and an equal sum shall be treated as having been expended on sickness benefit, and the proper proportion thereof shall accordingly be paid out of moneys provided by Parliament :

- (3) A master, seaman, or apprentice who is neither domiciled nor has a place of residence in the United Kingdom shall not be deemed to be employed within the meaning of this Part of this Act, but the employer shall be liable to pay the same contributions in respect of him as would otherwise have been payable by him as employer's contributions, except in cases where the ship is engaged in regular trade on foreign stations :
- (4) The Board of Trade shall, as soon as may be after the passing of this Act, cause a society to be formed, to be called the Seamen's National Insurance Society, of which any masters, seamen, and apprentices to the sea service and the sea fishing service who are employed within the meaning of this Part of this Act shall be entitled to become members, but nothing in this section shall prevent any such person joining another approved society instead of the society so formed :
- (5) The affairs of the Seamen's National Insurance Society shall be managed by a committee constituted in accordance with a scheme to be prepared by the Board of Trade with the approval of the Insurance Commissioners, comprising representatives of the Board of Trade, of shipowners, and of members of the society in equal proportions, and the society shall, notwithstanding anything in this Part of this Act, become an approved society :
- (6) All contributions paid by employers in respect of masters, seamen, or apprentices who are neither domiciled nor have a place of residence in the United Kingdom, and consequently deemed not to be employed within the meaning of this Part of this Act, shall be credited to the Seamen's National Insurance Society :
- (7) In addition to medical, sanatorium, sickness, disablement, and maternity benefits, members of the Seamen's National Insurance Society shall be entitled to such other benefits as may be provided under a scheme to be prepared by the committee of management, with the approval of the Board of Trade and the Insurance Commissioners, and such other benefits shall include pensions for masters and seamen with long sea service, and the scheme may provide for preference being given to masters and seamen who have served in foreign-going ships or ships

engaged in foreign trade over those who have served in the coasting and home trade ships, and such preference may be proportionate to the length of time spent in the first-mentioned service : Provided that—

- (a) the scheme shall provide for making a proper proportion of the sums credited to the Seamen's National Insurance Society under the last foregoing subsection applicable towards the payment of pensions or superannuation allowances granted by other approved societies to members with such sea service that, had they been members of the Seamen's National Insurance Society, they would have been entitled to pensions under the scheme; and
- (b) in the case of the transfer of a member of the society to another approved society, the transfer value payable in respect of him shall be calculated with reference to the liabilities of the society for benefits other than such pensions as aforesaid ;
- (8) The rules of the Seamen's National Insurance Society shall provide for allowing a member who leaves the sea service and is unable to obtain admission to another approved society on account of the state of his health to continue a member of the Seamen's National Insurance Society for the purposes of this Part of this Act, and the rules of that society may provide that a member of the society who has fulfilled the conditions entitling him to such pension as aforesaid shall not be deprived of his right to the pension by reason only that he has ceased to be a member of the society at the time when the pension first becomes payable or ceases so to be at any subsequent time :
- (9) Where a master, seaman, or apprentice is at the commencement of this Act a member of a society which becomes an approved society he may, if that society and the Seamen's National Insurance Society so agree, continue to be a member of the first-mentioned society for the purposes of benefits under this Part of this Act other than pension, and become a member of the last-mentioned society for the purposes of pension only, and in such case the balance of the contributions payable in respect of him (after deducting the sums to be retained by the Insurance Commissioners towards discharging their liabilities in respect of reserve values) shall be divided between the two societies in such proportion as they may agree :
- (10) Expressions in this section have the same meaning as in the Merchant Shipping Acts, 1894 to 1907, but the expressions "foreign-going ships" and "home trade" ships include ships engaged in the sea fishing service, and the expression "ship engaged in regular trade on foreign stations" means a ship engaged regularly in trade between ports outside the British Islands when trading between such ports, but for the purposes of this provision a ship shall not be deemed not to be engaged in such a trade by reason only that she puts into a port in the United Kingdom for the purpose of survey or repair :
- (11) The provisions of this Part of this Act affecting the employed rate and the rates of contributions of employers and contributors in Ireland, and depriving insured persons in Ireland of medical benefit, shall not apply to any such master, seaman, or apprentice, unless he has a permanent place of residence in Ireland and is not a member of the Seamen's National Insurance Society ; and, in the case of a master, seaman, or apprentice serving on a foreign-going ship or a ship engaged in foreign trade to whom such provisions do apply, the amount by which the employed rate and the employer's contributions are to be reduced shall be one halfpenny a week :
- (12) Members of the Seamen's National Insurance Society shall for the purposes of this Part of this Act be deemed to reside in England, and the medical benefit and sanatorium benefit of such members shall be administered by the society instead of by the Insurance Committee, and the provisions of this Part of this Act relating to the administration of those benefits shall apply accordingly subject to such modifications as may be prescribed, but nothing in this provision shall prevent the

society agreeing with Insurance Committees for the administration of those benefits by the Committees in relation to individual members of the society.

49.—(1) If any person who is of the age of sixty-five or upwards and under the age of seventy at the commencement of this Act is employed within the meaning of this Part of this Act, the like contributions shall, until he attains the age of seventy, be payable by his employer in respect of him as in the case of employed contributors, and the provisions of this Part of this Act relating to the payments of contributions and the recovery thereof shall apply accordingly.

Provisions as to persons over sixty-five at commencement of Act.

(2) For every weekly contribution made by or in respect of such a person there shall be contributed out of moneys provided by Parliament the sum of two pence.

(3) If such a person becomes a member of an approved society for the purposes of this section all contributions payable in respect of him under this section (including contributions out of moneys provided by Parliament) shall be credited to the society, and he shall become entitled to such benefits as the society may determine, but no reserve value shall be credited to the society in respect of him and no part of the contributions payable in respect of him shall be retained by the Insurance Commissioners towards the discharge of their liabilities in respect of reserve values.

(4) If such a person does not become a member of an approved society as aforesaid he shall become a deposit contributor, and accordingly all contributions payable in respect of him (including contributions out of moneys provided by Parliament) shall be carried to his credit in the Post Office fund, but the benefits to which he becomes entitled shall be such as may be determined by the Insurance Committee.

(5) No part of the cost of benefits under this section shall be payable out of moneys provided by Parliament.

50. Where it is proved to the satisfaction of the Insurance Commissioners that a trade or business carried on by any employers is of a seasonal nature and subject to periodical fluctuation, and that those employers systematically employ persons throughout the year and work short time during the season when the trade or business is depressed, the Insurance Commissioners may make a special order reducing, as respects such persons, the employed rate and the contributions payable by the employers and contributors to such extent and for such period in the year as may be specified in the order, and increasing such rate and contributions to a corresponding extent and for a corresponding period during the remainder of the year, and the order may contain such incidental, supplemental, and consequential provisions as may appear necessary for adapting the other provisions of this Part of this Act to cases under this section.

Special provisions as to seasonal trades.

51.—(1) Where the managers of any institution carried on for charitable or reformatory purposes prove that the persons who are inmates of and supported by the institution receive maintenance and medical attendance when sick, the Insurance Commissioners may grant a certificate of exemption to those managers, and where such a certificate of exemption is granted any such inmates who are employed by the managers of the institution shall not in respect of such employment be deemed to be employed within the meaning of this Part of this Act :

Special provisions as to inmates of charitable homes, &c.

Provided that it shall be a condition of such exemption that the managers shall be liable to pay in respect of any such inmate who, having been an inmate of the institution for more than six months, leaves the institution, the following sums :—

- (a) In the case of a person who was at the time of entering the institution below the age of sixteen, such capital sum as will be sufficient to secure him benefits under this Part of this Act at the full rate ;
- (b) In the case of a person who was at the time of entering the institution of the age of sixteen or upwards, and who was at that time an insured person and a member of an approved society, a sum equal to the value calculated in the prescribed manner, of the contributions which,

apart from this section, would have been payable in respect of him during the time he was in the institution.

(2) Every such inmate as aforesaid shall, if he was an insured person before entering the institution, be suspended from benefits whilst he is such an inmate, and if he was at such time a member of an approved society and has been an inmate of the institution for a period exceeding six months, the time during which he is in the institution shall be disregarded for the purpose of reckoning arrears.

Special provision as to persons becoming certificated teachers. 61 & 62 Vict. c. 57.

52. Where a person who has been employed to teach in a public elementary school ceases to be employed within the meaning of this Part of this Act by reason of becoming a teacher to whom the Elementary School Teachers (Superannuation) Act, 1898, applies and does not become a voluntary contributor, there shall be paid to the Board of Education by the approved society of which he is a member or, if he is not a member of an approved society, out of the amount standing to his credit in the Post Office fund, a sum equal to the value calculated in the prescribed manner of the contributions paid by or in respect of him under this Part of this Act since he first began to teach in a public elementary school, or if the amount standing to his credit is less than that sum, then the whole amount so standing to his credit; and the sum so paid to the Board of Education shall be placed by them to his credit in the Deferred Annuity fund in accordance with the rules for the time being applicable thereto.

Application to other persons in the service of the Crown.

53.—(1) This Part of this Act shall apply to persons employed by or under the Crown, other than those with respect to whom special provision is made by this Part of this Act, in like manner as if the employer were a private person:

Provided that in the case of a person employed in the private service of the Crown, the head of the department of the Royal Household in which he is employed shall be deemed to be his employer.

(2) The provisions of this Act relating to reduced insurance in cases where the employer is liable to pay wages during sickness shall extend in respect of persons employed by or under the Crown to cases where two-thirds only of the full remuneration are payable during periods, or parts of periods, of disease or disablement if such remuneration is so payable for not less than three months in any year, and those provisions shall apply accordingly as if two-thirds of the full remuneration were substituted for the full remuneration and as if three months were substituted for six weeks as the maximum amount of time during any year such remuneration is payable.

Financial Provisions.

National Health Insurance Fund.

54.—(1) All sums received in respect of contributions under this Part of this Act and all sums paid out of moneys provided by Parliament under this Part of this Act in respect of the benefits thereunder and the expenses of administration of such benefits shall be paid into a fund, to be called the National Health Insurance Fund, under the control and management of the Insurance Commissioners, and the sums required to meet expenditure properly incurred by approved societies and insurance committees for the purposes of the benefits administered by them and the administration of such benefits shall be paid out of that fund.

(2) The sums payable to the said fund out of moneys provided by Parliament shall be paid in such manner and at such times as the Treasury may determine.

(3) The Insurance Commissioners shall ascertain periodically what sums standing in the National Health Insurance Fund to the credit of the several societies and of the Post Office fund and of the Navy and Army Insurance fund are available for investment, and the amount so ascertained shall, so far as not required under the provisions of this Part of this Act to be paid over to societies for investment, or to be retained for investment on their behalf, or for the discharge of liabilities of societies, be carried to a separate account, called the Investment Account, and shall be paid over to the National Debt Commissioners and by them invested in accordance with regulations made by the Treasury in any securities which are for the time being authorised by Parliament as investments for Savings Banks funds, but those Commissioners shall in making the investment give preference to stock or bonds issued under the provisions of the Acts relating

to borrowing for raising capital for the purposes of the local loans fund where the purposes for which such capital is required is the making of advances for the purposes of the Housing of the Working Classes Acts, 1890 to 1909 :

Provided that nothing in this provision shall prevent the Insurance Commissioners paying over to the National Debt Commissioners for temporary investment, pending the ascertainment of the amount available for investment as aforesaid, any sums in the National Health Insurance Fund not required to meet current liabilities.

(4) There shall be credited to the Post Office fund and to the Navy and Army Insurance fund interest at the prescribed rate per annum on the sums from time to time standing to the credit of those funds in the Investment Account.

(5) The accounts of the National Health Insurance Fund shall be audited by the Comptroller and Auditor-General in such manner as the Treasury may direct.

(6) The National Debt Commissioners shall present to Parliament annually an account of the securities in which moneys forming part of the said fund are for the time being invested.

55.—(1) The Insurance Commissioners shall cause tables to be prepared showing, in cases in which such provision is necessary, the capital sums (in this Part of this Act referred to as "reserve values") which it is necessary to provide in respect of members entering into insurance at ages over the age of sixteen to meet the estimated loss (if any) arising through the acceptance by an approved society of such persons as members upon the terms and conditions as regards contributions and benefits prescribed by this Part of this Act. Reserve values.

(2) On a person of the age of seventeen or upwards joining an approved society for the purposes of this Part of this Act, there shall be credited to the society the reserve value (if any) appropriate to such person in accordance with such tables.

The sum so credited to a society in respect of reserve values shall carry interest at the rate of three per centum per annum.

(3) Out of each weekly contribution paid by or in respect of an insured person who is a member of an approved society (other than a voluntary contributor who entered into insurance within six months after the commencement of this Act and at the date of that entry was of the age of forty-five years or upwards) there shall be retained by the Insurance Commissioners the sum of one penny and five-ninths (or in the case of women one penny halfpenny), and the amounts so retained shall, together with any other moneys available for the purpose, be applied in manner provided by this Part of this Act towards discharging the liabilities of the Insurance Commissioners to approved societies in respect of the reserve values created by this section.

(4) The Insurance Commissioners shall periodically apportion amongst the several societies, including the Navy and Army Insurance Fund, the sums retained by them, and the sums, if any, otherwise available for the discharge of such liabilities as aforesaid in proportion to the amount of reserve values for the time being credited to the several societies, and shall credit to each society the amount so apportioned, and any balance of the sums so credited to a society, after providing for interest on the reserve values for the time being credited to the society, shall be written off the amount of the reserve values so credited.

(5) If any person is convicted of the offence of knowingly making any false statement as to his age in any declaration made for the purpose of obtaining a reserve value to be credited to an approved society in respect of him, the reserve value shall be cancelled, and the member of the society in respect of whom it was credited shall be treated as if he had entered into insurance after the expiration of one year from the commencement of this Act.

56.—(1) The Insurance Commissioners shall, subject to the approval of the Treasury, make regulations with respect to crediting and debiting to the several societies sums received and paid by the Insurance Commissioners on behalf of and to societies and as to the payments to be made by and to the Commissioners to and by societies, and these regulations shall, amongst other things :— Transactions between the Insurance Commissioners and societies.

(a) provide for crediting to each society the contributions paid by or in respect of the members of the society after deducting the amounts

- retained thereout for discharging the liabilities of the Insurance Commissioners in respect of reserve values ;
- (b) require the Insurance Commissioners, on carrying any sum to the credit of an approved society in the investment account, to pay over to the society for investment, or, at the request of the society, to retain for investment on behalf of the society, four-sevenths, or, so far as the sums are attributable to women, one-half, of the amount so credited to the society ;
- (c) provide for crediting to each society interest at the prescribed rate per annum on the sums for the time being standing to the credit of the society in the investment account ;
- (d) provide for the discharge of debit balances in such manner as the Insurance Commissioners determine, either by the reduction of the reserve values credited to the society or out of the proceeds of the realisation of securities held by the society or by the Commissioners on behalf of the society, and out of the sums standing to the credit of the society in the investment account proportionately :

Provided that, in the case of any society which gives notice to that effect to the Insurance Commissioners, no part of the sums carried to the credit of the society in the investment account shall be paid over to the society or retained by the Commissioners for investment on its behalf, but the whole amount shall remain to the credit of the society in the investment account, and in such case the regulations made under the foregoing provisions shall apply to the society subject to the prescribed modifications.

(2) Every approved society shall invest any sums paid to the society for investment, and shall for the purpose have power to invest in any securities in which trustees are for the time being by law empowered to invest trust funds, or in any stocks, mortgages, or other securities issued by any local authority within the meaning of the Local Loans Act, 1875, and charged on any rates levied by or on the order or precept of such authority, or in any other securities for the time being approved by the Insurance Commissioners.

(3) Where, at the request of a society, the Insurance Commissioners instead of paying over any sum to the society retain such sum for investment on behalf of the society, they shall invest such sum in accordance with the directions of the society in any securities in which the society might have invested if it had been paid over to the society, and shall from time to time vary such investments in accordance with the like directions, and shall pay over to the society all sums received by way of interest or dividend on the investments held by them on behalf of the society.

(4) Every approved society shall apply the sums received by way of interest or dividend on investments held by the society or by the Insurance Commissioners on behalf of the society towards the cost of the benefits under this Part of this Act of the members of the society and the cost of the administration of those benefits, or otherwise, as the Insurance Commissioners may prescribe.

Insurance Commissioners' Advisory Committee.

Constitution of Insurance Commissioners, appointment of inspectors, &c.

57.—(1) As soon as may be after the passing of this Act there shall be constituted for the purposes of this Part of this Act Commissioners (to be called the Insurance Commissioners), with a central office in London, and with such branch offices as the Treasury may think fit, and the Commissioners shall be appointed by the Treasury, and of the Commissioners so appointed one at least shall be a duly qualified medical practitioner who has had personal experience of general practice.

(2) The Insurance Commissioners may sue and be sued, and may for all purposes be described by that name, and shall have an official seal which shall be officially and judicially noticed, and such seal shall be authenticated by any Commissioner or the secretary to the Commissioners, or some person authorised by the Commissioners to act on behalf of the secretary.

(3) The Insurance Commissioners may appoint such officers, inspectors, referees, and servants, for the purposes of this Part of this Act as the Commissioners, subject to the approval of the Treasury as to number, may

determine, and there shall be paid out of moneys provided by Parliament to the Commissioners and to such officers, inspectors, referees, and servants, such salaries or remuneration as the Treasury may determine; and any expenses incurred by the Treasury (including the remuneration of valuers and auditors appointed by the Treasury) or the Commissioners in carrying this Part of this Act into effect, to such extent as the Treasury may sanction, shall be defrayed out of moneys provided by Parliament.

(4) Every document purporting to be an order or other instrument issued by the Insurance Commissioners and to be sealed with the seal of the Commissioners authenticated in manner provided by this section, or to be signed by the secretary to the Commissioners or any person authorised by the Commissioners to act on behalf of the secretary, shall be received in evidence and be deemed to be such order or instrument without further proof, unless the contrary is shown.

(5) The Insurance Commissioners may empower any inspector appointed by them to exercise in respect of any approved society or any branch of an approved society all or any of the powers given by section seventy-six of the Friendly Societies Act, 1896, to an inspector appointed thereunder :

59 & 60 Vict.
c. 25.

Provided that any complaint or report as to any such branch as aforesaid made by an inspector under this subsection shall be communicated to the central body or other central authority of the society.

58. The Insurance Commissioners shall, as soon as may be after the passing of this Act, appoint an Advisory Committee for the purpose of giving the Insurance Commissioners advice and assistance in connexion with the making and altering of regulations under this Part of this Act, consisting of representatives of associations of employers and approved societies, of duly qualified medical practitioners who have personal experience of general practice, and of such other persons as the Commissioners may appoint, of whom two at least shall be women.

Appointment of
advisory
committee

Insurance Committees.

59.—(1) An Insurance Committee shall be constituted for every county and county borough.

Appointment of
Insurance
Committees.

(2) Every such committee shall consist of such number of members as the Insurance Commissioners, having regard to the circumstances of each case, determine, but in no case less than forty or more than eighty of whom—

- (a) three-fifths shall be appointed in such manner as may be prescribed by regulations of the Insurance Commissioners so as to secure representation of the insured persons resident in the county or county borough who are members of approved societies, and who are deposit contributors in proportion, as nearly as may be, to their respective numbers;
- (b) one-fifth shall be appointed by the council of the county or county borough;
- (c) two members shall be elected in manner provided by regulations made by the Insurance Commissioners, either by any association of duly qualified medical practitioners resident in the county or county borough which may have been formed for that purpose under such regulations, or, if no such association has been formed, by such practitioners;
- (d) one member or, if the total number of the committee is sixty or upwards, two members, or if the total number of the committee is eighty, three members, shall be duly qualified medical practitioners appointed by council of the county or county borough;
- (e) the remaining members shall be appointed by the Insurance Commissioners :

Provided that—

- (i) The regulations with respect to the appointment of members to represent insured persons shall provide for conferring on the approved societies which have members resident in the county or county borough the power of appointing the representatives of such members, and, where an association of the deposit contributors resident in the county or county borough has been formed under

such regulations as aforesaid, for conferring on such association the power of appointing the representatives of the deposit contributors ;

- (ii) Of the members appointed by the council of the county or county borough two at least shall be women, and of the members appointed by the Insurance Commissioners one at least shall be a duly qualified medical practitioner and two at least shall be women.

(3) The Insurance Commissioners may, where any part of the cost of medical benefit or sanatorium benefit is defrayed by the council of the county or county borough, increase the representation of the council and make a corresponding diminution in the representation of the insured persons.

(4) The Insurance Commissioners may make regulations as to the appointment, quorum, term of office, and rotation of members and proceedings generally (including the appointment of sub-committees consisting wholly or partly of members of the committee) of the committee, and the employment of officers and the provision of offices by the committee, including the use by the committee, with or without payment, of any offices of a local authority, but subject to the consent of such authority, and any such regulations may provide for the constitution of district insurance committees, and for apportioning amongst the several district insurance committees any of the powers and duties of the Insurance Committee and regulating the relations of district insurance committees to the Insurance Committee and to one another :

Provided that the regulations so made shall require the Insurance Committee of every county (except in cases where, owing to special circumstances, the Commissioners consider it unnecessary) within six months after the commencement of this Act to prepare after consultation with the county council and submit for approval to the Commissioners a scheme for the appointment of district insurance committees for the county and prescribing the area to be assigned to each such committee, and in particular the scheme shall provide for the appointment of a district insurance committee for each borough (including the City of London and a metropolitan borough) within the county having a population of not less than ten thousand, and for each urban district within the county with a population of not less than twenty thousand, but if the Insurance Committee or, on appeal, the Insurance Commissioners consider it expedient in the case of any such borough (outside London) or urban district any adjoining areas may be grouped with such borough or urban district for the purpose of the appointment of a district insurance committee.

(5) Any Insurance Committee may, and shall if so required by the Insurance Commissioners, combine with any one or more other Insurance Committees for all or any of the purposes of this Part of this Act, and where they so combine the provisions of this Part of this Act shall apply with such necessary adaptations as may be prescribed.

Powers and
duties of
Insurance
Committees.

60.—(1) The Insurance Committee of a county or county borough shall, in addition to the other powers and duties conferred and imposed on it by this Part of this Act, have the following powers and duties :—

- (a) It shall make such reports as to the health of insured persons within the county or county borough as the Insurance Commissioners, after consultation with the Local Government Board, may prescribe, and shall furnish to them such statistical and other returns as they may require, and may make to them such other reports on the health of such persons and the conditions affecting the same, and may make such suggestions with regard thereto as it may think fit, and the Insurance Commissioners shall forward to the councils of the counties, boroughs, and urban and rural districts, which appear to them to be affected by or interested in any such reports, returns, or suggestions, copies of such reports, returns, and suggestions, and the reports and returns so made shall include such reports and returns as will enable an analysis and classification to be made of the persons who are deposit contributors :
- (b) It shall make such provision for the giving of lectures and the publication of information on questions relating to health as it thinks necessary or

desirable, and may, if it thinks fit, for that purpose make arrangements with local education authorities, universities and other institutions :

(c) It shall keep proper books and accounts in the prescribed form and shall, when required, submit such accounts to audit by auditors appointed by the Treasury.

(2) For the purpose of assisting Insurance Committees in the exercise and performance of their powers and duties under this Part of this Act, and with a view to promoting co-operation between such committees and the councils of counties, boroughs, and urban and rural districts, any medical officer of health may, at the request of an Insurance Committee and with the consent of the council by whom he is appointed, attend meetings of the committee and give such advice and assistance as is in his power.

(3) For the purposes of this section the council of a borough includes the mayor, aldermen, and commons of the City of London in common council assembled, and the council of a metropolitan borough.

61.—(1) All sums available for sanatorium benefit in a county or county borough, and all sums payable in respect of the members of approved societies and deposit contributors resident in the county or county borough for the purposes of medical benefit and administrative expenses in any year, shall be paid or credited to the Insurance Committee at the commencement of that year. Income.

(2) There shall also be paid to the Insurance Committee in every year by each approved society having members who are insured persons resident in the county or county borough, in respect of each such member, the sum of one penny towards the administrative expenses of the committee :

Provided that if the special circumstances of any county are such that the Insurance Commissioners consider that the travelling expenses of the members of the committee should be repaid to them by the committee, the Insurance Commissioners may authorise such repayment, and in such case may increase the said sum of one penny to such sum, not exceeding twopence, as they may determine.

(3) It shall be lawful for any local authority, out of any fund or rate out of which the expenses of the authority are payable, to subscribe such sums as it may think fit towards the general purposes of the Insurance Committee.

62. Where a local medical committee has been formed for any county or county borough or for any area for which a district committee has been formed and the Insurance Commissioners are satisfied that such committee is representative of the duly qualified medical practitioners resident in the county or county borough or such area as aforesaid, they shall recognise such committee, and where a local medical committee has been so recognised it shall, subject to regulations made by the Insurance Commissioners, be consulted by the Insurance Committee or district committee, as the case may be, on all general questions affecting the administration of medical benefit, including the arrangements made with medical practitioners giving attendance and treatment to insured persons, and shall perform such other duties, and shall exercise such powers as may be determined by the Insurance Commissioners. Local medical committees.

Excessive Sickness.

63.—(1) Where it is alleged by the Insurance Commissioners or by any approved society or Insurance Committee that the sickness which has taken place among any insured persons, being, in the case where the allegation is made by a society or committee, persons for the administration of whose sickness and disablement benefits the society or committee is responsible, is excessive, and that such excess is due to the conditions or nature of employment of such persons, or to bad housing or insanitary conditions in any locality, or to an insufficient or contaminated water supply, or to the neglect on the part of any person or authority to observe or enforce the provisions of any Act relating to the health of workers in factories, workshops, mines, quarries, or other industries, or relating to public health, or the housing of the working classes, or any regulations made under any such Act, or to observe or enforce any public health precautions, the Commissioners or the society or committee making such allegation may send to the person Inquiries into causes of excessive sickness, &c.

or authority alleged to be in default a claim for the payment of the amount of any extra expenditure alleged to have been incurred by reason of such cause as aforesaid, and if the Commissioners, society, or committee and such person or authority fail to arrive at any agreement on the subject may apply to the Secretary of State or the Local Government Board, as the case may require, for an inquiry, and thereupon the Secretary of State or Local Government Board may appoint a competent person to hold an inquiry.

(2) If upon such inquiry being held it is proved to the satisfaction of the person holding the inquiry that the amount of such sickness has—

- (i) during a period of not less than three years before the date of the inquiry; or
- (ii) if there has been an outbreak of any epidemic, endemic or infectious disease, during any less period;

been in excess of the average expectation of sickness by more than ten per cent., and that such excess was in whole or in part due to any such cause as aforesaid, the amount of any extra expenditure found by the person holding the inquiry to have been incurred under this Part of this Act by any societies or committees where the allegation is made by the Insurance Commissioners, or, if the allegation is made by a society or committee, by the society or committee in question, by reason of such cause shall be ordered by him to be made good in accordance with the following provisions:—

- (a) Where the excess or such part thereof as aforesaid is due to the conditions or nature of the employment or to any neglect on the part of any employer to observe or enforce any such Act or regulation as aforesaid, it shall be made good by the employer;
- (b) Where such excess or such part thereof as aforesaid is due to bad housing or insanitary conditions in the locality, or to any neglect on the part of any local authority to observe or enforce any such Act or regulation or such precautions as aforesaid, it shall be made good by such local authority as appears to the person holding the inquiry to have been in default, or if due to the insanitary condition of any particular premises shall be made good either by such authority or by the owner, lessee, or occupier of the premises who is proved to the satisfaction of the person holding the inquiry to be responsible;
- (c) Where the excess or such part thereof as aforesaid is due to an insufficient or contaminated water supply, it shall be made good by the local authority, company, or person by whom the water is supplied, or who having imposed upon them the duty of affording a water supply have refused or neglected to do so, unless the local authority, company, or person prove that such insufficiency or contamination was not due to any default on the part of the authority, company, or person, but arose from circumstances over which they had no control.

(3) Where any such inquiry as aforesaid is held in respect of bad housing or insanitary conditions in any locality, it shall be lawful for the local authority to serve notice upon the owner, lessee, or occupier of any premises which are the subject-matter of the inquiry, and where it is proved that such a notice has been served and that any such extra expense as aforesaid, or any part thereof, has been caused by the act or default of such owner, lessee, or occupier, the person holding the inquiry may order the owner, lessee, or occupier to repay to the local authority the amount of the extra expenditure or part thereof which has been so caused.

(4) For the purpose of this section the average expectation of sickness shall be calculated in accordance with the tables prepared by the Insurance Commissioners for the purpose of valuations under this Part of this Act, but any excessive sickness attributable to any disease or disablement which is due to any disease or injury in respect of which damages or compensation are payable under the Employers' Liability Act, 1880, or the Workmen's Compensation Act, 1906, or at common law, shall not be taken into account.

(5) The Insurance Commissioners shall make regulations as to the procedure on inquiries under this section, and a person holding an inquiry under this section shall have all such powers as an inspector of the Local Government Board has for the purposes of an inquiry under the Public Health Acts, and shall have power to

order how and by what parties costs, including such expenses as the Secretary of State or Local Government Board may certify to have been incurred by them, are to be paid, and an order made by such person under this section may by leave of the High Court be enforced in the same manner as a judgment or order of the Court to the same effect :

Provided that a society or committee shall not be ordered to pay the costs of the other party to the inquiry if the person holding the inquiry certifies that the demand for an inquiry was reasonable under the circumstances, and when he so certifies the Treasury may repay to the society or committee the whole or any part of the costs incurred by it.

(6) Without prejudice to any other method of recovery, any sum ordered under this section to be paid by a local authority may, in accordance with the regulations of the Local Government Board with the approval of the Treasury, be paid out of the Local Taxation Account and deducted from any sums payable either directly or indirectly out of that account to the local authority.

(7) For the purposes of this section any expenditure on any benefit administered by an Insurance Committee shall be deemed to be expenditure of that Committee, but any sums paid to any such Committee under this section to meet extra expenditure on sickness benefit or disablement benefit shall be dealt with for the benefit of deposit contributors in accordance with regulations made by the Insurance Commissioners.

(8) Where under this section any sum is paid to the Insurance Commissioners, the Insurance Commissioners shall apply the same in discharge of any expenses incurred by the Commissioners under this section and shall distribute the balance amongst the societies and committees which appear to the Commissioners to have incurred extra expense on account of the excessive sickness in such proportions as the Commissioners think just.

(9) Where an association of deposit contributors resident in any county or county borough has been formed under regulations made by the Insurance Commissioners, the Insurance Committee for the county or county borough shall, if so required by the association, take proceedings under this section on behalf and at the expense of the association.

Supplementary Provisions.

64.—(1) If under any other Act of the present session any sum is made available for the purposes of the provision of or making grants in aid to sanatoria and other institutions for the treatment of tuberculosis or such other diseases as the Local Government Board with the approval of the Treasury may appoint, such sum shall be distributed by the Local Government Board with the consent of the Treasury in making grants for those purposes, and the Treasury before giving their consent shall consult with the Insurance Commissioners :

Provision of
sanatoria,
&c.

Provided that such sum shall be apportioned between England, Wales, Scotland, and Ireland in proportion to their respective populations ascertained in accordance with the returns of the census taken in the year nineteen hundred and eleven.

(2) If any such grant is made to a county council, the Local Government Board may authorise the county council to provide any such institution, and where so authorised the county council shall have power to erect buildings and to manage and maintain the institution and for that purpose to enter into agreements and make arrangements with Insurance Committees and other authorities and persons, and to do all such things as may be necessary for the purposes aforesaid, and any expenses of the county council, so far as not defrayed out of the grant, shall be defrayed out of the county fund as expenses for general county purposes, or if the order of the Local Government Board so directs, as expenses for special county purposes charged on such part of the county as may be provided by the order.

(3) For the purpose of facilitating co-operation amongst county councils, county borough councils, and other local authorities (not being Poor Law authorities) for the provision of such sanatoria and other institutions as aforesaid, the Local Government Board may by order make such provisions as appear to them necessary or expedient by the constitution of joint committees, joint boards,

or otherwise, for the joint exercise by such councils and authorities of their powers in relation thereto, and any such order may provide how, in what proportions, and out of what funds or rates the expenses of providing such institutions, so far as they are not defrayed out of grants under this section, are to be defrayed, and may contain such consequential, incidental, and supplemental provisions as may appear necessary for the purposes of the order, and an order so made shall be binding and conclusive in respect of the matters to which it relates.

(4) An Insurance Committee may, with the consent of the Insurance Commissioners, enter into agreements with any person or authority (other than a Poor Law authority) that, in consideration of such person or authority providing treatment in a sanatorium or other institution or otherwise for persons recommended by the Committee for sanatorium benefit, the Committee will contribute out of the funds available for sanatorium benefit towards the maintenance of the institution or provision of such treatment, such annual or other payment, and, subject to such conditions and for such period as may be agreed, and any such agreement shall be binding on the Committee and their successors, and any sums payable by the Committee thereunder may be paid by the Insurance Commissioners and deducted from the sums payable to the Committee for the purposes of sanatorium benefit.

Power to
Insurance
Commissioners to
make regu-
lations, &c.

65. The Insurance Commissioners may make regulations for any of the purposes for which regulations may be made under this Part of this Act or the schedules therein referred to, and for prescribing anything which under this Part of this Act or any such schedules is to be prescribed, and generally for carrying this Part of this Act into effect, and any regulations so made shall be laid before both Houses of Parliament as soon as may be after they are made, and shall have effect as if enacted in this Act :

Provided that if an address is presented to His Majesty by either House of Parliament within the next subsequent twenty-one days on which that House has sat next after any such regulation is laid before it, praying that the regulation may be annulled, His Majesty in Council may annul the regulation, and it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder.

Determi-
nation of
questions by
Insurance
Commissioners.

66.—(1) If any question arises—

- (a) as to whether any employment or any class of employment is or will be employment within the meaning of this Part of this Act or as to whether a person is entitled to become a voluntary contributor ; or
- (b) as to the rate of contributions payable by or in respect of any insured person ; or
- (c) as to the rates of contributions payable in respect of an employed contributor by the employer and the contributor respectively ;

the question shall be determined by the Insurance Commissioners, in accordance with regulations made by them for the purpose : Provided that—

- (i) if any person feels aggrieved by the decision of the Insurance Commissioners on any question arising under paragraph (a), he may appeal therefrom to the county court, with a further right of appeal upon any question of law to such judge of the High Court as may be selected for the purpose by the Lord Chancellor, and the decision of that judge shall be final ;
- (ii) the regulations of the Insurance Commissioners may provide for questions under paragraph (b) being determined, in the case of any person who is or is about to become a member of an approved society, by the society ;
- (iii) the Insurance Commissioners may, if they think fit, instead of themselves deciding whether any class of employment is or will be employment within the meaning of this Part of this Act, submit the question for decision to the High Court in such summary manner as subject to rules of court may be directed by the court, and the court, after hearing such parties and taking such evidence (if any) as it thinks just, shall decide the question, and the decision of the court shall be final.

(2) This section shall come into operation on the passing of this Act.

67.—(1) Subject to the provisions of the foregoing section every dispute between—

- (a) An approved society or a branch thereof and an insured person who is a member of such society or branch or any person claiming through him ;
 - (b) An approved society or branch thereof, and any person who has ceased to be a member for the purposes of this Part of this Act of such society or branch, or any person claiming through him ;
 - (c) An approved society and any branch thereof ;
 - (d) Any two or more branches of an approved society,
- relating to anything done or omitted by such person, society, or branch (as the case may be) under this Part of this Act or any regulation made thereunder, shall be decided in accordance with the rules of the society, but any party to such dispute may in such cases and in such manner as may be prescribed appeal from such decision to the Insurance Commissioners.

(2) Every dispute between an insured person and the Insurance Committee, relating to anything done or omitted by such person or the Insurance Committee under this Part of this Act, or any regulation made hereunder, shall be decided in the prescribed manner by the Insurance Commissioners.

(3) The Insurance Commissioners may authorise referees appointed by them to decide any appeal or dispute submitted to the Insurance Commissioners under this section.

(4) The Insurance Commissioners may make regulations as to the procedure on any such appeal or dispute, and such regulations may apply to any of the provisions of the Arbitration Act, 1889, but, except so far as it may be so applied, the Arbitration Act, 1889, shall not apply to proceedings under this section, and any decision given by the Insurance Commissioners or a referee under this section shall be final and conclusive. 52 & 53 Vict.
c. 49.

68.—(1) Where the medical practitioner attending on any insured person in receipt of sickness benefit certifies that the levying of any distress or execution upon any goods or chattels belonging to such insured person and being on premises occupied by him, or the taking of any proceedings in ejection or for the recovery of any rent or to enforce any judgment in ejection against such person, would endanger his life, and such certificate has been sent to the Insurance Committee and has been recorded in manner herein-after provided, it shall not be lawful during any period named in the certificate for any person to levy any such distress or execution or to take any such proceedings or to enforce any such judgment against the insured person : Protection
against
distress and
execution in
certain cases

Provided that, if any person desirous of levying such distress or execution or taking such proceedings or enforcing such judgment disputes the accuracy of the certificate, he may apply to the registrar of the county court, who, if he is of opinion that the certificate should be cancelled or modified, may make an order cancelling or modifying it, and no appeal shall lie against any such order or a refusal to make any such order.

(2) A certificate granted for the purpose of this section shall continue in force or one week or such less period as may be named in the certificate, but may be renewed from time to time for any period not exceeding one week, up to but not beyond the expiration of three months from the date of the grant of the original certificate, but no such renewal shall have effect unless sent to the Insurance Committee and recorded as aforesaid :

Provided that the protection conferred by this section shall not extend beyond the expiration of one month from such date if on demand being made by the person desirous of levying such distress or execution, or taking such proceedings, or enforcing such judgment proper security is not given for payment of rent thereafter to become due from the insured person or the amount of the judgment debt, as the case may be, and any dispute as to the sufficiency of the security shall be determined by the registrar of the county court, whose decision shall be final and not subject to appeal.

(3) If any person knowingly levies or attempts to levy any such distress or execution or takes any such proceedings or enforces or attempts to enforce any such judgment in contravention of this section, he shall be liable on summary conviction to a fine not exceeding fifty pounds.

(4) A certificate or renewal thereof granted under this section shall forthwith be sent to the Insurance Committee, and the Committee shall, unless it has reason to suspect its genuineness, record it in a special register without fee, and such register shall at all reasonable times be open to inspection; and where so recorded its genuineness shall not be questioned in any proceedings against a sheriff or other officer for failure to levy any distress or execute any warrant.

(5) Where the time within which a warrant may be executed is limited any period during which the warrant cannot be executed by reason of the provisions of this section shall be disregarded in computing the time within which the warrant may be executed.

Offences.

69.—(1) If for the purpose of obtaining any benefit or payment or the crediting of a reserve value under this Part of this Act, either for himself or for any other person, any person knowingly makes any false statement or false representation, he shall be liable on summary conviction to imprisonment for a term not exceeding three months with or without hard labour.

(2) If any employer has failed to pay any contributions which under this Part of this Act he is liable to pay in respect of an employed contributor, or if any such employer, any insured person, or any other person is guilty of any other contravention of or non-compliance with any of the requirements of this Part of this Act or the regulations made thereunder in respect of which no special penalty is provided, he shall for each offence be liable on summary conviction to a fine not exceeding ten pounds, and where the offence is failure or neglect on the part of the employer to make any such contributions, to pay to the Insurance Commissioners a sum equal to the amount of the contributions which he has so failed or neglected to pay, which sum when paid shall be treated as a payment in satisfaction of such contributions:

Provided that no person shall be liable to any penalty in respect of any matter if he has acted in conformity with any decision in respect thereto by the Insurance Commissioners, or, if the matter is one which the Insurance Committee is competent to decide, in conformity with its decision.

Civil proceedings against employer for neglecting to pay contributions.

70.—(1) Where an employer has failed or neglected to pay any contributions which under this Part of this Act he is liable to pay in respect of a person being a member of an approved society in his employment, and by reason thereof that person has been deprived in whole or in part of his right to any benefits which would otherwise have been payable to him, he shall be entitled to take proceedings against the employer for the value of the right of which he has been so deprived, and in any such proceedings the employer may be ordered to pay to the Insurance Commissioners a sum equal to the value so ascertained, which sum when paid shall be carried to the credit of the society of which such person is a member, and thereupon such person shall thenceforth be entitled to receive from the society benefits at the same rate as he would have been entitled to had the contributions been properly paid, together with the difference between the amount of the benefits (if any) he has actually received and the benefits he would have received had the contributions been properly paid.

(2) Proceedings may be taken under either this or the last preceding section notwithstanding that proceedings have also been taken under the other section in respect of the same failure or neglect to pay contributions.

Repayment of benefits improperly paid.

71. If it is found at any time that a person has been in receipt of any payment or benefit under this Part of this Act without being lawfully entitled thereto he, or in the case of his death his personal representatives, shall be liable to repay to the Insurance Commissioners the amount of such payment or benefit, and any such amount may be recovered as a debt due to the Crown, and when so recovered shall be carried to the credit of the society of which such person was a member, or if he was not a member of any approved society, of the Post Office fund.

Provisions as to application of

72.—(1) Every registered friendly society which provides benefits similar to any of those conferred by this Part of this Act shall submit to the Registrar of Friendly Societies a scheme for continuing, abolishing, reducing, or altering such

benefits as respects members who become insured persons and for continuing, abolishing, or reducing the contributions of such members, so, however, that the combined effect of the alteration of the benefits and contributions shall not prejudicially affect the solvency of the society, and, if the scheme or a supplementary scheme shows on an actuarial valuation that, owing to the alterations in the benefits and contributions effected by the scheme, any part of the existing funds of the society is set free as not being required to meet the liabilities of the society, the scheme or the supplementary scheme shall provide for the application of the part of the funds so set free in any one or more of the following ways:—

existing
funds of
friendly
societies.

- (a) towards the cost of the provision of other or increased benefits payable by the society independently of this Part of this Act to existing members whether insured persons or not;
- (b) in reduction of the contributions payable by such members in respect of the benefits payable by the society independently of this Part of this Act;
- (c) towards the payment or repayment of contributions payable under this Part of this Act by such of its existing members as are entitled and elect to receive benefits under this Part of this Act through the society.

(2) This section shall apply to branches of registered societies in like manner as to societies: Provided that a society with branches may, if it so desires (subject always to the exercise of any right of a branch, expressly conferred by the rules of the society, to dispose of any of its funds for the benefit solely of the members of the branch), submit a scheme applicable to all its branches, and it shall be competent for the society to provide by its scheme or supplementary scheme for the application of the whole or any part of any sums so set free towards the discharge of any deficiencies in any of its branches which may be found to exist on such actuarial valuation as aforesaid.

(3) Any scheme adopted by a society or branch of a society in accordance with its rules when confirmed by the Registrar of Friendly Societies shall be deemed to be incorporated in the registered rules of the society or branch and may be amended accordingly, so, however, that no amendment shall be inconsistent with the provisions of this section.

(4) This section shall apply to seamen, marines, and soldiers, from whose pay deductions are made under this Part of this Act as if they were insured persons, and for the purposes of this section "existing" means existing at the passing of this Act.

(5) This section shall come into operation on the passing of this Act.

73.—(1) Where at the passing of this Act a superannuation or other provident fund has been established for the benefit of the persons employed by one or more employers, the provisions of the last foregoing section shall apply with the necessary adaptations and with this modification that where under the Act, deed, or other instrument establishing the fund or otherwise any sum is payable by the employer towards benefits secured by the Act or deed, and those benefits include benefits similar to any of those conferred by this Part of this Act, the scheme may provide for allowing the employer to deduct from any contributions payable by him as aforesaid towards benefits of a nature similar to those under this Part of this Act an amount not exceeding the amount of the employer's contributions payable by him under this Part of this Act.

Provisions
as to existing
employers'
provident
funds.

(2) Where the fund is one out of which pensions or superannuation allowances are payable, and it is proved to the satisfaction of the Insurance Commissioners that the rearrangements required in consequence of this Part of this Act will, upon a valuation under the existing rules of the fund, affect prejudicially the sum available for the payment of pensions or superannuation allowances, the Insurance Commissioners may grant a certificate authorising the value of the prospective extension of benefits under this Part of this Act when the reserve values have been written off as herein-before provided, to be brought into account in the valuation of the assets available for the discharge of the liabilities of the fund in respect of pensions and superannuation allowances.

Provisions as to minors who are members of approved societies.

74. Any member of an approved society who is a minor may execute all instruments and give all acquittances necessary to be executed or given under the rules of such society, but shall not be a member of the committee, or a trustee, manager, or treasurer of such society or any branch thereof.

Power for societies to register under Friendly Societies Act, 1896.

75. Any society for the purpose of carrying on business under this Act, either alone or together with any purpose mentioned in section eight, subsection (1), of the Friendly Societies Act, 1896, may, after the passing of this Act, be registered as a friendly society under the Friendly Societies Act, 1896, notwithstanding that the contributions under this Act are not voluntary.

Application of Acts of Parliament to approved societies and sections.

76.—(1) Except in so far as may be inconsistent with this Part of this Act, any business transacted under this Part of this Act by any approved society shall be treated as part of the ordinary business transacted by societies of the class to which that society belongs, and any enactment applying to the society in relation to the transaction of such ordinary business shall apply accordingly in relation to the business transacted by the society under this Part of this Act.

(2) This section shall apply to an approved society which is a separate section of another body, subject to the necessary adaptation.

Powers of the Local Government Board.

77.—(1) The Local Government Board may, for the purposes of their powers and duties under this Part of this Act, hold such local inquiries and investigations as they may think fit, and the Board and their inspectors shall have for the purposes of such an inquiry the same powers as they respectively have for the purposes of an inquiry under the Public Health Acts, and the expenses incurred by the Board in respect of such inquiries and other proceedings under this Part of this Act (including the salary of any inspector or officer of the Board engaged in the inquiry or proceedings, not exceeding three guineas a day) shall be paid by such authorities and persons and out of such funds and rates as the Board may by order direct, and the Board may certify the amount of the expenses so incurred, and any sum so certified and directed by the Board to be paid by the authority or person shall be a debt from that authority or person to the Crown: Provided that this provision shall not apply to inquiries with respect to responsibility for excessive sickness.

(2) Any approval given by the Local Government Board under this Part of this Act may be given for such term, and subject to such conditions as the Board may think fit, and the Board shall have power to withdraw any approval which they have given.

(3) The Local Government Board may make it a condition of any approval to be given, or grant of money to be made under this Part of this Act, that the Board shall have such powers of inspection as may be agreed.

Power to remove difficulties.

78. If any difficulty arises with respect to the constitution of Insurance Committees, or the advisory committee, or otherwise in bringing into operation this Part of this Act, the Insurance Commissioners, with the consent of the Treasury, may by order make any appointment and do anything which appears to them necessary or expedient for the establishment of such committees or for bringing this Part of this Act into operation, and any such order may modify the provisions of this Act so far as may appear necessary or expedient for carrying the order into effect: Provided that the Insurance Commissioners shall not exercise the powers conferred by this section after the first day of January nineteen hundred and fourteen.

Interpretation.

79. For the purposes of this Part of this Act unless the context otherwise requires—

The expression "branch," in relation to a society, shall not include any branch of the society which is not itself separately registered;

The expression "disease or disablement" means such disease or disablement as would entitle an insured person to sickness or disablement benefit;

The expression "dependants," in relation to any person, includes such persons as the approved society or Insurance Committee shall ascertain to be wholly or in part dependent upon his earnings;

A person whose normal occupation is employment within the meaning of this Part of this Act shall for the purpose of reckoning the number and rate of contributions be deemed to continue to be an employed contributor notwithstanding that he is temporarily unemployed, but if such period of unemployment extends beyond twelve months, he shall not continue to be an employed contributor unless the approved society of which he is a member, or if he is not a member of such a society, the Insurance Committee, is satisfied that his unemployment is due to inability to obtain employment, and is not due to any change in his normal occupation ;

The suspension of a member of an approved society from benefits under this Part of this Act shall not be deemed to deprive the member of his membership ; "membership of an approved society" means membership for the purposes of this Part of this Act ;

The expression "valuer" means a person possessing actuarial qualifications as may be approved by the Treasury ;

The expression "county" means administrative county ;

The Scilly Isles shall be deemed to be a county and the council of those Isles the council of a county, but the Insurance Committee for the Scilly Isles shall be constituted in such manner as the Insurance Commissioners prescribe ;

Monmouthshire shall be deemed to form part of Wales ;

A person shall be deemed according to the law in England, Wales, and Ireland, as well as according to the law in Scotland, not to have attained the age of seventeen until the commencement of the seventeenth anniversary of the day of his birth, and similarly with respect to other ages.

80. This Part of this Act in its application to Scotland shall be subject to the following modifications :— Application to Scotland.

(1) For the purpose of carrying this Part of this Act into effect in Scotland there shall be constituted, as soon as may be after the passing of this Act, Commissioners for Scotland (to be called the Scottish Insurance Commissioners) with a central office in Edinburgh, and with such branch offices in Scotland as the Treasury may think fit, and the Scottish Insurance Commissioners, of whom one at least shall be a duly qualified medical practitioner, shall be appointed by the Treasury, and may appoint such officers, inspectors, referees, and servants for the purposes aforesaid as the Scottish Insurance Commissioners, subject to the approval of the Treasury, may determine, and the provisions of this Part of this Act with respect to the payment of the salaries and remuneration of the Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them, and with respect to the payment of the expenses incurred by the Treasury or the Insurance Commissioners in carrying this Part of this Act into effect shall, with the necessary modifications, apply to the payment of the salaries and remuneration of the Scottish Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them and to the payment of expenses incurred by the Treasury or the Scottish Insurance Commissioners in carrying this Part of this Act into effect in Scotland, and for the purpose aforesaid the Scottish Insurance Commissioners, and the officers, inspectors, referees, and servants appointed by them shall respectively have all the like powers and duties as are by the provisions of this Act conferred and imposed on the Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them, and references in those provisions to the Insurance Commissioners shall be construed as references to the Scottish Insurance Commissioners :

(2) All sums received from contributions under this Part of this Act in respect of insured persons resident in Scotland, and all sums paid out of moneys provided by Parliament in respect of benefits under this Part of this Act to such persons, and the expenses of administration of such benefits shall be paid into a fund to be called the Scottish National

Health Insurance Fund, under the control and management of the Scottish Insurance Commissioners, and the sums required to meet expenditure properly incurred by approved societies and Insurance Committees for the purposes of such benefits and the administration of such benefits shall be paid out of that fund, and the foregoing provisions of this Act, with respect to the National Health Insurance Fund, shall, with the necessary modifications, apply to the Scottish National Health Insurance Fund accordingly :

- (3) The expression "Local Government Board" means the Local Government Board for Scotland (in this section referred to as the Board) : Provided that as regards the making of regulations respecting sums payable out of the Local Taxation (Scotland) Account the said expression means the Secretary for Scotland ; the expression "Local Taxation Account" means the Local Taxation (Scotland) Account ; and the expression "inspector of the Local Government Board" includes a person acting under section seven or section eight of the Public Health (Scotland) Act, 1897 :
- (4) The expression "county borough" means a burgh or police burgh within the meaning of the Local Government (Scotland) Act, 1889 (in this section referred to as the Act of 1889), containing within the police boundaries thereof, according to the census of nineteen hundred and eleven, a population of twenty thousand or upwards, and includes the burgh of Dumfries and the police burgh of Maxwelltown, as if they were a single burgh, and all other burghs and police burghs shall, for the purposes of this Part of this Act, be held to be within the county, and unless already represented on the county council shall, for the purposes of this Part of this Act, be represented thereon as may be determined by the Secretary for Scotland : Provided that references to the council of a county borough shall, in the case of Dumfries and Maxwelltown, be construed as references to a joint committee of the town councils thereof which shall from time to time be appointed subject to the provisions of section seventy-six of the Act of 1889 :
- (5) References to a county and the county council thereof shall, as regards—
 (a) the counties of Kinross and Clackmannan ; and
 (b) the counties of Elgin and Nairn ;
 be construed in each case as references respectively to a combination of the two recited counties and to a joint committee of the county councils thereof which shall from time to time be appointed subject to the provisions of section seventy-six of the Act of 1889 :
- (6) The minimum number of an insurance committee for any area containing a population of less than forty thousand shall be twenty-five instead of forty ; and where a number less than forty is fixed the constitution of the committee may be varied as may be prescribed, so, however, that the proportion of members to be appointed by insured persons and by a county or town council and the number of members possessing a medical qualification shall not be altered :
- (7) No person, except a medical practitioner qualified as such, shall be qualified for appointment as member of an Insurance Committee by a county or town council unless he is a member of a local authority within the county under the Public Health (Scotland) Act, 1897, or of the town council, as the case may be ; but this requirement shall not apply to women if women so qualified are not available :
- (8) Before submitting for approval a scheme prescribing areas to be assigned to district committees the Insurance Committee of a county shall consult with the county council, or any committee thereof appointed for the purpose, and shall consider any representation received from them :
- (9) Where, owing to sparseness of population, difficulties of communication, or other special circumstances, they consider it desirable, an Insurance Committee shall have power, with the consent of the Scottish

60 & 61 Vict.
c. 38.

52 & 53 Vict.
c. 50.

Insurance Commissioners, to modify or suspend any benefits for the administration of which they are responsible; but where such modification or suspension takes place provision shall be made by the Committee, with the like consent, for the increase of other benefits or the grant of one or more additional benefits to an amount equivalent to the value of the modification or suspension :

- (10)—(a) If it appears to any county council that, having regard to the number of employed contributors resident in the county who are not members of any society approved under the foregoing provisions of this Act, it is desirable that steps should be taken for the establishment under the council of an approved society for the county (in this section referred to as a county society), the council may, at any time before the expiration of one year from the commencement of this Act, submit to the Scottish Insurance Commissioners a scheme for the establishment of a county society ;
- (b) The scheme may provide for—
- (i) the representation of the council on the committee of management of the society ;
 - (ii) the appointment of officers subject to the approval of the council ;
 - (iii) the delegation of powers to committees ;
 - (iv) the giving of security by means of a charge upon the general purposes rate or otherwise ;
 - (v) the restriction of membership to insured persons resident in the county not being members of any other approved society ;
 - (vi) the reduction of benefits below the minimum rates fixed by this Part of this Act ; and
 - (vii) such other matters as may appear necessary, and in particular such further modifications of the provisions of this Part of this Act with respect to approved societies as may be required for the purpose of adapting those provisions to the case of a county society ;
- (c) Where such a scheme has been approved by the Scottish Insurance Commissioners, the provisions of the scheme shall have effect, notwithstanding anything to the contrary in this Part of this Act ; and, subject to those provisions, the county society shall be an approved society for all the purposes of this Part of this Act ;
- (d) A county council desirous of submitting a scheme under this section may at any time after the passing of this Act take such steps as appear necessary with a view to ascertaining what insured persons resident in the county are eligible and willing to become members of the proposed county society, and generally for the formation of the society :
- (11) A person appointed in terms of the section of this Act relating to excessive sickness to hold an inquiry shall report to the authority appointing him, and any further action following on such inquiry which, in accordance with the provisions of that section, is to be or may be taken by the person making the inquiry, shall not be taken by him, but may be taken by that authority after consideration of the report, and that section shall be read and construed accordingly :
- (12) Expenses incurred by a county council under this Part of this Act shall be defrayed out of the general purposes rate ; provided that, notwithstanding anything contained in the Act of 1889, the ratepayers of a police burgh shall not be assessed by the county council for any such expenses unless the police burgh is, for the purposes of this Part of this Act, held to be within the county ; and provided further that, with respect to every burgh within the meaning of the Act of 1889, which is, for the purposes of this Act, held to be within the county, subsection three and subsection four of section sixty, and section sixty-six, of the Act of 1889, shall, so far as applicable, have effect as if such expenses were expenditure therein mentioned :
- (13) Expenses incurred by a town council under this Part of this Act

(whether under requisition from the county council or otherwise) shall be defrayed out of the public health general assessment, but shall not be reckoned in any calculation as to the statutory limit of that assessment; and references to the borough fund or borough rate shall be construed accordingly :

- (14) The expression "borough" and the expression "urban district" mean a burgh or police burgh within the meaning of the Act of 1889, and the expressions "rural district" and "council of a rural district," unless inconsistent with the context, mean respectively a district of a county within the meaning of the said Act and the district committee thereof: Provided that the population limit prescribed for boroughs and urban districts in the subsection of this Act relating to the appointment of district committees for these areas shall not apply :
- (15) The expression "Lord Chief Justice" means the Lord President of the Court of Session :
- (16) The expression "county court" means the sheriff court; and in lieu of an appeal from the county court upon any question of law there shall be substituted an appeal from the sheriff upon any question of law in terms of subsection (17) (b) of the Second Schedule to the Workmen's Compensation Act, 1906: Provided that the decision of either division of the Court of Session on such appeal shall be final :
- (17) The expression "workhouse" means poorhouse; "coverture" means marriage; "levy any distress or execution" means use any diligence; "ejectment" means removing; "amount of judgment debt" means amount decreed for; "registrar of the county court" means court exercising jurisdiction in the proceedings; "certified midwife" means any midwife possessing such qualifications as may be prescribed; "public elementary school" means public school; "Public Health Acts" means the Public Health (Scotland) Acts, 1897 and 1907; "Local Loans Act, 1875" means the Local Authorities Loans (Scotland) Acts, 1891 and 1893; and "High Court" means Court of Session :
- (18) Unless inconsistent with the context, references to the Elementary School Teachers' Superannuation Act, 1898, to the deferred annuity fund under that Act, and to the Board of Education, shall be construed, respectively, as references to section fourteen of the Education (Scotland) Act, 1908, and a scheme thereunder, to the Scottish Teachers' Superannuation Fund, and to the Scotch Education Department.

54 & 55 Vict.
c. 34.
56 & 57 Vict.
c. 8.

8 Edw. 7.
c. 63.

Application
to Ireland.

81. This Part of this Act, in its application to Ireland, shall be subject to the following modifications:—

- (1) For the purpose of carrying this Part of this Act into effect in Ireland there shall be constituted, as soon as may be after the passing of this Act, Commissioners for Ireland (to be called the Irish Insurance Commissioners), with a central office in Dublin, and with such branch offices in Ireland as the Treasury may think fit, and the Irish Insurance Commissioners, of whom one at least shall be a duly qualified medical practitioner, shall be appointed by the Treasury, and may appoint such officers, inspectors, referees, and servants for the purposes aforesaid as the Irish Insurance Commissioners, subject to the approval of the Treasury, may determine, and the provisions of this Part of this Act with respect to the payment of the salaries and remuneration of the Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them, and with respect to the payment of the expenses incurred by the Treasury or the Insurance Commissioners in carrying this Part of this Act into effect shall, with the necessary modifications, apply to the payment of the salaries and remuneration of the Irish Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them and to the payment of expenses incurred by the Treasury or the Irish Insurance Commissioners in carrying this Part of this Act into effect in Ireland, and for the purpose aforesaid the Irish Insurance Commissioners and the

officers, inspectors, referees, and servants appointed by them shall respectively have all the like powers and duties as are by the provisions of this Act conferred and imposed on the Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them, and references in those provisions to the Insurance Commissioners shall be construed as references to the Irish Insurance Commissioners :

- (2) All sums received from contributions under this Part of this Act in respect of insured persons resident in Ireland and all sums paid out of moneys provided by Parliament in respect of benefits under this Part of this Act to such persons and the expenses of administration of such benefits shall be paid into a fund to be called the Irish National Health Insurance Fund under the control and management of the Irish Insurance Commissioners, and the sums required to meet expenditure properly incurred by approved societies and Insurance Committees for the purposes of such benefits and the administration of such benefits shall be paid out of that fund and the foregoing provisions of this Act with respect to the National Health Insurance Fund shall, with the necessary modifications, apply to the Irish National Health Insurance Fund accordingly :
- (3) The provisions of this Part of this Act conferring a right to exemption shall extend to any person employed in harvesting or other agricultural work who proves—
- (a) that he is an Irish migratory labourer, that is to say, a person who, having a permanent home at some place in Ireland, has temporarily removed to some other place in Ireland or to Great Britain for the purpose of obtaining such employment ; and
- (b) that he ordinarily resides at such permanent home for not less than twenty-six weeks in the year and is not employed within the meaning of this Part of this Act whilst so resident ;
- and any contributions paid in Great Britain by the employer of a person holding a certificate of exemption by virtue of this provision shall be transferred to the Irish Insurance Commissioners for the purpose of being carried to such account and being dealt with in such manner as may be prescribed by the regulations made in that behalf by the Irish Insurance Commissioners :
- (4) Employment in Ireland as an outworker, where the wages or other remuneration derived from the employment are not the principal means of livelihood of the person employed, shall be deemed to be included amongst the excepted employments specified in Part II. of the First Schedule to this Act :
- (5) The reference to the Lord Chancellor shall be construed as a reference to the Lord Chancellor of Ireland ;
The reference to the Lord Chief Justice shall be construed as a reference to the Lord Chief Justice of Ireland ;
The reference to the Local Government Board as regards the making of regulations with respect to payments out of the Local Taxation Account shall be construed as a reference to the Lord Lieutenant, and other references to the Local Government Board shall be construed as references to the Local Government Board for Ireland, and the reference to the Local Taxation Account shall be construed as a reference to the Local Taxation (Ireland) Account :
- (6) A reference to the Housing of the Working Classes (Ireland) Acts, 1890 to 1908, shall be substituted for the reference to the Housing of the Working Classes Acts, 1890 to 1909, a reference to the Public Health (Ireland) Acts, 1878 to 1907, shall be substituted for the reference to the Public Health Acts and a reference to the rate or fund applicable to the purposes of the Public Health (Ireland) Acts, 1878 to 1907, shall be substituted for any reference to the borough rate or borough fund :

- (7)—(a) If it appears to any county council that, having regard to the number of employed contributors resident in the county who are not members of any society approved under the foregoing provisions of this Act, it is desirable that steps should be taken by the council for the establishment of an approved society for the county under the council (in this section referred to as a county society), the council may, at any time before the expiration of one year from the commencement of this Act, submit to the Irish Insurance Commissioners a scheme for the establishment of a county society ;
- (b) The scheme may provide for—
- (i) The representation of the council on the committee of management of the society ;
 - (ii) the appointment of officers subject to the approval of the council ;
 - (iii) the delegation of powers to committees ;
 - (iv) the giving of security by means of a charge upon the county fund or otherwise ;
 - (v) the restriction of membership to insured persons resident in the county not being members of any other approved society ;
 - (vi) the reduction of benefits below the minimum rates fixed by this Part of this Act ; and
 - (vii) such other matters as may appear necessary, and in particular such further modifications of the provisions of this Part of this Act with respect to approved societies as may be required for the purpose of adapting those provisions to the case of a county society ;
- (c) Where such a scheme has been approved by the Irish Insurance Commissioners, the provisions of the scheme shall have effect, notwithstanding anything to the contrary in this Part of this Act ; and, subject to those provisions, the county society shall be an approved society for all the purposes of this Part of this Act ;
- (d) A county council desirous of submitting a scheme under this section may at any time after the passing of this Act take such steps as appear necessary with a view to ascertaining what insured persons resident in the county are eligible and willing to become members of the proposed county society, and generally for the formation of the society :
- (8) The provisions with respect to the appointment of Insurance Committees shall have effect subject to the following modifications, namely :—
- The number of members of an Insurance Committee shall be twenty-four, and of that number—
 - (a) twelve shall be appointed in such manner as may be prescribed by regulations of the Irish Insurance Commissioners so as to secure representation of the insured persons resident in the county or county borough who are members of approved societies, and who are deposit contributors in proportion as nearly as may be to their respective numbers, and the regulations so made shall provide for conferring on the approved societies which have members resident in the county or county borough the power of appointing representatives of such members, and where an association of deposit contributors resident in the county or county borough has been formed under such regulations as aforesaid, for conferring on such association the power of appointing the representatives of the deposit contributors ;
 - (b) eight (of whom at least one shall be a member of a local sanitary authority and at least two shall be women) shall be appointed by the council of the county or county borough ; and
 - (c) four (of whom at least two shall be duly qualified medical practitioners) shall be appointed by the Irish Insurance Commissioners :

Provided that the Irish Insurance Commissioners may, where any part of the cost of sanatorium benefit is defrayed by the council of the county or county borough, increase the representation of the council

and make a corresponding diminution in the representation of the insured persons :

- (9) An insured person in Ireland shall not be entitled to medical benefit under this Part of this Act, and the provisions with respect to medical benefit shall not apply :

Provided that medical benefit for an insured person being a member of an approved society shall be deemed to be included amongst the additional benefits specified in Part II. of the Fourth Schedule to this Act, and that such medical benefit when provided shall be administered by the Insurance Committee in accordance with the provisions of this Part of this Act, unless the Irish Insurance Commissioners otherwise direct :

- (10) As respects employed contributors in Ireland, the employed rate shall be the rate specified in Part II. of the Second Schedule to this Act, and the contributions by the contributors and contributions by the employers shall be at the rates specified in Part II. instead of the rates specified in Part I. of that schedule, and there shall be credited to the society of which any employed contributor in Ireland is a member or, if he is a deposit contributor, to his account in the Post Office fund, the difference between the amount of contributions actually paid by or in respect of him at the rate specified in Part II. of the Second Schedule to this Act and the amount which would have been paid if those contributions had been at the rate specified in Part I. of that schedule, and the amount of that difference shall be treated as having been expended on benefits and the proper proportion thereof shall accordingly be paid out of moneys provided by Parliament :

- (11) The foregoing provisions of this section as to the crediting of differences shall apply in the case of voluntary contributors resident in Ireland, with the modification that where the voluntary rate is not the same as the employed rate the difference to be credited shall be the difference between the amount of contributions actually paid at the voluntary rate and the amount which would have been paid if the contributor had been a voluntary contributor resident in Great Britain :

Provided that, in the case of a married woman resident in Ireland becoming a voluntary contributor at reduced rates of benefit under the special provisions with respect to married women, the rate of contributions payable by her shall be one penny halfpenny a week instead of three pence a week, and the difference to be credited shall be one penny halfpenny a week accordingly :

- (12) In ascertaining the voluntary rate applicable to voluntary contributors in Ireland in cases where that rate is not the same as the employed rate, regard shall be had both to the provisions of this section as to the crediting of differences and to the proportion of benefits to be paid out of the contributions payable by or in respect of such contributors :

- (13) Rules of an approved society or Insurance Committee under this Part of this Act may provide for the inspection of medical relief registers by officers of the society or Committee at all reasonable times, and for the furnishing to the society or Committee of such medical certificates as may be necessary for the purposes of the administration of the benefits administered by the society or Committee, and for the payment by the society or Committee to duly qualified medical practitioners of such remuneration in respect of the furnishing of those certificates as the Irish Insurance Commissioners may sanction, and all payments so made by the society or Committee shall be treated as expenses of administering the benefits aforesaid :

- (14) If a grant is made to a county council or county borough council out of any sum made available under any other Act of the present session for the purposes of the provision of or making grants in aid to sanatoria and other institutions for the treatment of tuberculosis or such other diseases as the Local Government Board may, with the approval of the Treasury, appoint, the council may, subject to the sanction of the

Local Government Board, exercise for all or any of those purposes the powers given to them by Part II. of the Tuberculosis Prevention (Ireland) Act, 1908, in like manner as if those purposes were purposes authorised by that Part of that Act, and any expenses of the council so far as not defrayed out of the grant shall be defrayed in manner provided by that Part of that Act :

- (15) For the purposes of proceedings in Ireland under the provisions of this Part of this Act relative to disputes, regulations of the Irish Insurance Commissioners may apply all or any of the provisions of the Common Law Procedure (Ireland) Act, 1856, with respect to arbitration :
- (16) The special provisions with respect to the reduction of contributions in cases where the employer is liable to pay wages during sickness shall have effect, subject to the modification that where the rate of contributions payable by the employed contributor is one halfpenny a week the weekly contributions payable by the employer shall be reduced by one penny halfpenny (or, if the employed contributor is a woman, one penny), and the weekly contributions payable by the employed contributor shall be reduced by one halfpenny :
- (17) In the special provisions as to persons becoming certificated teachers references to the Board of Education, to the Elementary School Teachers (Superannuation) Act, 1898, and to a public elementary school shall respectively be construed as references to the Superintendent of the Teachers' Pension Office, to the National School Teachers' (Ireland) Act, 1879, and to a national school, and any sums paid to the Superintendent of the Teachers' Pension Office in pursuance of those provisions shall be carried to the Pension Fund established under the last-mentioned Act and shall be dealt with in accordance with rules under that Act :
- (18) As respects insured persons in Ireland, "six-elevenths" shall be substituted for "four-sevenths" and (in the case of women) "four-ninths" shall be substituted for "one-half" :
- (19) For the reference to the registrar of the county court there shall be substituted a reference to a magistrate appointed under the Constabulary (Ireland) Act, 1836 :
- (20) For references to a duly certified midwife, there shall be substituted references to a midwife having such qualifications as may be prescribed.

8. Edw. 7.
c. 56.

19 & 20 Vict.
c. 102.

42 & 43 Vict.
c. 74.

6 & 7 Will. 4.
c. 13.

Establish-
ment of
Commis-
sioners for
Wales.

82.—(1) For the purpose of carrying this Part of this Act into effect in Wales there shall be constituted, as soon as may be after the passing of this Act, Commissioners for Wales (to be called the Welsh Insurance Commissioners) with a central office in such town in Wales as the Treasury may determine, and with such branch offices in Wales as the Treasury may think fit, and the Welsh Insurance Commissioners, of whom one at least shall be a duly qualified medical practitioner, shall be appointed by the Treasury, and may appoint such officers, inspectors, referees, and servants for the purposes aforesaid as the Welsh Insurance Commissioners, subject to the approval of the Treasury, may determine, and the provisions of this Part of this Act with respect to the payment of the salaries and remuneration of the Insurance Commissioners, and the officers, inspectors, referees, and servants appointed by them, and with respect to the payment of the expenses incurred by the Treasury or the Insurance Commissioners in carrying this Part of this Act into effect shall, with the necessary modifications, apply to the payment of the salaries and remuneration of the Welsh Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them, and to the payment of expenses incurred by the Treasury or the Welsh Insurance Commissioners in carrying this Part of this Act into effect in Wales, and for the purpose aforesaid the Welsh Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them shall respectively have all the like powers and duties as are by the provisions of this Act conferred and imposed on the Insurance Commissioners and the officers, inspectors, referees, and servants appointed by them, and references in those provisions to the Insurance Commissioners shall be construed as reference to the Welsh Insurance Commissioners.

(2) All sums received from contributions under this Part of this Act in respect of insured persons resident in Wales, and all sums paid out of moneys provided by Parliament in respect of benefits under this Part of this Act to such persons, and the expenses of administration of such benefits shall be paid into a fund to be called the Welsh National Health Insurance Fund, under the control and management of the Welsh Insurance Commissioners, and the sums required to meet expenditure properly incurred by approved societies and Insurance Committees for the purposes of such benefits, and the administration of such benefits shall be paid out of that fund, and the foregoing provisions of this Act, with respect to the National Health Insurance Fund, shall, with the necessary modifications, apply to the Welsh National Health Insurance Fund accordingly.

(3) The powers of the Local Government Board with respect to the distribution of any sum available for the purpose of the provision of or making grants in aid to sanatoria and other institutions shall, as respects the part thereof apportioned to Wales, be exercised by the Welsh Insurance Commissioners.

(4) If before or within twelve months after the commencement of this Act there is established for Wales by royal charter an association for the purpose of providing sanatoria and other institutions for the treatment and prevention of tuberculosis or such other diseases as the Local Government Board, with the approval of the Treasury, may appoint, the Welsh Insurance Commissioners in making and the Treasury in approving grants from any such sum as is in the last preceding subsection mentioned shall have regard to the provision of such institutions which may have been made, or may be proposed to be made, by the association.

83.—(1) There shall be constituted as soon as may be after the passing of this Act, in accordance with regulations to be made by the Treasury, a joint committee of the several bodies of Commissioners appointed for the purposes of this Part of this Act, consisting of such members of each such body selected in such manner as may be provided by the regulations and of a chairman and other members (not exceeding two in number) to be appointed by the Treasury, and the Chairman shall not by reason of his office be incapable of being elected to or voting in the Commons House of Parliament.

Joint Committee of Commissioners.

(2) The joint committee may make such financial adjustments as may be necessary between the several funds under the control and management of the several bodies of Commissioners, and shall exercise and perform such powers and duties of the several bodies of Commissioners under this Part of this Act, either alone or jointly with any of those bodies as may be provided by such regulations.

(3) Amongst the powers so exercisable by the joint committee shall be included a power of making regulations as to the valuation of societies and branches which have amongst their members persons resident in England, Scotland, Ireland, and Wales, or any two or any three of such parts of the United Kingdom, and the regulations so made shall require that, for the purposes of the provisions of this Part of this Act relating to valuations, surpluses, deficiencies and transfers, the members resident in each such part shall be treated as if they formed a separate society.

(4) Regulations made by the Treasury under this section shall be laid before Parliament as soon as may be after they are made, but if an Address is presented to His Majesty by either House of Parliament within the next subsequent twenty-one days on which that House has sat next after any such regulation is laid before it, praying that the regulation may be annulled, His Majesty in Council may annul the regulation and it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder.

PART II.

UNEMPLOYMENT INSURANCE.

84. Every workman who, having been employed in a trade mentioned in the Sixth Schedule to this Act (in this Act referred to as "an insured trade"), is unemployed, and in whose case the conditions laid down by this Part of this Act (in this Act referred to as "statutory conditions") are fulfilled, shall be entitled, Right of workmen in insured trades to unemployment benefit.

subject to the provisions of this Part of this Act, to receive payments (in this Act referred to as "unemployment benefit") at weekly or other prescribed intervals at such rates and for such periods as are authorised by or under the Seventh Schedule to this Act, so long as those conditions continue to be fulfilled, and so long as he is not disqualified under this Act for the receipt of unemployment benefit :

Provided that unemployment benefit shall not be paid in respect of any period of unemployment which occurs during the six months following the commencement of this Act.

Contributions by workmen, employers, and the Treasury.

85.—(1) The sums required for the payment of unemployment benefit under this Act shall be derived partly from contributions by workmen in the insured trades and partly from contributions by employers of such workmen and partly from moneys provided by Parliament.

(2) Subject to the provisions of this Part of this Act, every workman employed within the United Kingdom in an insured trade, and every employer of any such workman, shall be liable to pay contributions at the rates specified in the Eighth Schedule to this Act.

(3) Except where the regulations under this Part of this Act otherwise prescribe, the employer shall, in the first instance, be liable to pay both the contribution payable by himself, and also on behalf of and to the exclusion of the workman, the contribution payable by such workman, and subject to such regulations, shall be entitled, notwithstanding the provisions of any Act or any contract to the contrary, to recover from the workman by deductions from the workman's wages or from any other payment due from him to the workman the amount of the contributions so paid by him on behalf of the workman.

(4) Notwithstanding any contract to the contrary, the employer shall not be entitled to deduct from the wages of or other payment due to the workman, or otherwise recover from the workman by any legal process the contributions payable by the employer himself.

(5) Subject to the provisions of this Part of this Act, the Board of Trade may make regulations providing for any matters incidental to the payment and collection of contributions payable under this Part of this Act, and in particular for—

(a) payment of contributions by means of adhesive or other stamps affixed to or impressed upon books or cards, or otherwise, and for regulating the manner, times and conditions in, at and under which such stamps are to be affixed and impressed or payments are otherwise to be made ;

(b) the issue, sale, custody, production, and delivery up of books or cards and the replacement of books or cards which have been lost, destroyed, or defaced.

(6) A contribution shall be made in each year out of moneys provided by Parliament equal to one-third of the total contributions received from employers and workmen during that year, and the sums to be contributed in any year shall be paid in such manner and at such times as the Treasury may determine.

Statutory conditions for receipt of unemployment benefit.

86. The statutory conditions for the receipt of unemployment benefit by any workman are—

(1) that he proves that he has been employed as a workman in an insured trade in each of not less than twenty-six separate calendar weeks in the preceding five years ;

(2) that he has made application for unemployment benefit in the prescribed manner, and proves that since the date of the application he has been continuously unemployed ;

(3) that he is capable of work but unable to obtain suitable employment ;

(4) that he has not exhausted his right to unemployment benefit under this Part of this Act :

Provided that a workman shall not be deemed to have failed to fulfil the statutory conditions by reason only that he has declined—

(a) an offer of employment in a situation vacant in consequence of a stoppage of work due to a trade dispute ; or

(b) an offer of employment in the district where he was last ordinarily employed at a rate of wage lower, or on conditions less favourable,

than those which he habitually obtained in his usual employment in that district, or would have obtained had he continued to be so employed; or

- (c) an offer of employment in any other district at a rate of wage lower or on conditions less favourable than those generally observed in such district by agreement between associations of employers and of workmen, or, failing any such agreement, than those generally recognised in such districts by good employers.

87.—(1) A workman who has lost employment by reason of a stoppage of work which was due to a trade dispute at the factory, workshop, or other premises at which he was employed shall be disqualified for receiving unemployment benefit so long as the stoppage of work continues, except in a case where he has, during the stoppage of work, become *bonâ fide* employed elsewhere in an insured trade. Disqualifications for unemployment benefit.

Where separate branches of work which are commonly carried on as separate businesses in separate premises are in any case carried on in separate departments on the same premises, each of those departments shall, for the purposes of this provision, be deemed to be a separate factory or workshop or separate premises, as the case may be.

(2) A workman who loses employment through misconduct or who voluntarily leaves his employment without just cause shall be disqualified for receiving unemployment benefit for a period of six weeks from the date when he so lost employment.

(3) A workman shall be disqualified for receiving unemployment benefit whilst he is an inmate of any prison or any workhouse or other institution supported wholly or partly out of public funds, and whilst he is resident temporarily or permanently outside the United Kingdom.

(4) A workman shall be disqualified for receiving unemployment benefit while he is in receipt of any sickness or disablement benefit or disablement allowance under Part I. of this Act.

88.—(1) All claims for unemployment benefit under this Part of this Act, and all questions whether the statutory conditions are fulfilled in the case of any workman claiming such benefit, or whether those conditions continue to be fulfilled in the case of a workman in receipt of such benefit, or whether a workman is disqualified for receiving or continuing to receive such benefit, or otherwise arising in connection with such claims, shall be determined by one of the officers appointed under this Part of this Act for determining such claims for benefit (in this Act referred to as "insurance officers") : Determination of claims.

Provided that—

(a) in any case where unemployment benefit is refused or is stopped, or where the amount of the benefit allowed is not in accordance with the claim, the workman may require the insurance officer to report the matter to a court of referees constituted in accordance with this Part of this Act, and the court of referees after considering the circumstances may make to the insurance officer such recommendations on the case as they may think proper, and the insurance officer shall, unless he disagrees, give effect to those recommendations. If the insurance officer disagrees with any such recommendation he shall, if so requested by the court of referees, refer the recommendation, with his reasons for disagreement, to the umpire appointed under this Part of this Act, whose decision shall be final and conclusive;

(b) the insurance officer in any case in which he considers it expedient to do so may, instead of himself determining the claim or question, refer it to a court of referees, who shall in such case determine the question, and the decision of the court of referees shall be final and conclusive.

(2) Nothing in this section shall be construed as preventing an insurance officer or umpire, or a court of referees, on new facts being brought to his or their knowledge, revising a decision or recommendation given in any particular case, but where any such revision is made, the revised decision or recommendation

shall have effect as if it had been an original decision or recommendation, and the foregoing provisions of this section shall apply accordingly, without prejudice to the retention of any benefit which may have been received under the decision or recommendation which has been revised.

52 & 53 Vict.
c. 49.

(3) The Arbitration Act, 1889, shall not apply to proceedings under this section, except so far as it may be applied by regulations under this Part of this Act.

19 & 20 Vict.
c. 102.

(4) For the purposes of proceedings under this section in Ireland regulations may apply all or any of the provisions of the Common Law Procedure (Ireland) Act, 1856, with respect to arbitration.

Appointment
of umpire,
insurance
officers,
inspectors,
&c.

89.—(1) For the purposes of this Part of this Act an umpire may be appointed by His Majesty and insurance officers shall be appointed by the Board of Trade, subject to the consent of the Treasury as to number, and the insurance officers shall be appointed to act for such areas as the Board direct.

(2) The Board of Trade may appoint such other officers, inspectors, and servants for the purposes of this Part of this Act as the Board may, with the sanction of the Treasury, determine, and there shall be paid out of moneys provided by Parliament to the umpire and insurance officers and to such other officers, inspectors, and servants, such salaries or remuneration as the Treasury may determine; and any expenses incurred by the Board of Trade in carrying this Part of this Act into effect to such amount as may be sanctioned by the Treasury shall be defrayed out of moneys provided by Parliament:

Provided that such sum as the Treasury may direct, not exceeding one-tenth of the receipts, other than advances by the Treasury, paid into the unemployment fund on income account shall, in accordance with regulations made by the Treasury, be applied as an appropriation in aid of money provided by Parliament for the purpose of such salaries, remuneration, and expenses.

Courts of
referees.

90.—(1) A court of referees for the purposes of this Part of this Act shall consist of one or more members chosen to represent employers, with an equal number of members chosen to represent workmen, and a chairman appointed by the Board of Trade.

(2) Panels of persons chosen to represent employers and workmen respectively shall be constituted by the Board of Trade for such districts and such trades or groups of trades as the Board may think fit, and the members of a court of referees to be chosen to represent employers and workmen shall be selected from those panels in the prescribed manner.

(3) Subject as aforesaid, the constitution of courts of referees shall be determined by regulations made by the Board of Trade.

(4) The regulations of the Board of Trade may further provide for the reference to referees chosen from the panels constituted under this section, for consideration and advice, of questions bearing upon the administration of this Part of this Act, and for the holding of meetings of referees for the purpose.

(5) The Board of Trade may pay such remuneration to the chairman and other members of a court of referees and such travelling and other allowances (including compensation for loss of time) to persons required to attend before any such court, and such other expenses in connection with any referees, as the Board, with the sanction of the Treasury, determine, and any such payments shall be treated as expenses incurred by the Board of Trade in carrying this Part of this Act into effect.

Regulations.

91.—(1) The Board of Trade may make regulations for any of the purposes for which regulations may be made under this Part of this Act and the Schedules therein referred to, and for prescribing anything which under this Part of this Act or any such Schedules is to be prescribed, and—

(a) for permitting workmen who are employed under the same employer partly in an insured trade and partly not in an insured trade to be treated with the consent of the employer as if they were wholly employed in an insured trade; and

(b) for giving employers and workmen and the Board of Trade an opportunity of obtaining a decision by the umpire appointed under this Part

of this Act on any question whether contributions under this Part of this Act are payable in respect of any workman or class of workmen, and for securing that a workman in whose case contributions have been paid in accordance with any such decision, shall, as respects any unemployment benefit payable in respect of those contributions, be treated as a workman employed in an insured trade, and for securing that employers and workmen shall be protected from proceedings and penalties in cases where, in accordance with any such decision, they have paid or refrained from paying contributions ; and

- (c) for prescribing the evidence to be required as to the fulfilment of the conditions and qualifications for receiving or continuing to receive unemployment benefit, and for that purpose requiring the attendance of workmen at such offices or places and at such times as may be required ; and
- (d) for prescribing the manner in which claims for unemployment benefit may be made and the procedure to be followed on the consideration and examination of claims and questions to be considered and determined by the insurance officers, courts of referees, and umpire, and the mode in which any question may be raised as to the continuance, in the case of a workman in receipt of unemployment benefit, of such benefit, and for making provision with respect to the appointment of a deputy umpire in the case of the unavoidable absence or incapacity of the umpire ; and
- (e) with respect to the payment of contributions and benefits during any period intervening between any application for the decision of any question or any claim for benefit, and the final determination of the question or claim ; and
- (f) for providing that where any workmen are employed in or for the purposes of the business of any person, but are not actually employed by that person, that person may be treated for the purposes of this Part of this Act as their employer instead of their actual employer, and for allowing that person to deduct from any payments made by him to the actual employer any sums paid by him as contributions on behalf of the workmen, and for allowing the actual employer to recover the like sums from the workmen ; and

generally for carrying this Part of this Act into effect, and any regulations so made shall have effect as if enacted in this Act.

Any regulations made under this section for giving an opportunity of obtaining a decision of the umpire may be brought into operation as soon as may be after the passing of this Act.

(2) The regulations may, with the concurrence of the Postmaster-General, provide for enabling claimants of unemployment benefit to make their claims for unemployment benefit under this Act through the Post Office, and for the payment of unemployment benefit through the Post Office.

(3) All regulations made under this section shall be laid before each House of Parliament as soon as may be after they are made, and if an address is presented to His Majesty by either House of Parliament within the next subsequent forty days on which that House has sat next after any such regulation is laid before it, praying that the regulation may be annulled, it shall thenceforth be void, but without prejudice to the validity of anything previously done thereunder, or to the making of any new regulation.

92.—(1) For the purposes of this Part of this Act there shall be established under the control and management of the Board of Trade a fund called the unemployment fund, into which shall be paid all contributions payable under this Part of this Act by employers and workmen and out of moneys provided by Parliament, and out of which shall be paid all claims for unemployment benefit and any other payments which under this Part of this Act are payable out of the fund.

(2) The accounts of the unemployment fund shall be audited by the Comptroller and Auditor-General in such manner as the Treasury may direct.

(3) Any moneys forming part of the unemployment fund may from time to

time be paid over to the National Debt Commissioners and by them invested in accordance with regulations made by the Treasury in any securities which are for the time being authorised by Parliament as investments for savings banks moneys.

(4) The National Debt Commissioners shall present to Parliament annually an account of the securities in which moneys forming part of the said fund are for the time being invested.

Treasury
advances.

93.—(1) The Treasury may out of the Consolidated Fund or the growing produce thereof advance on the security of the unemployment fund any sums required for the purpose of discharging the liabilities of that fund under this Part of this Act: Provided that the total amount of advances outstanding at any time shall not exceed three million pounds.

(2) If, whilst any part of any such advance is outstanding, it appears to the Treasury that the unemployment fund is insolvent, the Board of Trade shall, if the Treasury so direct, by order, make such temporary modifications in any of the rates of contribution, or the rates or periods of unemployment benefit, and during such period, as the Board of Trade think fit, and as will on the whole, in the opinion of the Treasury, be sufficient to secure the solvency of the unemployment fund:

Provided that no order made under this subsection shall reduce the weekly rate of unemployment benefit below the sum of five shillings, or shall increase the rates of contribution from employers or workmen by more than one penny per workman per week, or increase those rates unequally as between employers and workmen, and no such order shall remain in force more than three months after all the advances and interest thereon have been repaid, or come into force until one month after it is made.

(3) An order under this section shall not be made so as to be in force at any time while any previous order made under this section is in force.

(4) On any such order being made the Board of Trade shall cause the order, together with a special report as to the reasons for making the order, to be laid before Parliament.

(5) The Treasury may for the purpose of providing for the issue of sums out of the Consolidated Fund under this section, or for the repayment to that fund of all or any part of the sums so issued, or for paying off any security issued under this section, so far as that payment is not otherwise provided for, borrow money by means of the issue of Exchequer bonds or Treasury bills, and all sums so borrowed shall be paid into the Exchequer.

(6) The principal of and interest on any Exchequer bonds issued under this section shall be charged on and payable out of the Consolidated Fund of the United Kingdom, or the growing produce thereof.

(7) Notwithstanding anything in any other Act, money in the hands of the National Debt Commissioners for the reduction of the National Debt shall not be applied to purchasing, reducing, or paying off any Exchequer bonds or Treasury bills issued under this section.

Refund of
part of
contribu-
tions paid by
employer in
the case of
workmen
continuously
employed.

94.—(1) The Board of Trade shall, on the application of any employer made within one month after the termination of any calendar year, or other prescribed period of twelve months refund to such employer out of the unemployment fund a sum equal to one-third of the contributions (exclusive of any contributions refunded to him under any other provisions of this Part of this Act) paid by him on his own behalf during that period in respect of any workman who has been continuously in his service through the period, and in respect of whom not less than forty-five contributions have been paid during the period.

(2) For the purpose of meeting any change in the period for which any refund of contributions is to be made under the foregoing provisions of this section, or for the purpose of making provision for any period which may elapse between the date on which contributions commence to be payable under this Part of this Act and the date on which the first period for the refund of contributions under the foregoing provisions of this section commences, the Board of Trade may, so far as necessary for the purpose, apply the provisions of this section to any period less than twelve months, subject to such proportionate reduction of the number of

contributions required as they direct, and this section shall take effect as regards any such period of less than twelve months as so applied.

95.—(1) If it is shown to the satisfaction of the Board of Trade by any workman or his personal representatives that the workman has paid contributions in accordance with the provisions of this Part of this Act in respect of five hundred weeks or upwards, and that the workman has reached the age of sixty, or before his death had reached the age of sixty, the workman or his representatives shall be entitled to be repaid the amount, if any, by which the total amount of such contributions have exceeded the total amount received by him out of the unemployment fund under this Act, together with compound interest at the rate of two and a half per cent. per annum calculated in the prescribed manner.

Repayment of part of contributions by workmen in certain cases.

(2) A repayment to a workman under this section shall not affect his liability to pay contributions under this Part of this Act, and, if after any such repayment he becomes entitled to unemployment benefit, he shall be treated as having paid in respect of the period for which the repayment has been made the full number of contributions which is most nearly equal to five-eighths of the number of contributions actually paid during that period.

96.—(1) If any employer satisfies the Board of Trade that during any period of depression in his business workmen employed by him have been systematically working short time, and that during such period he has paid contributions under this Part of this Act on behalf of such workmen, as well as on his own behalf, without recovering such contributions from such workmen either by way of deductions from wages or otherwise, there shall be refunded to him out of the unemployment fund, in accordance with regulations made by the Board of Trade, the contributions so paid by him in respect of those workmen (including those paid on behalf of the workmen as well as those paid on his own behalf), for the period or such part thereof as in the circumstances may seem just :

Refund of contributions paid in respect of workmen working short time.

Provided that, except in a case where the working of short time has been effected by stopping the work for some day in the week which has been usually recognised as a working day of at least four hours in the trade and district, no such refund shall be made in respect of any workmen for any week in which the hours of work have exceeded five-sixths of the number usually recognised as constituting a full week's work at that time in the trade and district.

(2) Any employer who desires to take advantage of this section may make an application to the Board of Trade with a view to obtaining their ruling as to the circumstances under which, and the means by which, he proposes to effect a reduction of working hours, and the Board of Trade may, if they think fit, on the necessary information being supplied, give their ruling as to whether the circumstances are such, and the proposed means of reducing working hours are such, as to satisfy the requirements of this section.

97. Where a workman is employed in a district which is rural in its character, and the workman usually follows in that district some occupation other than an insured trade, and is employed in an insured trade occasionally only, contributions under this Part of this Act shall not be payable in respect of the workman, except in cases where the employer and the workman agree that contributions shall be payable notwithstanding this provision.

Saving for occasional employment in rural neighbourhoods.

98. Where a man of the Naval Reserves, the Army Reserve, or the Territorial Force, is being trained and is in receipt of pay out of the moneys provided by Parliament for Navy or Army services, and immediately before the training was employed in an insured trade, he shall, for the purposes of this Part of this Act, be deemed, whilst so training, to be in the employment of the Crown in an insured trade.

Payment of contributions in case of Reservists or Territorials during training.

99.—(1) The Board of Trade may, in such cases and on such conditions as the Board may prescribe, make an arrangement with any employer liable to pay contributions under any part of this Act, whereby, in respect of workmen engaged by him through a labour exchange, or in his employ at the date of such arrangement, the performance of all or any of the duties required under any part of this

Provisions with respect to workmen engaged through labour exchanges.

Act to be performed by the employer in respect of those workmen, whether on his own behalf or on behalf of the workmen, shall be undertaken on behalf of the employer by the labour exchange, and whereby in respect of such workmen different periods of employment, whether of the same workmen or different workmen, may for the purposes of the employer's contributions under this Part of this Act, but not for the purposes of a refund of any part of the employer's contributions, be treated as a continuous employment of a single workman.

(2) Where any such arrangement has been made, all the periods of employment during which a workman engaged through a labour exchange is employed by one or more employers with whom such an arrangement has been made, may, subject to regulations made by the Board of Trade, on the application of the workman, be treated for the purposes of his contributions under this Part of this Act as a continuous period of employment under one employer, and those regulations may provide for the refund of part of his contributions under this Part of this Act accordingly.

Subsidiary provisions.

100.—(1) If the repeated failure of any insured workman to obtain or retain employment appears to the insurance officer to be wholly or partly due to defects in skill or knowledge, the insurance officer may, if he thinks fit, for the purpose of testing the skill or knowledge of the workman, offer to arrange for the attendance of the workman at a suitable place for the purpose, and may, out of the unemployment fund, pay all or any of the expenses incidental to such attendance.

If the workman fails or refuses either to avail himself of the offer, or to produce satisfactory evidence of his competence, or if as a result of the test the insurance officer considers that the skill or knowledge of the workman is defective, and that there is no reasonable prospect of such defects being remedied, such facts shall be taken into consideration in determining what is suitable employment for the workman.

If in any case as the result of the test the insurance officer considers that the skill or knowledge of the workman is defective, but that there is a reasonable prospect of the defects being remedied by technical instruction, the insurance officer may, subject to any directions given by the Board of Trade, pay out of the unemployment fund all or any of the expenses incidental to the provision of the instruction, if he is of opinion that the charge on the unemployment fund in respect of the workman is likely to be decreased by the provision of the instruction.

(2) The regulations of the Board of Trade made under this Part of this Act shall provide for the return to a workman who is not a workman in an insured trade and to his employer of any contributions paid by them respectively under the belief that the workman was a workman in an insured trade, subject, in the case of the workmen's contributions, to the deduction of any amount received by him in respect of unemployment benefit under a similar belief.

(3) Where under regulations made by the Board of Trade any sum has been paid out of the unemployment fund by way of reward for the return of a book or card which has been lost, the person responsible for the custody of the book or card at the time of its loss shall be liable to repay the sum so paid, not exceeding one shilling in respect of any one occasion.

Offences and proceedings for recovery of contributions, &c.

101.—(1) If for the purpose of obtaining any benefit or payment under this Part of this Act, either for himself or for any other person, or for the purpose of avoiding any payment to be made by himself under this Part of this Act, or enabling any other person to avoid any such payment, any person knowingly makes any false statement or false representation, he shall be liable on summary conviction to imprisonment for a term not exceeding three months, with or without hard labour.

(2) If any employer or workman has failed to pay any contributions which he is liable under this Part of this Act to pay, or if any employer or workman or any other person refuses or neglects to comply with any of the requirements of this Part of this Act, or the regulations made thereunder, he shall for each offence be liable on summary conviction to a fine not exceeding ten pounds, and also, where the offence is failure or neglect to make any contribution under this Part of this Act, to pay to the unemployment fund a sum equal to three times the amount which he has refused or neglected to pay (not exceeding five pounds), which sum,

when paid, shall be treated as a payment in satisfaction of the contributions which he has so refused or neglected to pay.

(3) Proceedings under the foregoing provisions of this section shall not be instituted except by, or with the consent of, the Board of Trade, and may be commenced at any time within three months of the date at which the offence comes to the knowledge of the Board of Trade.

(4) Nothing in this section shall be construed as preventing the Board of Trade from recovering any sums due to the unemployment fund by means of civil proceedings, and all such sums shall be recoverable in such proceedings as debts due to the Crown.

(5) If it is found at any time that a person has been in receipt of unemployment benefit under this Part of this Act whilst the statutory conditions were not fulfilled in his case, or whilst he was disqualified for receiving unemployment benefit, he shall be liable to repay to the unemployment fund any sums paid to him in respect of unemployment benefit whilst the statutory conditions were not fulfilled, or whilst he was disqualified for receiving the benefit, and the amount of such sums may be recovered as a debt due to the Crown.

(6) In any proceedings under this section, or in any proceedings involving any question as to the payment of contributions under this Part of this Act, or for the recovery of any sums due to the unemployment fund, the decision of the umpire appointed under this Part of this Act on any question arising, whether the trade in which the workman is or has been employed is an insured trade or not, shall be conclusive for the purpose of these proceedings, and if no such decision has been obtained and the decision of the question is necessary for the determination of the proceedings the question shall be referred, in accordance with the regulations made under this Part of this Act, to the umpire for the purpose of obtaining such a decision.

102. If at any time after the expiration of seven years from the commencement of this Act it appears to the Board of Trade that the unemployment fund is insufficient or more than sufficient to discharge the liabilities imposed upon the fund under this Part of this Act, or that the rates of contribution are excessive or deficient as respects any particular insured trade, or any particular branch of any such trade, the Board may, with the sanction of the Treasury, by special order made in manner hereinafter provided revise the rates of contribution of employers and workmen under this Part of this Act, and any such order may, if the Board think fit, prescribe different rates of contribution for different insured trades or branches thereof, and where any such order is made the rates prescribed by the order shall as from such date as may be specified in the order be substituted as respects trades or branches thereof to which it relates for the rates prescribed by this Act;

Periodical revision of rates of contribution.

Provided that where such a revision has been made no further revision under this section shall be made before the expiration of seven years from the last revision, and that no order under this section shall increase the rates of contribution from employers or workmen by more than one penny per workman per week above the rates specified in the Eighth Schedule to this Act, or shall vary such rates unequally as between employers and workmen.

103. If it appears to the Board that it is desirable to extend the provisions of this Part of this Act to workmen in any trade other than an insured trade, or to vary the definition of "workman" with respect to the age of the persons included therein, either generally or for any particular insured trade, or any particular branch of any such trade, the Board may, with the consent of the Treasury, make, in manner hereinafter provided, a special order extending this Part of this Act to such workmen or so varying the definition of "workman," as the case may be, either without modification or subject to such modifications of rates of contribution or rates or periods of benefit as may be contained in the order, and on any such order being made, this Part of this Act shall, subject to the modifications (if any) contained in the order, apply as if the trade mentioned in the order were an insured trade, or as if the definition of "workman" were varied in accordance with the order, as the case may be, and as if the rates of contribution and the rates and periods of benefit mentioned in the order were the

Power to extend to other trades.

rates of contribution and the rates and periods of benefit provided by this Part of this Act in respect of such trade :

Provided that no such order shall be made if the person holding the inquiry in relation to the order reports that the order should not be made, or if the order would, in the opinion of the Treasury, increase the contribution to the unemployment fund out of moneys provided by Parliament to a sum exceeding one million pounds a year before the expiration of three years from the making of the order, and that the rates of contributions mentioned in the order shall not exceed the rates specified in the Eighth Schedule to this Act, and shall be imposed equally as between employers and workmen.

Exclusion of subsidiary occupations.

104. The Board of Trade may, if in any case they consider that it is desirable, by special order exclude from the occupations which are to be deemed employment in an insured trade for the purpose of this Part of the Act—

- (a) Any occupation which appears to them to be common to insured and uninsured trades alike, and ancillary only to the purposes of an insured trade ; and
- (b) Any occupation which appears to them to be an occupation in a business which, though concerned with the making of parts or the preparation of materials for use in connection with an insured trade, is mainly carried on as a separate business or in connection with trades other than insured trades ;

and on any such order being made the occupation to which the order relates shall not be treated as employment in an insured trade for the purposes of this Part of this Act.

Any special order made under this section may be made so as to cover one or more occupations. The provisions of this Part of this Act as to the laying of regulations before Parliament and the presentation of an Address thereon shall apply to special orders made under this section.

Arrangements with associations of workmen in insured trade who make payments to members whilst unemployed.

105.—(1) The Board of Trade may, on the application of any association of workmen, the rules of which provide for payments to its members, being workmen in an insured trade, or any class thereof, whilst unemployed, make an arrangement with such association that, in lieu of paying unemployment benefit under this Part of this Act to workmen who prove that they are members of the association, there shall be repaid periodically to the association out of the unemployment fund such sum as appears to be, as nearly as may be, equivalent to the aggregate amount which such workmen would have received during that period by way of unemployment benefit under this Part of this Act if no such arrangement had been made, but in no case exceeding three-fourths of the amount of the payments made during that period by the association to such workmen as aforesaid whilst unemployed.

(2) The council or other governing body of any association of workmen which has made such an arrangement as aforesaid shall be entitled to treat the contributions due from any of its members to the unemployment fund under this Part of this Act, or any part thereof, as if such contributions formed part of the subscriptions payable by those members to the association, and, notwithstanding anything in the rules of the association to the contrary, may reduce the rates of subscription of those members accordingly.

(3) For the purpose of determining whether a workman has exhausted his right to unemployment benefit under this Part of this Act, the amount of any sum which, but for this section, would have been paid to him by way of unemployment benefit shall be deemed to have been so paid.

(4) The Board of Trade may make regulations for giving effect to this section, and for referring to the umpire appointed under this Part of this Act any question which may arise under this section.

(5) The fact that persons other than workmen can be members of an association shall not prevent the association being treated as an association of workmen for the purposes of this section, if the association is substantially an association of workmen.

Repayments to associations who make pay-

106.—(1) The Board of Trade may with the consent of the Treasury, and on such conditions and either annually or at such other intervals as the Board may prescribe, repay out of moneys provided by Parliament to any association of

persons not trading for profit the rules of which provide for payments to persons whilst unemployed, whether workmen in an insured trade or not, such part (in no case exceeding one-sixth) as they think fit, of the aggregate amount which the association has expended on such payments during the preceding year or other prescribed period, exclusive of the sum (if any) repaid to the association in respect of such period in pursuance of an arrangement under the last foregoing section, and exclusive in the case of payments which exceed twelve shillings a week of so much of those payments as exceeds that sum.

ments to persons, whether workmen in insured trade or not, whilst unemployed

(2) No repayment shall be made under this section in respect of any period before the expiration of six months from the commencement of this Act.

(3) The Board of Trade may make regulations for giving effect to this section, and for determining the mode in which questions arising under this section shall be settled.

107.—(1) For the purposes of this Part of this Act—

The expression "workman" means any person of the age of sixteen or upwards employed wholly or mainly by way of manual labour, who has entered into or works under a contract of service with an employer, whether the contract is expressed or implied, is oral or in writing, and in relation to a person whilst unemployed means a person who, when employed, fulfilled the conditions aforesaid, but does not include an indentured apprentice;

Interpretation and application.

Contributions made by an employer on behalf of a workman shall be deemed to be contributions by the workman;

Two periods of unemployment of not less than two days each, separated by a period of not more than two days, during which the workman has not been employed for more than twenty-four hours or two periods of unemployment of not less than one week each, separated by an interval of not more than six weeks, shall be treated as a continuous period of unemployment, and the expression "continuously unemployed" shall have a corresponding meaning:

Temporary work provided by a central body or distress committee under the Unemployed Workmen Act, 1905, or towards the provision of which any such central body or distress committee has contributed under that Act, shall not be deemed to be employment in an insured trade.

5 Edw. 7. c. 18.

A workman shall not be deemed to be unemployed whilst he is following any remunerative occupation in an insured trade, or whilst he is following any other occupation from which he derives any remuneration or profit greater than that which he would derive from the receipt of unemployment benefit under this Part of this Act.

A workman shall not for the purposes of contributions be deemed to be employed in any period in respect of which he receives no remuneration from his employer notwithstanding that he continues during such period in his employment.

The expression "trade dispute" means any dispute between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment, or the terms of employment, or with the conditions of labour, of any persons, whether workmen in the employment of the employer with whom the dispute arises or not.

(2) In determining any question as to whether any trade in which a workman is or has been employed is an insured trade or not, regard shall be had to the nature of the work in which the workman is engaged rather than to the business of the employer by whom he is employed.

(3) This Part of this Act shall apply to workmen employed by or under the Crown to whom this Act would apply if the employer were a private person, except to such of those workmen as are serving in an established capacity in the permanent service of the Crown, subject, however, to such modifications as may be made therein by Order in Council for the purpose of adapting the provisions of this Part of this Act to the case of such workmen.

(4) If the Board of Trade are satisfied that any class of workmen are, having regard to their claim to pension or to the other terms of their service, in as

permanent a position as that of persons serving in an established capacity in the permanent service of the Crown, the Board of Trade may exempt that class of persons from the provisions of this Part of this Act, and any persons so exempt shall not be deemed to be workmen.

PART III.

GENERAL.

108. Stamps required for the purposes of this Act shall be prepared and issued in such manner as the Commissioners of Inland Revenue with the consent of the Treasury may direct, and the said Commissioners may, by regulations in accordance with the provisions of Part I. of this Act relating to regulations by the Insurance Commissioners, provide for applying, with the necessary adaptations, as respects such stamps, all or any of the provisions (including penal provisions) of the Stamp Duties Management Act, 1891, as amended by any subsequent Act, and section sixty-five of the Post Office Act, 1908, and may with the consent of the Postmaster-General provide for the sale of such stamps through the Post Office.

Provisions
as to stamps.

54 & 55 Vict.
c. 38.
8 Edw. 7.
c. 48.

Outdoor
relief.

109. In granting outdoor relief to a person in receipt of or entitled to receive any benefit under this Act, a board of guardians shall not take into consideration any such benefit, except so far as such benefit exceeds five shillings a week.

Priority of
claims for
contributions
due by
bankrupt
employers.

51 & 52 Vict.
c. 62.
8 Edw. 7.
c. 69.

46 & 47 Vict.
c. 52.

50 & 51 Vict.
c. 43.

110.—(1) There shall be included among the debts which, under section one of the Preferential Payments in Bankruptcy Act, 1888, and section two hundred and nine of the Companies (Consolidation) Act, 1908, are, in the distribution of the property of a bankrupt and in the distribution of the assets of a company being wound up, to be paid in priority to all other debts, all contributions payable under this Act by the bankrupt or the company in respect of employed contributors or workmen in an insured trade during the four months before the date of the receiving order, or as the case may be, the commencement of the winding up or the Winding-up Order, and those Acts shall have effect accordingly, and formal proof of the debts to which priority is given under this section shall not be required except in cases where it may otherwise be provided by rules made under the Bankruptcy Act, 1883, or the Companies (Consolidation) Act, 1908.

(2) In the case of the winding up of a company within the meaning of the Stannaries Act, 1887, such contributions as aforesaid shall, if payable in respect of a miner, have the like priority as is conferred on wages of miners by section nine of that Act, and that section shall have effect accordingly.

(3) This section shall not apply where a company is wound up voluntarily merely for the purposes of reconstruction or of amalgamation with another company.

(4) In the application of this section to Scotland a reference to section three of the Bankruptcy (Scotland) Act, 1875, and the respective dates therein mentioned shall be substituted for the reference to section one of the Preferential Payments in Bankruptcy Act, 1888, and the date of the receiving order; and an Act of Sederunt under the Bankruptcy Amendment (Scotland) Act, 1856, shall be substituted for rules under the Bankruptcy Act, 1883.

(5) In the application of this section to Ireland a reference to section four of the Preferential Payments in Bankruptcy (Ireland) Act, 1889, shall be substituted for the reference to section one of the Preferential Payments in Bankruptcy Act, 1888; and a reference to general orders made under the first-mentioned Act shall be substituted for the reference to rules made under the Bankruptcy Act, 1883; and any reference to a bankrupt shall include a reference to an arranging debtor; and the reference to the receiving order shall be construed as a reference to the order of adjudication in the case of a bankrupt, or to the filing of the petition for arrangement in the case of an arranging debtor.

38 & 39 Vict.
c. 25.

19 & 20 Vict.
c. 79.

52 & 53 Vict.
c. 60.

111. Every assignment of, or charge on, and every agreement to assign or charge, any of the benefits conferred by this Act shall be void and on the bankruptcy of any person entitled to any such benefit, the benefit shall not pass to any trustee or other person acting on behalf of his creditors. Benefits to be inalienable.

112.—(1) An inspector appointed under this Act shall, for the purposes of the execution of this Act have power to do all or any of the following things, namely :— Powers of inspectors.

- (a) to enter at all reasonable times any premises or place, other than a private dwelling-house not being a workshop, where he has reasonable grounds for supposing that any employed contributors or workmen in an insured trade are employed ;
- (b) to make such examination and inquiry as may be necessary for ascertaining whether the provisions of this Act are complied with in any such premises or place ;
- (c) to examine, either alone or in the presence of any other person, as he thinks fit, with respect to any matters under this Act, every person whom he finds in any such premises or place, or whom he has reasonable cause to believe to be or to have been an employed contributor or workman in an insured trade, and to require every such person to be so examined, and to sign a declaration of the truth of the matters in respect of which he is so examined ;
- (d) to exercise such other powers as may be necessary for carrying this Act into effect.

(2) The occupier of any such premises or place and any other person employing any employed contributor or workman in an insured trade, and the servants and agents of any such occupier or other person, and any employed contributor or workmen in an insured trade shall furnish to any inspector all such information and shall produce for inspection all such registers, books, cards, and other documents as the inspector may reasonably require.

(3) If any person wilfully delays or obstructs an inspector in the exercise of any power under this section or fails to give such information or to produce such documents as aforesaid, or conceals or prevents or attempts to conceal or prevent any person from appearing before or being examined by an inspector, he shall be liable on summary conviction to a fine not exceeding five pounds :

Provided that no one shall be required under this section to answer any question or give any evidence tending to incriminate himself.

(4) Where any such premises or place are liable to be inspected by inspectors or other officers, or are under the control, of some other Government department, the Insurance Commissioners or Board of Trade may make arrangements with that other Government department for any of the powers and duties of inspectors under this section being carried out by inspectors or other officers of such other Government department, and where such an arrangement is made such inspectors and officers shall have all the powers of an inspector under this section.

(5) Every inspector shall be furnished with the prescribed certificate of his appointment, and on applying for admission to any premises for the purposes of this Act shall, if so required, produce the said certificate to the occupier.

113.—(1) Sections eighty and eighty-one of the Factory and Workshop Act, 1901, relating to the making of regulations under that Act, as set out and adapted in the Ninth Schedule to this Act, shall apply to special orders made under this Act. Procedure for making special orders.

(2) Before a special order (other than a special order excluding any occupation from the occupations which are to be deemed employment in an insured trade) comes into force it shall be laid before each House of Parliament for a period of not less than thirty days during which the House is sitting, and if either of those Houses before the expiration of those thirty days presents an Address to His Majesty against the order or any part thereof, no further proceedings shall be taken thereon, without prejudice to the making of any new order. 1 Edw. 7. c. 22.

Provisions as to birth certificates.

114. Where for the purposes of this Act the age of any person is required to be proved by the production of a certificate of birth any person shall, on presenting a written requisition in such form and containing such particulars as may be from time to time prescribed by the Local Government Board for England, Scotland, or Ireland, as the case may be, and on payment of a fee of sixpence, be entitled to obtain a certified copy of the entry of the birth of that person in the births register, under the hand of the registrar or superintendent registrar having the custody thereof, and forms for such requisition shall on request be supplied without any charge by every registrar of births and deaths and by every superintendent registrar.

Short title and commencement.

115. This Act may be cited as the National Insurance Act, 1911, and shall, save as otherwise expressly provided by this Act, come into operation on the fifteenth day of July nineteen hundred and twelve :

Provided that His Majesty in Council may, should necessity arise, substitute some subsequent date or dates not being later than the first day of January nineteen hundred and thirteen as respects the provisions of this Act relating to health insurance, and not being later than the first day of October nineteen hundred and twelve as respects the provisions of this Act relating to unemployment insurance.

SCHEDULES.

FIRST SCHEDULE.

PART I.

EMPLOYMENTS WITHIN THE MEANING OF PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

(a) Employment in the United Kingdom under any contract of service or apprenticeship, written or oral, whether expressed or implied, and whether the employed person is paid by the employer or some other person, and whether under one or more employers, and whether paid by time or by the piece or partly by time and partly by the piece or otherwise, or, except in the case of a contract of apprenticeship, without any money payment.

(b) Employment under such a contract as aforesaid as master or a member of the crew of any ship registered in the United Kingdom or of any other British ship or vessel of which the owner, or, if there is more than one owner, the managing owner or manager, resides or has his principal place of business in the United Kingdom.

(c) Employment as an outworker (that is to say, a person to whom articles or materials are given out to be made up, cleaned, washed, altered, ornamented, finished or repaired, or adapted for sale in his own home or on other premises not under the control or management of the person who gave out the articles or materials for the purposes of the trade or business of the last-mentioned person), unless excluded by a special order made by the Insurance Commissioners, and any such order may exclude outworkers engaged in work of any class, or outworkers of any class or description specified in the order, or may defer the commencement of this Act as respects all outworkers, and the person who gave out the articles or materials shall in relation to the person to whom he gave them out be deemed to be the employer.

(d) Employment in the United Kingdom in plying for hire with any vehicle

Sections 1 and 81.

or vessel the use of which is obtained from the owner thereof under any contract of bailment (or in Scotland any contract of letting to hire) in consideration of the payment of a fixed sum or a share in the earnings or otherwise, in which case the owner shall for the purposes of Part I. of this Act be deemed to be the employer.

PART II.

EXCEPTIONS.

(a) Employment in the naval or military service of the Crown, including service in Officers' Training Corps, except as otherwise provided in Part I. of this Act.

(b) Employment under the Crown or any local or other public authority where the Insurance Commissioners certify that the terms of the employment are such as to secure provision in respect of sickness and disablement on the whole not less favourable than the corresponding benefits conferred by Part I. of this Act.

(c) Employment as a clerk or other salaried official in the service of a railway or other statutory company, or of a joint committee of two or more such companies, where the Insurance Commissioners certify that the terms of employment, including his rights in such superannuation fund as is herein-after mentioned, are such as to secure provision in respect of sickness and disablement, on the whole, not less favourable than the corresponding benefits conferred by Part I. of this Act, and the person so employed is entitled to rights in a superannuation fund established by Act of Parliament for the benefit of persons in such employment, or in Ireland is entitled to rights in any such superannuation fund or in any railway superannuation fund which may be approved by the Insurance Commissioners.

(d) Employment as a teacher to whom the Elementary School Teachers Superannuation Act, 1898, or a scheme under section fourteen of the Education (Scotland) Act, 1908, or the National School Teachers (Ireland) Act, 1879, applies, or in the event of any similar enactment being hereafter passed as respects teachers or any class of teachers (other than teachers in public elementary schools), as a teacher to whom such enactment applies.

(e) Employment as an agent paid by commission or fees or a share in the profits, or partly in one and partly in another such ways, where the person so employed is mainly dependent for his livelihood on his earnings from some other occupation, or where he is ordinarily employed as such agent by more than one employer, and his employment under no one of such employers is that on which he is mainly dependent for his livelihood.

(f) Employment in respect of which no wages or other money payment is made where the employer is the occupier of an agricultural holding and the employed person is employed thereon, or where the person employed is the child of, or is maintained by, the employer.

(g) Employment otherwise than by way of manual labour and at a rate of remuneration exceeding in value one hundred and sixty pounds a year, or in cases where such employment involves part-time service only at a rate of remuneration which, in the opinion of the Insurance Commissioners, is equivalent to a rate of remuneration exceeding one hundred and sixty pounds a year for whole-time service.

(h) Employment of a casual nature otherwise than for the purposes of the employer's trade or business, and otherwise than for the purposes of any game or recreation where the persons employed are engaged or paid through a club, and in such case the club shall be deemed to be the employer.

(i) Employment of any class which may be specified in a special order as being of such a nature that it is ordinarily adopted as subsidiary employment only and not as the principal means of livelihood.

(j) Employment as an outworker where the person so employed is the wife of an insured person and is not wholly or mainly dependent for her livelihood on her earnings in such employment.

(k) Employment as a member of the crew of a fishing vessel where the members of such crew are remunerated by shares in the profits or the gross earnings of the working of such vessel in accordance with any custom or practice

(6) Regulations of the Insurance Commissioners may provide that in any cases or any classes of cases where employed contributors work under the general control and management of some person other than their immediate employer, such as the owner, agent, or manager of a mine or quarry, or the occupier of a factory or workshop, such person shall, for the purposes of the provisions of Part I. of this Act relating to the payment of contributions and of this Schedule, be treated as the employer, and may provide for allowing him to deduct the amount of any contributions (other than employers' contributions) which he may become liable to pay from any sums payable by him to the immediate employer, and for enabling the immediate employer to recover from the employed contributors the like sums and in the like manner as if he were liable to pay the contributions.

(7) Where the contributor is not paid wages or other money payments by his employer or any other person, the employer shall be liable to pay the contributions payable both by himself and the contributor, and shall not be entitled to recover any part thereof from the contributor.

(8) Notwithstanding any contract to the contrary, the employer shall not be entitled to deduct from the wages of or otherwise to recover from the contributor the employers' contribution.

(9) Any sum deducted by any employer from wages or other remuneration under this Schedule shall be deemed to have been entrusted to him for the purpose of paying the contribution in respect of which it was deducted.

(10) The Insurance Commissioners may by regulations provide that in the case of outworkers the contributions to be paid may be determined by reference to the work actually done, instead of by reference to the weeks in which work is done, and any such regulations may apply to all trades or to any specified classes or branches of trades, and may determine the conditions to be complied with by employers who adopt such a system of payment of contributions.

(11) For the purposes of this Schedule the expression "calendar week" means the period from midnight on one Sunday to midnight on the following Sunday.

Sections 8, 9
37, 44 and 81.

FOURTH SCHEDULE.

BENEFITS UNDER PART I. OF THIS ACT RELATING TO HEALTH INSURANCE.

PART I.

Rates of Benefits.

TABLE A.—*Ordinary Rates.*

Sickness benefit : for men the sum of 10s. a week throughout the whole period of twenty-six weeks ; for women the sum of 7s. 6d. a week throughout the whole period of twenty-six weeks.

Disablement benefit : the sum of 5s. a week for men and women alike.

TABLE B.—*Reduced Rates in the case of Unmarried Minors.*

Sickness Benefit—for males, the sum of 6s. a week during the first thirteen weeks and the sum of 5s. a week during the second thirteen weeks.

for females, the sum of 5s. a week for the first thirteen weeks and the sum of 4s. a week for the second thirteen weeks.

Disablement Benefit—for females, the sum of 4s. a week.

TABLE C.—*Reduced Rates for Persons over Fifty in certain cases.*

Where the insured person is over 50 and under 60 at the time of becoming an employed contributor—

For men, the sum of 7s. a week throughout the whole period of twenty-six weeks.

For women, the sum of 6s. a week throughout the whole period of twenty-six weeks.

Where the insured person is over 60 at the time of becoming an employed contributor—

For both men and women the sum of 6s. a week for the first thirteen weeks, and 5s. a week during the second thirteen weeks.

TABLE D.—*Rates and Conditions for Married Women.*

Sickness benefit: during the first thirteen weeks, the sum of 5s. a week; during the second thirteen weeks, 3s. a week.

Disablement benefit: the sum of 3s. a week.

Sickness benefit and disablement benefit shall not be payable during the two weeks before and four weeks after confinement, except in respect of a disease or disablement neither directly or indirectly connected with childbirth.

PART II.

Additional Benefits.

(1) Medical treatment and attendance for any persons dependent upon the labour of a member.

(2) The payment of the whole or any part of the cost of dental treatment.

(3) An increase of sickness benefit or disablement benefit in the case either of all members of the society or of such of them as have any children or any specified number of children wholly or in part dependent upon them.

(4) Payment of sickness benefit from the first, second, or third day after the commencement of the disease or disablement.

(5) The payment of a disablement allowance to members though not totally incapable of work.

(6) An increase of maternity benefit.

(7) Allowances to a member during convalescence from some disease or disablement in respect of which sickness benefit or disablement benefit has been payable.

(8) The building or leasing of premises suitable for convalescent homes and the maintenance of such homes.

(9) The payment of pensions or superannuation allowances whether by way of addition to old age pensions under the Old Age Pensions Act, 1908, or otherwise.

(10) The payment, subject to the prescribed conditions, of contributions to superannuation funds in which the members are interested.

(11) Payments to members who are in want or distress, including the remission of arrears whenever such arrears may have become due.

(12) Payments for the personal use of a member who, by reason of being an inmate of a hospital or other institution, is not in receipt of sickness benefit or disablement benefit.

(13) Payments to members not allowed to attend work on account of infection.

(14) Repayment of the whole or any part of contributions thereafter payable under Part I. of this Act by members of the society or any class thereof.

PART III.

Benefits for Married Women who do not become Voluntary Contributors at Reduced Rates.

Payment of the sum of 5s. a week on confinement during a period not exceeding our weeks on any one occasion.

Payments during any period of sickness or distress, subject to regulations made by the Insurance Commissioners and to the discretion of the society or committee administering the benefit.

Section 12.

FIFTH SCHEDULE.

REDUCTION OR POSTPONEMENT OF SICKNESS BENEFIT AND
WHERE CONTRIBUTIONS ARE IN ARREAR.

TABLE.

(1) Where the Arrears amount to	(2) Rates of Sickness Benefit.	
	Men.	Women.
	<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>
4 contributions a year on average .	9 6	7 3
5 " " " " .	9 0	7 0
6 " " " " .	8 6	6 9
7 " " " " .	8 0	6 6
8 " " " " .	7 6	6 3
9 " " " " .	7 0	6 0
10 " " " " .	6 6	5 9
11 " " " " .	6 0	5 6
12 " " " " .	5 6	5 3
13 " " " " .	5 0	5 0
For both Men and Women.	5 <i>s.</i> 0 <i>d.</i> , commencing	5th day after com- mencement of illness.
	" "	6th " "
	" "	7th " "
	" "	8th " "
	" "	9th " "
	" "	10th " "
	" "	11th " "
	" "	12th " "
" "	13th " "	
" "	14th " "	

Notes.

Where the insured person is by virtue of any of the provisions of Part I. of this Act, other than those relating to arrears, entitled to sickness benefit at a rate lower than the full rate, this Table shall have effect as if the entries in the first column were so shifted down that the first entry therein was set opposite the entry in the second column next below the entry specifying the rate of sickness benefit to which the insured person is entitled.

When the rate of sickness benefit during the first thirteen weeks to which the insured person is entitled is by virtue of any of the provisions of this Act, other than those relating to arrears, less than 5*s.* a week, this Table shall have effect as if such lower rate were therein substituted for the rate of 5*s.* a week.

SIXTH SCHEDULE.

Section 84.

LIST OF INSURED TRADES FOR THE PURPOSES OF PART II. OF THIS ACT RELATING TO UNEMPLOYMENT INSURANCE.

(1) Building ; that is to say, the construction, alteration, repair, decoration, or demolition of buildings, including the manufacture of any fittings of wood of a kind commonly made in builders' workshops or yards.

(2) Construction of works ; that is to say, the construction, reconstruction, or alteration of railroads, docks, harbours, canals, embankments, bridges, piers or other works of construction.

(3) Shipbuilding ; that is to say, the construction, alteration, repair or decoration of ships, boats or other craft by persons not being usually members of a ship's crew, including the manufacture of any fittings of wood of a kind commonly made in a shipbuilding yard.

(4) Mechanical engineering, including the manufacture of ordnance and firearms.

(5) Ironfounding, whether included under the foregoing headings or not.

(6) Construction of vehicles ; that is to say, the construction, repair, or decoration of vehicles.

(7) Sawmilling, including machine woodwork carried on in connection with any other insured trade or of a kind commonly so carried on.

SEVENTH SCHEDULE.

Section 84.

RATES AND PERIODS OF UNEMPLOYMENT BENEFIT.

In respect of each week following the first week of any period of unemployment, seven shillings, or such other rates as may be prescribed either generally or for any particular trade or any branch thereof :

Provided that, in the case of a workman under the age of eighteen, no unemployment benefit shall be paid while the workman is below the age of seventeen, and while the workman is of the age of seventeen or upwards but below the age of eighteen, unemployment benefit shall only be paid at half the rate at which it would be payable if the workman was above the age of eighteen.

No workman shall receive unemployment benefit for more than fifteen or such other number of weeks as may be prescribed either generally or for any particular trade or branch thereof within any period of twelve months, or in respect of any period less than one day.

No workman shall receive more unemployment benefit than in the proportion of one week's benefit for every five contributions paid by him under this Act :

Provided that for the purpose of the foregoing paragraph—

(a) in the case of a workman who satisfies the Board of Trade that he is over the age of twenty-one and has habitually worked at an insured trade before the commencement of this Act, there shall be deemed to be added to the number of contributions which he has actually paid five contributions for each period of three months or part of such period during which he has so worked before the commencement of this Act, up to a maximum of twenty-five contributions ; and

(b) where, owing to the fact that the wages or other remuneration of a workman are paid at intervals greater than a week, or for any other like reason contributions are paid under Part II. of this Act in respect of any workman at intervals greater than a week, that workman shall be entitled to treat each of such contributions as so many contributions as there are weeks in the period for which the contribution has been paid.

Any time during which a workman is under Part II. of this Act disqualified or receiving unemployment benefit shall be excluded in the computation of periods of unemployment under this Schedule.

A period of unemployment shall not be deemed to commence till the workman has made application for unemployment benefit in such manner as may be prescribed.

The power conferred by this Schedule on the Board of Trade to prescribe rates and periods of unemployment benefit shall not be exercised so as to increase the rate of benefit above eight shillings per week or reduce it below six shillings per week, or to increase the period of unemployment benefit above fifteen weeks, or to alter the proportion which the period of benefit bears to the number of contributions paid, except by rules confirmed by an order made in accordance with the provisions of this Act relating to special orders.

EIGHTH SCHEDULE.

CONTRIBUTIONS FOR THE PURPOSES OF PART II. OF THIS ACT RELATING TO UNEMPLOYMENT INSURANCE.

RATES OF CONTRIBUTION FROM WORKMEN AND EMPLOYERS.

From every workman employed in an insured trade for every week
he is so employed 2½*d.*

From every employer by whom one or more workmen are
employed in an insured trade, in respect of each workman,
for every week he is so employed 2½*d.*

Provided that in the case of a workman below the age of eighteen *id.* shall be substituted for 2½*d.* as the contribution from the workman and from the employer, but for the purpose of reckoning the number of contributions in respect of such a workman except as regards the payment of unemployment benefit before he reaches the age of eighteen the *id.* shall be treated as two-fifths of a contribution.

Every such period of employment of less than a week shall for the purposes of this Schedule be treated as if it were employment for a whole week, except that, where the period of employment is two days or less, the contributions both of the employer and of the workman shall be reduced to one penny if the period does not exceed one day and to twopence if it exceeds one day; and in such case in reckoning the number of contributions under Part II. of this Act and the Schedules therein referred to contributions at such reduced rates shall be treated as two-fifths or four-fifths of a contributions as the case may require.

NINTH SCHEDULE.

PROVISIONS OF THE FACTORY AND WORKSHOP ACT, 1901, APPLIED TO SPECIAL ORDERS MADE UNDER THIS ACT.

80.—(1) Before the authority empowered to make special orders make any special order under this Act, they shall publish, in such manner as they may think best adapted for informing persons affected, notice of the proposal to make the order, and of the place where copies of the draft order may be obtained, and of the time (which shall be not less than twenty-one days) within which any objection made with respect to the draft order by or on behalf of persons affected must be sent to the authority.

(2) Every objection must be in writing and state—

- (a) the draft order or portions of draft order objected to;
- (b) the specific grounds of objection; and
- (c) the omissions, additions, or modifications asked for.

(3) The authority shall consider any objection made by or on behalf of any persons appearing to them to be affected which is sent to them within the required time, and they may, if they think fit, amend the draft order, and shall then cause the amended draft to be dealt with in like manner as an original draft.

(4) Where the authority do not amend or withdraw any draft order to which any objection has been made, then (unless the objection either is withdrawn or appears to them to be frivolous) they shall, before making the order, direct an inquiry to be held in the manner herein-after provided.

8r.—(1) The authority may appoint a competent and impartial person to hold an inquiry with regard to any draft order, and to report to them thereon.

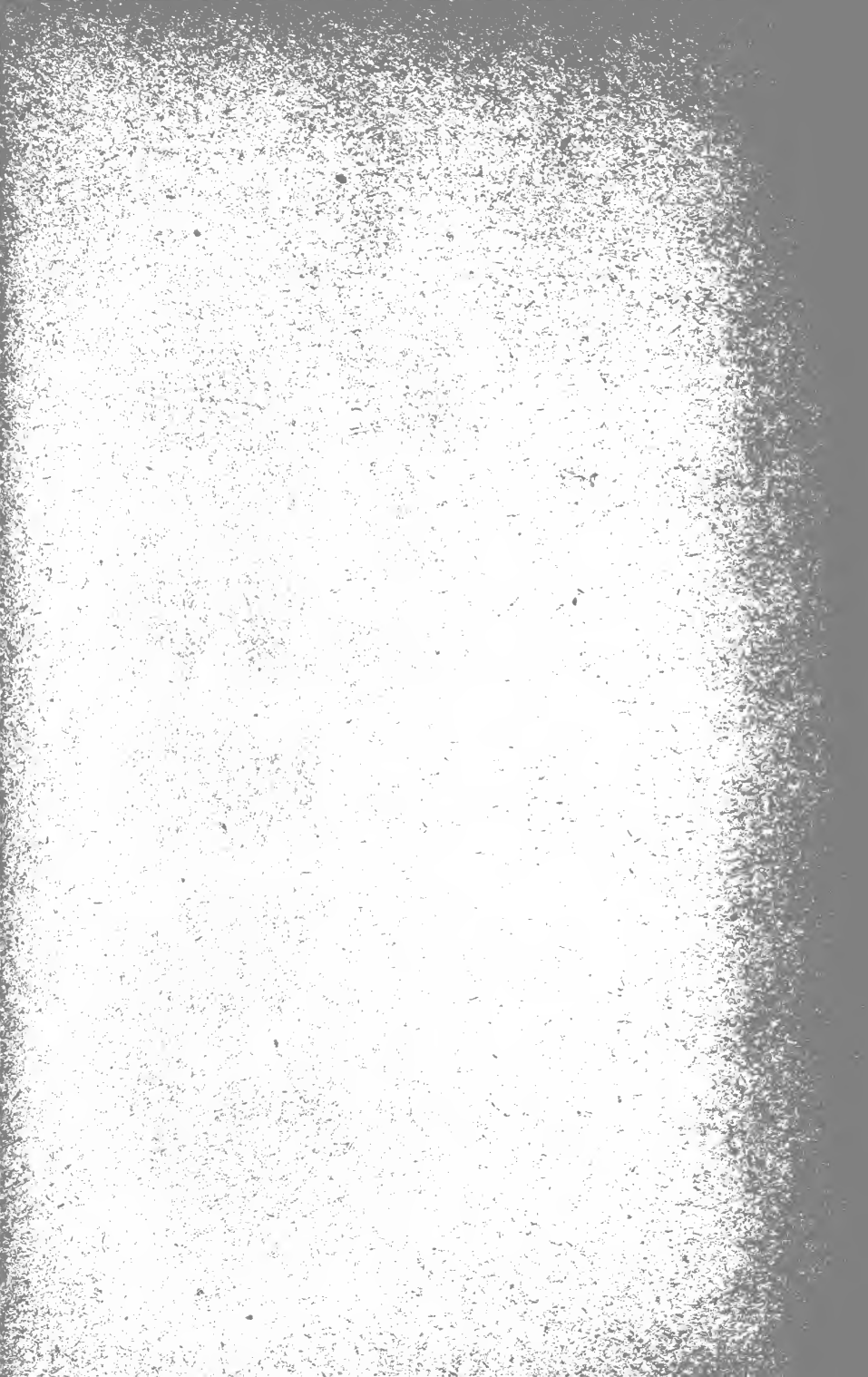
(2) The inquiry shall be held in public, and any objector and any other person who, in the opinion of the person holding the inquiry, is affected by the draft order, may appear at the inquiry either in person or by counsel, solicitor, or agent.

(3) The witnesses on the inquiry may, if the person holding it thinks fit, be examined on oath.

(4) Subject as aforesaid, the inquiry and all proceedings preliminary and incidental thereto shall be conducted in accordance with rules made by the authority.

(5) The fee to be paid to the person holding the inquiry shall be such as the authority may direct and shall be deemed to be part of the expenses of the authority in carrying this Act into effect.

(6) For the purposes of this schedule the expression "authority" means the Insurance Commissioners or the Board of Trade, as the case may be.



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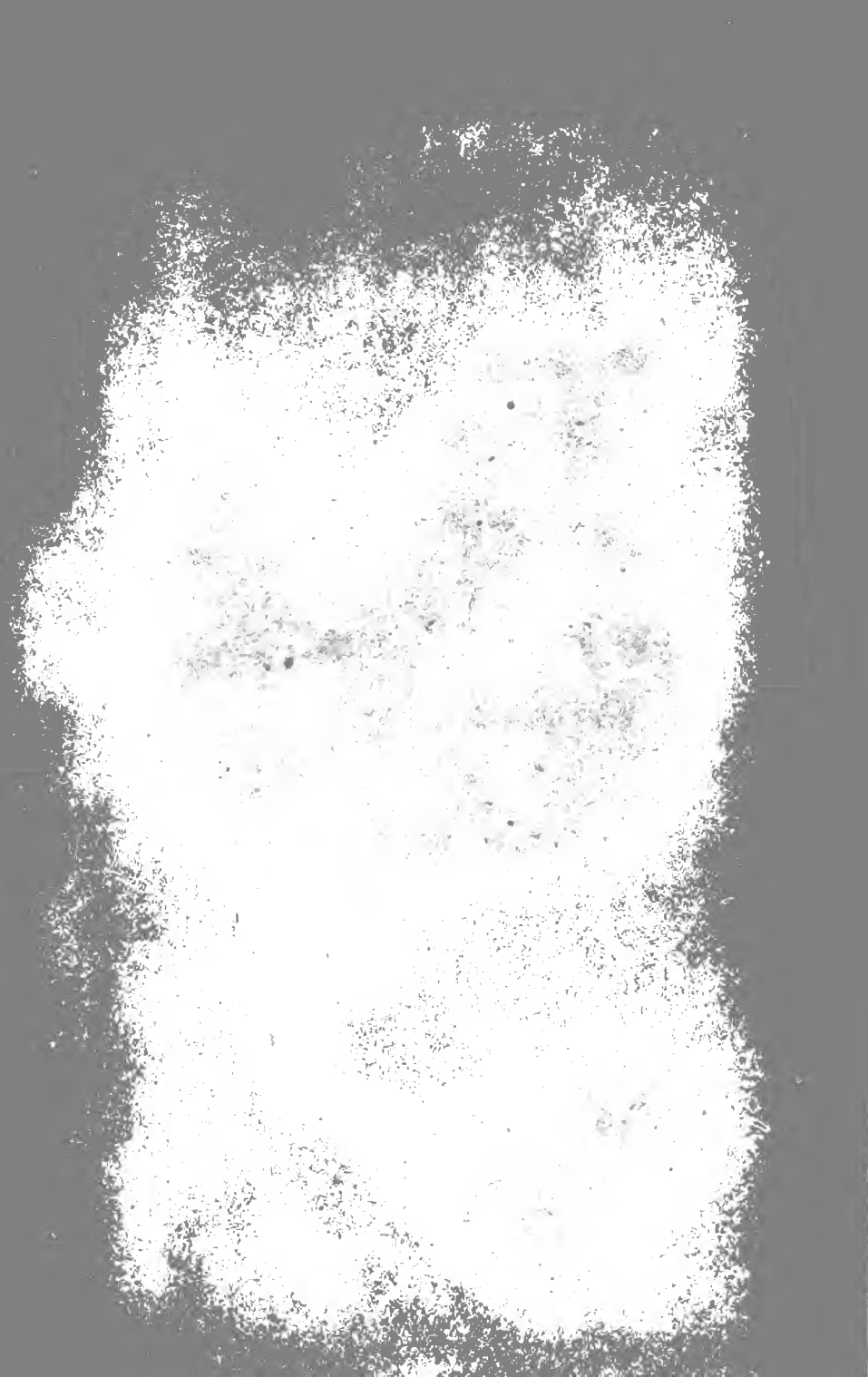
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