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Contributors

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23.
NATIONAL INSURANCE ACT, 1911.

HANDBOOK

TO THE

ADMINISTRATION OF SICKNESS AND MATERNITY BENEFITS

BY

APPROVED SOCIETIES.

PROVISIONAL ISSUE.

13th January—14th July, 1913.



LONDON:

PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

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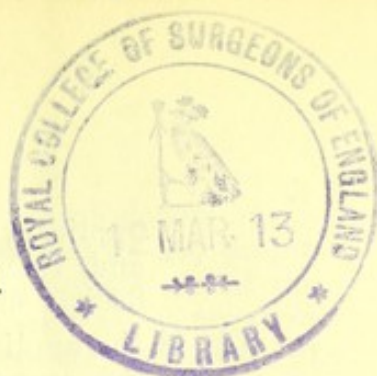
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INTRODUCTION.



This handbook is intended to provide in a convenient form a summary of the information which must be in the possession of officials of Approved Societies to enable them to deal with the various matters which will arise in the course of their work. It is issued primarily for the use of committees, secretaries and other officials of the smaller Societies and of branches. It is hoped, however, that the book may be useful also to the officials of larger Societies and may serve generally as a convenient source of reference.

The original sources from which all the information contained in this book is derived are the Act itself, the Orders and Regulations made by the Commissioners under the Act, and various official circulars which have been issued for the guidance of Societies. In dealing with some matters a summary of the essential provisions of the original is given, in others there is merely a reference to the original, but in all cases it is the provisions of the Act or the Regulations themselves that have binding force, and nothing in this book can modify any of these in any way.

It has been thought advisable to confine the part relating to rates of benefits to claims which will arise during the six months from 13th January to 13th July, 1913. Some revision will have to be made in order to provide the necessary information for dealing with claims after the latter date.

General Duties of the Secretary of an Approved Society.

Note.—In the case of a Society with branches, the distribution of certain parts of the work between the Branch Secretary and the General or District Secretary will depend on the arrangements made by the Society itself.

The following is a summary of the more important of the routine duties which the Secretary will have to perform on behalf of his Society or branch:—

- (a) He will hear from persons who are insured or desire to be insured or think they should be insured under the Act that they wish to become members of his Society for State insurance purposes.
- (b) He will supply all such applicants, whether previously members of the Society or not, with a proper form of application for admission in accordance with the rules of the Society.
- (c) He will receive the form when filled up and signed by the applicant and will examine it to see that it is properly completed; he will ascertain whether the

applicant is qualified to be insured under the Act,* and, if so, whether he is eligible for admission to the Society under its rules.

- (d) If the applicant appears to satisfy both these conditions the secretary will see that the application is considered by, or on behalf of, the Society, and will then send to the applicant a notice of acceptance or rejection.
- (e) He will on sending a notice of acceptance make the necessary entries in the Membership Register. He will then supply the member with the appropriate contribution card and insurance book. He will also issue new cards before the beginning of each quarter.
- (f) He will receive the stamped cards at the end of each quarter and sort them into classes. He will write up the Contribution Register, re-sort the cards in each class in accordance with the value of the stamps, make out the quarterly return from which will be calculated the amount to be credited to the Society in the National Health Insurance Fund, and send this return and the stamped cards to the Commissioners.
- (g) He will write up the insurance books and return them to the members.
- (h) He will keep accounts in accordance with the requirements of the Commission and submit them for audit when required.
- (i) He will send to the Insurance Committee for the area in which each member is resident an index slip duly filled up, in order that the Committee may be in a position to administer medical and sanatorium benefits for the member.
- (j) He will receive from the members claims for sickness and maternity benefits and will see that all the requirements of the rules of the Society with reference to such claims are complied with; he will advise his Committee as to whether the member is entitled to the benefit claimed, and, if so, what is the amount of the benefit due, and when and for how long it should be paid.
- (k) He will arrange for the payment of the sum due to the member and will see that proper receipts are obtained for every payment so made, and that the necessary entries are made in the Benefit Registers.

* A person is *not* qualified to be insured unless he is *either* :—

- (1) In employment by way of manual labour ; or
- (2) In any employment at a rate of remuneration not exceeding in value £160 a year ; or
- (3) Engaged in some regular occupation, and wholly or mainly dependent for his livelihood on the earnings derived by him from that occupation, and has a total income, including earnings, not exceeding £160 a year.

- (l) He will prepare and forward to the Commissioners applications in the proper form, and signed by the proper persons, for issues of money to the Society out of the National Health Insurance Fund, as may be required for the payment of benefits or for purposes of administration.
- (m) He will prepare the reserve value claims on behalf of his Society and render such returns for valuation, statistical, and other purposes as may be required by the Commissioners.
- (n) He will supply any member to whom an option is given under the Act with the necessary information to enable him to exercise such option.
- (o) He will carry on all necessary correspondence on behalf of the Society, summon and attend meetings, and keep minutes of the proceedings.

National and International Societies.

Societies are either National or International. National Societies are those approved for conducting business only in one of the four countries of the United Kingdom by the Insurance Commissioners for that country. International Societies are those approved for conducting business in two or more of the four countries, being approved by the Joint Committee. International Societies have to complete separate registers and returns, and keep separate accounts and funds for their members in each country.

A Society cannot accept as a member any person who at the time of his application for membership is resident outside the country or countries for which the Society is approved. If any person is accepted as a member in disregard of this provision, his membership is void, and he becomes a Deposit Contributor unless he joins a Society within the prescribed time; there is no question of transfer from the Society which erroneously accepted him for membership, as he has never become a member of that Society.

Where a member at the time of joining a Society or branch was resident in a country for which that Society was approved, but subsequently removes to some other country for which the Society is not approved, he may, if he so desires, remain a member of the Society or branch up to the time of the first valuation notwithstanding such removal, and will be treated as being still resident in the country from which he removed. If however at any time the number of members who have so removed reaches 1,000 or 30 per cent. of the total membership of the Society, the Society will be required to obtain approval for the countries concerned, and keep its funds and accounts separate.

Instructions for dealing with the cards, &c., of such members will be found in Circular 37/A.G.D., paragraph 9.

In the case of an International Society, members removing from one country to another should be transferred in the books and accounts of the Society from one country to the other, except that where the Society has branches and the member wishes for the time to retain his membership of the branch which he had already joined, he may do so.*

* Where, however, such a branch has itself separate registers and accounts for the country to which a member so removes, the member must be transferred in the branch's books.

CHAPTER I.—MEMBERSHIP REGISTER.

CLASSES OF CONTRIBUTORS.

(1.) When a new member joins the Society the first thing that should be done is to enter up the Membership Register from his form of application. For this purpose it is first necessary to ascertain his class.

(2.) The various classes of members under the Act fall into the following main groups:—

Men	...	...	...	...	A, B, C, D.
Women	...	...	...	...	E, F, G, H.

Classes A, E are employed contributors; Classes C, D, F, G, H are voluntary contributors; Class B is the Navy and Army Class. Members are further sub-divided into the following classes:—

CLASSES OF CONTRIBUTORS.

		Designation of Class.	
		Men.	Women.
1. EMPLOYED CONTRIBUTORS—			
British Subjects under 65 years of age at Entry into State Insurance		A. 1	E. 1
Aliens* between ages of 17 and 65 at Entry into State Insurance		A. 2	E. 2
British subjects and Aliens. } Aged 65 or upwards on 15th July, 1912		A. 3	E. 3
Mercantile Marine (employed on foreign-going British ships).	British Subjects under 65 years of age at Entry into State Insurance	A. 4	E. 4
	Aliens* (resident in United Kingdom) between ages of 17 and 65 at Entry into State Insurance	A. 5	E. 5
	British Subjects and aliens aged 65 or upwards on 15th July, 1912	A. 6	E. 6
	NAVY AND ARMY (ALL ARMY MEMBERS HAVE B CARDS.) ...	B.	—

2. VOLUNTARY CONTRIBUTORS—

Class CC.

Men entering into insurance on or after the 15th January, 1913.

CC 1.
British.

CC 2.
Alien.*

* It should be noted that (1) aliens who on the 4th May, 1911, were members of a Society which, or a separate section of which, becomes an Approved Society are to be treated as British subjects provided that on 4th May, 1911, they had been resident in the United Kingdom for 5 years or upwards; (2) aliens under 17 years of age on entry into insurance are to be treated as British subjects.

Classes C and D.

Men entering into insurance before the 15th January, 1913.

If under 45 at date of entry :—

If 45 or upwards at date of entry :—

C 1.
British.C 2.
Alien.*D 1.
British.D 2.
Alien.**Class FF.*

Women entering into insurance on or after the 15th January, 1913.

FF 1.
British.FF 2.
Alien.**Classes F and G.*

Women entering into insurance before the 15th January, 1913.

If under 45 at date of entry :—

If 45 or upwards at date of entry :—

F 1.
British.F 2.
Alien.*G 1.
British.G 2.
Alien.**Class H.*

Special (Married Woman) Voluntary Contributor. (See Chapter VII.)

H 1.
British.H 2.
Alien.*

* It should be noted (1) that aliens who on the 4th May, 1911, were members of a Society which, or a separate section of which, becomes an Approved Society are to be treated as British subjects provided that on 4th May, 1911, they had been resident in the United Kingdom for 5 years or upwards; (2) that aliens under 17 years of age on entry into insurance are to be treated as British subjects.

If you master this system of division into classes, the task of writing up the Registers will be much easier. It will be noticed that the CC and FF classes cannot come into being before the 15th January, 1913.

MEMBERSHIP REGISTER (A.G.D. 22).

(3.) The Membership Register should be written up from the forms of application for membership (which are important documents and must always be kept).

(4.) Columns 1 to 5 can be filled up by inspection of the member's form of application for membership. Questions as to a member's age may be settled, in cases of doubt, by the production of a cheap birth certificate, as explained in Form 31. Further instructions as to the verification of dates of birth will be issued.

How to fill
up the
Membership
Register.
Columns
1 to 5.

NOTE.—A member who was born on July 15th, 1862, is to be regarded as 50 years of age on July 15th, 1912, and therefore (if an employed contributor) receives the lower benefits. So with all other ages.

Columns
6 to 8.

(5.) Column 6. As regards the date of entry into insurance, reference should be made to Circular A.S. 59, which is reprinted in the Appendix, page 63.

(6.) Column 7 can be filled up by comparing columns 5 and 6: in the case of a member who joined your Society at the same time as that at which he entered into insurance, the form of application for membership will give you the same information.

(7.) Column 8. The rate of contribution may be ascertained by looking up the member's class in the Summary Table at the end of this book. It is possible that the rate of contribution may change as the nature of the member's employment changes; any such change should be entered at the end of the quarter. In entering the rate of contribution no distinction need be made between low-wage earners and others, that is to say, the 6*d.* contribution for such men may be entered as 7*d.* and the 5*d.* contribution for women as 6*d.** (See also footnote to page 32.)

(8.) It may be noted that a voluntary contributor should always pay the same rate of contribution so long as he remains a voluntary contributor; his weekly contribution does not fluctuate at all, but remains at the same rate as that at which he started insurance under the Act. The only exception are the cases of the Special Married Woman Voluntary Contributor becoming an ordinary voluntary contributor after her husband's death (see paragraph (167)), and of the ordinary voluntary contributor becoming a Special Voluntary Contributor.

Column 9.

(9.) Column 9. In order to fill up this column properly you should first of all look at column 3 to find out to what class the member belongs, and then find out from the summary table at the end of this book what rate of sickness benefit that class receives. This process is explained in detail in the next paragraph.

Employed
contribu-
tors, Class
A1 and E1
Ordinary.

(10.) A1 class. This and the E1 class require the most care. In the case of every A1 or E1 member you should note carefully what was his age at the date of entry into insurance,† and compare the result with the summary table. If you find that the member is not covered by any of the "Exceptions to normal rate of Sickness Benefit," you should enter "10*s.*" in column 9 if the member is a man (A1), "7*s.* 6*d.*" if a woman (E1). The member is in fact an ordinary employed contributor entitled to benefits at the full rate.

Exceptional.

(11.) If, on the other hand, you find that the member *does* fall under any of the "Exceptions to normal rate of Sickness Benefit," you should apply the information given in the summary table. Thus, if the member is between 50 and 60 at the date of becoming an employed contributor, you will observe

* This is because their rate of benefit is not affected by the fact that part of their contribution is paid by means of a parliamentary grant.

† In the case of persons between 50 and 60, and between 60 and 65, you must note the date on which they became *employed contributors*: in the case of aliens, you must note the date on which they *joined the Society*.

that the rate of sickness benefit is 7s. a week, and will, therefore, enter "7s." in column 9. (If the member is a woman of this class, "6s." is the proper rate.) If the member is between 60 and 65 at the date of becoming an employed contributor, you will enter " $\frac{6}{5}$ -" in column 9. (This rate is the same for men and women.)

(12.) The cases of the members who fall under (1) or (4) of the Exceptions are more difficult. We will discuss first the member under (1), that is to say, the unmarried member under 21 who has no members of his family wholly or mainly dependent upon him. In cases where the necessary information as to dependants cannot conveniently be obtained in advance, you may leave column 9 blank for every such member and wait until claims for benefit are received from them. In dealing with a claim you should ask the member whether he has any members of his family depending upon him for support, and, if so, their relationship and the nature of the support. If he has, you will pay him benefit at the full rate, and may then at once enter "10s." (or "7s. 6d." in the case of a girl member) in column 9 opposite that member's name. If he has not, you will pay him at the rate shown in the "Exceptions" column of the Summary Table. But you will probably do well, even then, *not* to enter up column 9 for the unmarried member under 21 with *no* dependants, unless it be in pencil: for when he marries, or when he becomes 21, he will be entitled to benefit at the full rate, so that any entry made in column 9 before he marries or becomes 21 will have to be altered at a later date.

Unmarried
minors.

(13.) Members who come under (4) of the "Exceptions" column of the Summary Table in the A and E classes are members whose employers are liable to pay them full remuneration (including the value of board and lodging and other allowances) during the first six weeks of sickness.* They are not a separate class but may be in any of the classes of employed contributors except the Mercantile Marine and Navy or Army Classes. In the first instance, therefore, you should treat such members as ordinary employed contributors, and find out from the Summary Table what rate of benefit is payable in respect of them. You should then enter that rate opposite their names in column 9, and should add a note in the Remarks Column "Benefit from 7th week." This entry may be cancelled as soon as their employer's liability to pay their wages stops for any reason. The position on the cessation of the employer's liability is explained in Chapter VII.

Members
employed
under Sec-
tion 47 of
the Act.

(14.) The remaining classes are easy, and may be disposed of shortly. For class A2 and E2 *see* paragraph (178), for A3 and E3 *see* paragraph (205), for A4 and E4 *see* paragraph (198), and A5 and E5 *see* paragraph (178) as to rates of benefit, and paragraph (198) as to the date on which he first becomes entitled to benefit.

Classes of
employed
contributors,
other than
A1 or E1.

(15.) With regard to classes A2 and E2, A5 and E5, care should be taken to see that aliens, unless they are to be treated as British subjects for the purposes of the Act are entered as aliens in the Registers. (*See* footnote to page 6.)

* Insured persons employed in the service of the Crown are entitled to two-thirds of their remuneration for the first 3 months of sickness. (Section 53 of the Act.)

(16.) Class B (Navy and Army) receive no sickness benefit, as explained in paragraph (181).

(17.) One final point remains to be noted in connection with column 9: where the rate of sickness benefit is different in the first 13 weeks from the rate for the second 13 weeks (*e.g.*, an employed contributor between 60 and 65) both rates should be entered up in column 9; one rate being written under the other and the two bracketed, thus $\left. \begin{array}{l} 6/- \\ 5/- \end{array} \right\}$.

Voluntary contributors.

(18.) Entering up column 9 for voluntary contributors is a simple matter. All voluntary contributors receive sickness benefit at the rate of 10s. a week for men and 7s. 6d. a week for women, unless they fall under one of the exceptions set forth in the "Exceptions to normal rate of sickness benefit" column of the Summary Table for their class.

Remaining columns of the Membership Register.

(19.) Column 10 of the Membership Register is needed chiefly for the entry of rare variations from the normal rate of maternity and disablement benefit (30s. and 5s. a week). It can be used also for alternative benefits, and, later, for additional benefits: that is why no title is printed at the head of column 10 similar to the "weekly rate of sickness benefit" printed at the head of column 9.

(20.) For the present the only entry to be made in column 10 is the rate of maternity benefit payable in the case of aliens. What the rate is in the case of any given alien member may be found out by comparing the member's age at the date of joining the Society with Table G. The sum found should then be written down in column 10 opposite the alien member's name, and the note "Mat. B." written immediately above the sum entered in column 10.

(21.) Column 11 can be entered up by comparing the member's address with the list of Insurance Committees already in your possession. The entry should be made only in pencil where there is doubt as to what the member's Insurance Committee is, and in any case the ink entry should be ticked when you hear that he has been accepted by the Committee. The date on which a member changes from one Committee area to another must be noted in the Register, so that the keeping of the usual address book will generally be advisable.

(22.) Columns 12 to 21 are briefly discussed under the heading "Transfer of Members," paragraph (145).

(23.) Column 22 is reserved for the Society's own convenience in special cases. It is useful to record particulars as to unmarried members under 21, and members whose employers are liable to pay full remuneration during the first six weeks of sickness.

CHANGES FROM CLASS TO CLASS.

(24.) In connection with the system of dividing the Membership Register into classes, it is to be remembered that a member may sometimes change his class. Thus an A 1 member may become employed on a foreign-going ship; he will then join the A 4 class, and a new entry made in the A 4 class of the Register, and an entry made in the remarks column against his name in the A 1 class "Transferred to A 4 class."

CHAPTER II.—CONTRIBUTION REGISTER AND CONTRIBUTION CARDS.

ISSUE OF CARDS.

(25.) When you have entered a new member in the Membership Register your next step should be to issue him the proper contribution card.* How to
issue Cards.

(26.) There are nine different kinds of cards (apart from arrears cards) which an Approved Society may have to issue to its members.

- (i) A cards.—Men employed contributors.
- (ii) E cards.—Women employed contributors.
- (iii) C cards.—Men voluntary contributors entering into insurance before the 15th January, 1913, and being under 45 at the date of entry into insurance.
- (iv) D cards.—Men voluntary contributors entering into insurance before the 15th January, 1913, but being 45 or upwards at date of entry.
- (v) CC cards.—Men voluntary contributors entering into insurance *on or after* the 15th January, 1913—whatever their age.
- (vi) F cards.—Women voluntary contributors entering into insurance before the 15th January, 1913, and being under 45 at date of entry.
- (vii) G cards.—Women voluntary contributors entering into insurance before the 15th January, 1913, but being 45 or upwards at date of entry.
- (viii) FF cards.—Women voluntary contributors entering into insurance *on or after* the 15th January, 1913—whatever their age.
- (ix) H cards.—Special (Married Women) voluntary contributors.

In issuing a card, therefore, you have to know the member's class.

If the Membership Register has been correctly kept, there will be no difficulty in issuing the right card. It is therefore most important to get (and keep) that Register correct.

(27.) It is to be noted that Societies must *not* issue cards to members while serving in the navy or army, or in the mercantile marine in **foreign-going** ships. Such persons, (except navy members—who have no cards) as well as outworkers in respect of whom contributions are being paid by reference to work done, have special cards, issued by their employers.

(28.) Before the beginning of each quarter contribution cards should be prepared for each member, great care being taken to issue the right card according to the member's class of insurance. The name and present address of the member should be written on the card and his membership number may also be inserted.† It

* As to members transferring from other Societies and from the Post Office Fund, see paragraphs (142) to (148).

† In the case of voluntary contributors, the name of the Society and the rate of contribution should be inserted.

is very important that members of a Society should notify any change of address to the Secretary.

(29.) When the members surrender their cards at the end of the quarter the cards have to be entered in the Contribution Register, (or in some cases in Special Register Sheets, *see* paragraph (64)) then sorted, counted, and entered in the quarterly returns, which must be proved with the Contribution Register and then sent to the Commissioners in order that credit may be given to the Society for the contributions of its members. All this is fully explained in Circular 37/AGD. (and any supplementary circulars) and will not be described in detail here.* But the following notes may be useful in helping you to find out whether cards have been correctly stamped or not.

HOW TO VERIFY CARDS AND STAMPS—EMPLOYED CONTRIBUTORS.

(1.) MEN.

(30.)—(i) An A card bearing 7*d.* stamps indicates that the contributor is an ordinary male employed contributor, without complications.

(ii) An A card bearing 6*d.* stamps indicates that the man is a low wage earner, and a *low wage declaration* (explained in Chapter V.) must be obtained from him to cover every week for which a sixpenny stamp has been placed on his card.

(iii) An A card bearing 5½*d.* stamps indicates that the man has been *temporarily* employed in Ireland. (If he *lived* in Ireland, the card would have been obtained from the Irish Commission, not the English.) Such cases will be rare.

(iv.) An A card bearing 5*d.* stamps indicates that the employer who stamps the card is liable to pay the man full remuneration during the first six weeks of sickness†: the Society accordingly is not required to pay sickness benefit during those first six weeks.

(v.) An A card bearing 4½*d.* stamps indicates that the man has been temporarily employed in Ireland (*see* (iii) above), and has been earning low wages. Low wage declarations are again necessary. (*See* (ii) above.)

(vi.) An A card bearing 4*d.* stamps indicates that the member's employer is liable to pay him full remuneration during the first six weeks of sickness, and that he is paying him low wages, the employment being in England. Low-wage declarations are again necessary, but such cases should always be inquired into specially, in view of the possibility that the contributor may have been unemployed and have stamped the card himself under the mistaken idea that only the employee's share of the contribution is payable under those circumstances (*see* paragraph (75)).

(vii) An A card bearing 3½*d.* stamps should mean that the contributor's employer is liable to pay him full remuneration during

* Specimen entries showing how the Contribution Register should be filled up have already been supplied.

† *See* paragraph (188).

the first six weeks' sickness, and that he has *temporarily* employed him in Ireland. 2½d. stamps on an A card mean the same thing, but that low wages are being paid: low wage declarations are again necessary.

If you find stamps on an A card of any value other than these EIGHT, you can be sure either that the card is wrongly stamped, or that the wrong card has been used.

(2.) WOMEN.

(31.)—(i) An E card stamped with sixpenny stamps indicates that the woman is an ordinary employed contributor, without complications.

How to
verify Cards
and Stamps
—Woman
Employed
Contributor.

(ii) An E card stamped with fivepenny stamps indicates that the woman is a low-wage earner, and low-wage declarations are necessary for every week for which the card is so stamped.

(iii) An E card stamped with 4½d. stamps may mean one of two things. Either that the woman's employer is liable to pay her full remuneration during sickness,* or that she has been *temporarily* employed in Ireland. In most cases the *first* explanation will be right. The Society must determine which is correct by inquiry.

(iv.) An E card stamped with 3½d. stamps indicates either that the member's employer is liable to pay full remuneration during the first six weeks of sickness and pays her low wages, or that she has been *temporarily* employed in Ireland and has been earning low wages. Low-wage declarations are again necessary.

(v) An E card bearing 3d. stamps indicates that the contributor's employer is liable to pay her full remuneration during the first six weeks of sickness, and has temporarily employed her in Ireland. (See, however, paragraph (30) (vi) above.) 2d. stamps on an E card mean the same thing, but that low wages are being earned: low-wage declarations are again necessary.

If you find stamps on an E card of any value other than these SIX, you can be sure either that the card has been wrongly stamped, or that the wrong card has been used.

HIGH VALUE STAMPS.

(32.) The above paragraphs are subject to the regulations permitting stamping in certain cases to be effected by means of high value stamps representing several weekly contributions. The high value stamps issued are as follows:—7s. 7d., 6s. 6d., 5s. 10d., 5s. 5d., 5s., 4s. 10½d., 3s. 9d., 1s. 2d., 1s.†

All (except the last two) can be used only for employed contributors, and can, therefore, be affixed only to A or E cards. High value stamps (other than 1s. 2d. or 1s. stamps) on any other card are wrong.

(33.) A 7s. 7d. stamp can only be affixed to an A card. It indicates that 13 weekly contributions at 7d. have been paid during the quarter, and the card should be treated as if it had thirteen 7d. stamps on it.

* See paragraph (188).

† High value stamps of other denominations are being prepared

(34.) A 6s. 6d. stamp may be affixed to either an A or an E card. It indicates that 13 weekly contributions at 6d. have been paid. If you find a 6s. 6d. stamp on an A card the man is a low-wage earner, and the card is to be accepted as correctly stamped if the proper low-wage declarations are obtained. On an E card, a 6s. 6d. stamp indicates that the woman is an ordinary E member, and that the full number of contributions for the quarter has been paid.

(35.) A 5s. 10d. stamp indicates that 10 weekly contributions at 7d. have been paid. It can only be affixed to an A card, and if it is the only stamp on the card means that for 3 weeks of the quarter the man has been ill or not employed. A 5s. 10d. stamp, with, *e.g.*, one 7d. stamp on the card as well, indicates that he has been out of employment for 2 weeks, and so on.

The use of stamps of the values of 5s., 4s. 10½d., and 3s. 9d. can be similarly explained.

(36.) Stamps of the value of 1s. 2d. or 1s. present no difficulty if you remember that, on employed contributors' cards, they are to be treated always as being two 7d. or two 6d. stamps.

(37.) High value stamps representing a number of weekly contributions at 5d. a week may be used, in the case of men, where the employer is liable to pay full remuneration for six weeks of sickness, and in the case of women, where the woman is a low-wage earner. They may be made up by a combination of the values shown above, *e.g.*, 10 contributions at 5d. = 4s. 2d., which can be made up with a 3s. 9d. stamp and a 5d. stamp. The subjoined table will assist you.

		Weekly rates of Contributions.*			
		7d.	6d.	5d.	4½d.
		s. d.	s. d.	s. d.	s. d.
13 weekly contributions	...	7 7	6 6	5 5	4 10½
10 " "	...	5 10	5 0	—†	3 9
2 " "	...	1 2	1 0	—†	—†
1 weekly contribution	...	0 7	0 6	0 5	0 4½

* Where contributions are payable at rates other than those specified, the stamps to be affixed at the end of the quarter must be made up by a combination of the values shown above.

† High value stamps at this rate must be made up by a combination of the values shown above.

Formula for calculating high value stamping.

(38.) In future, employers who pay contributions by means of high value stamps will cancel every week for which a contribution was not payable by affixing in the space for that week a white label bearing the words "No contribution payable."‡ This will materially assist you, in that by subtracting the number of white labels from 13 you will know the number of contributions paid in the quarter, and by dividing the total value of the stamps on

‡ Not applicable where 1s. 2d. or 1s. stamps are used.

the card by the number of contributions paid you will get the weekly rate. Thus a card with one white label and a 5s. stamp indicates that 12 contributions have been paid at 5d. a week.

(39.) Under the high value stamping arrangements the member's date of entry into insurance is usually the date shown in the first space (on his first card) which is not cancelled by a white label. (See, however, Circular A.S. 59 reprinted on page 63 of this book.)

SPECIAL POINTS IN CLAIMING CREDIT FOR CARDS.

(40.) The *age* of the contributor is important in connection with the reduced rate of contributions payable in the case of low-wage earners. For if a contributor is under 21, the full rate of 7d. a week (or 6d. a week on an E card in the case of girls) is payable, and the full amount of 4d. a week, or 3d. in the case of girls, may be deducted from wages, *whatever the earnings may be*. Special care must therefore be taken to see that low-wage declarations are not taken from members under 21. Where the cards of such members show stamps of low value, and the reduced contribution is due to a mistake, the cards may well be returned **to the contributor** with a request that an emergency (Y) card or an arrears (R) card should be stamped to the value of the difference, the emergency card marked "Adjusting Payment," and the card returned to the Society. Member's age.

(41.) On the general subject of wrongly-stamped cards, it should be noted that credit can be obtained during the first few months of the operation of the Act, if secretaries will follow the instructions given in Sections 23, 24 of Circular 37/A.G.D. Wrongly Stamped Cards.

(42.) It remains to consider, in connection with incorrect stamping, those cases in which the error is due not to a *bonâ fide* mistake, but to an employer's failure to comply with the requirements of the law. It should be remembered that a member who has been deprived of benefit in consequence of such failure may institute proceedings against his employer, and that the Commissioners can prosecute for offences against the Act. Societies may make representations to the employer, and it is in every way desirable that disputed points should be amicably settled by such representations. Employer refusing to stamp cards.

(43.) Emergency (Y) cards are intended mainly for the use of employers in cases where an employed contributor fails to produce a card; but they may be used in a variety of ways for adjusting payments wrongly made, and as matters of convenience generally in exceptional cases. They are not issued by Societies, but can be obtained at post offices on application. Emergency Cards.

(44.) In addition to the A and E cards, the following cards are issued to employed persons. These are B cards (soldiers), AM and EM cards (male and female members in the mercantile marine serving on foreign-going ships), AO and EO cards (male and female outworkers)* and X cards (exempt persons). It should be noted that a Society should not receive X cards. Any such cards which are returned to a Society should be sent separately to the Commission. Other cards.

* See page 67 (IV.).

Voluntary Contributors.

WHO MAY BECOME VOLUNTARY CONTRIBUTORS.

Qualifica-
tions.

(45.) Only certain persons can become voluntary contributors, and it is the duty of Approved Societies, before accepting persons to membership as voluntary contributors to satisfy themselves that the applicants are really entitled to become voluntary contributors. At present, no person can become a voluntary contributor unless he is engaged in some regular occupation (*e.g.*, the keeping of a shop) on which he mainly depends for his living, and has a total income from all sources not exceeding £160 a year. The only exception (at present) to this case is that of the married woman *special* voluntary contributor, whose case is treated in Chapter VII. of this handbook. It may here be noted that *no* married woman whose husband is living and is not separated from her can become an *ordinary* voluntary contributor.

CONTRIBUTIONS AND CARDS.

(46.) The first point to be borne in mind in dealing with voluntary contributors is that the Act makes a distinction between those who enter into insurance before January 15th, 1913, and those who enter on or after that date.

Voluntary
Contributors
entering into
insurance
before the
15th
January,
1913.

(47.) In the former group, a dividing line is drawn at the age of 45, and all below that age at entry into insurance pay contributions at the flat rate, while those above it pay at a rate appropriate to their age. (*See* Table A of the Appendix.) Therefore, as voluntary contributors are divided, like employed contributors, according to sex, the Act provides four main classes of voluntary contributors entering into insurance before the 15th January, 1913:—

- (1) Men voluntary contributors under the age of 45.
(C card.)
- (2) Men voluntary contributors of the age of 45 or upwards.
(D card.)
- (3) Women voluntary contributors under the age of 45.
(F card.)
- (4) Women voluntary contributors of the age of 45 or upwards. (G card.)

Men voluntary contributors under the age of 45 and entering into insurance before the 15th January, 1913, pay a weekly contribution of 7*d.*, women voluntary contributors under that age and entering into insurance before the 15th January, 1913, pay 6*d.*

Voluntary
Contributors
entering into
insurance on
or after the
15th
January,
1913.

(48.) Voluntary contributors entering into insurance *on or after* the 15th January, 1913—the CC and FF classes—pay at a rate appropriate to their age at entry into insurance, whatever that age may be. The rate is given in Table B of the Appendix.

(49.) Every voluntary contributor entering into insurance on or after 15th January, 1913, must have a CC card in the case of a man or an FF card in the case of a woman.

(50.) In order therefore to ascertain what weekly contribution a voluntary contributor should pay you have to find out—

- (a) the date on which he entered into insurance;
- (b) how old he was *on that date*.

The Membership Register, if properly kept, will answer both these questions and enable you to issue the right card to your members.

(51.) If the date of entry into insurance is before January 15th, 1913, and the member was then under 45, 7d. (or 6d. in the case of a woman member) is the weekly contribution, and the card is a C card (or F card in the case of a woman). If the date is before the 15th January, 1913, and the member was then 45 or upwards, the rate is that shown in Table A for the age at which the person entered into insurance, and the card is a D card (or a G card for a woman). If the date of entry is on or after the 15th January, the rate is that shown in Table B for the age at the date of entry, and the card is a CC or FF card, as the case may be.

(52.) Unless the proper cards are issued to voluntary contributors, great confusion is certain to arise. The rate of contribution should be entered on the card before issue.

SPECIAL POINTS.

(53.) With regard to incorrect payments by voluntary contributors, reference should be made to paragraph 28 of Circular 37/AGD. Incorrect stamping.

(54.) It must be remembered that the weekly contribution payable by a voluntary contributor does not vary from year to year as he gets older. He pays, for as long as his insurance continues, the weekly contribution appropriate to his age at the date on which he first entered into insurance at the rate necessary to secure him full benefits. Rate of contribution does not change from year to year.

Changes from Rate to Rate.

VOLUNTARY TO EMPLOYED.

(55.) When a voluntary contributor becomes regularly employed within the meaning of the Act, he has to make up his mind between two courses. He may continue at the rate of contributions he has hitherto been paying as a voluntary contributor, and continue to receive the same benefits as he was entitled to as a voluntary contributor: *or*, he may give notice to his Society, in the prescribed manner, that he would prefer to be treated as an employed contributor—in which case he pays at the *employed rate*. He becomes an employed contributor on the day on which he enters on employment and, therefore, if he was 50 or upwards on that day, receives reduced benefits. The following form of notice should be used. Change from voluntary to employed contributor.

National Insurance Act, 1911.

To the Secretary

_____ Society [Insert name of Society]. Date _____ 19__

I _____ [Insert name]
of _____ [Insert address]

a Voluntary Contributor, No. _____, in the books of your Society, hereby

give notice that I am now employed within the meaning of Part I. of the National Insurance Act, 1911, as _____ [State nature of employment] by _____ [Insert name of employer] of _____ [Insert address of employer] and have been so employed since _____ [State date on which employment commenced], and that for the purpose of the contributions payable in respect of me under the said Act, I wish to be transferred from the voluntary to the employed rate.

[Signed] _____.

(56.) *Whichever course he prefers*, the employer has to pay his share of the contributions, which is of course 3*d.* a week unless the man is a low-wage earner or in any other of the special circumstances explained in (30), (31) above.

(57.) Where such person elects to continue to pay at the voluntary rate, he may *either* present his voluntary contributor's card to his employer, who will affix a 7*d.* or 6*d.* stamp as the case may be, the contributor paying the difference, if any, by affixing a stamp on the second half of the double space, *or* he may present an employed contributor's card and pay the difference, if any, on an arrears card.

EMPLOYED TO VOLUNTARY.

(58.) The position of the man who ceases to be employed, but is qualified, and wishes, to continue his insurance, is as follows:—

(a) If he is merely temporarily unemployed and intends to return to employment as soon as he can obtain work, he can continue for the time being as an employed contributor.

(b) He cannot at present become a voluntary contributor unless (1) he is engaged (after his *employment* has ceased) in some regular occupation on which he mainly depends for his living, and (2) his total income does not exceed £160 a year. If he satisfies these conditions, he can become a voluntary contributor. To find out what contributions he has to pay, ascertain from the Membership Register the date of his entry into insurance, and his age at that date. Then find out from Table A or B as the case may be what contribution he would have had to pay had he become a *voluntary* contributor on that date. This contribution is what he will have to pay in future. Then add up the actual amounts *paid* by way of contributions while he was an employed contributor, and the amount which *would have been payable* if he had been a voluntary contributor from the first. He is then treated as being in arrears to the amount of the difference between the two sums unless he pays it up. Examples are given in the Appendix (Table C., page 73).

General Information.

(59.) You should be prompt in issuing cards to your insured members. Cases have occurred in which Societies have refused the issue of a new card until the old one has been given up by the member in exchange. Refusals of this sort are not only a breach of the Regulations but opposed to the Society's best interests. The member can generally be trusted to know when he wants a new card, and if you refuse to issue a new one you will probably be troubled with three or four emergency cards from the member at the end of the quarter. The fine allowed by the Model Rules to be imposed for the surrender of more than one card does not apply to members who genuinely require two or more cards in the same quarter.

Issue of
Cards.

(60.) The Regulations require every member to surrender his card and insurance book to his Society within fourteen days of the end of each quarter. A fortnight after the end of each quarter, therefore, you should apply to any member from whom you have not received a card for that quarter, asking for an explanation.

Collection
of Cards
from
members at
end of
quarter.

Mercantile marine and voluntary contributors' cards have to be surrendered to the Society within seven days of the expiration of the period of currency.

(61.) The insurance book is intended to provide the individual insured member with a receipt for his contributions and a continuous record of his position. The important entries, therefore, are the number and value of contributions paid, and the nature and amount of the benefits received. Little difficulty can therefore arise in completing the insurance books, in that the entries are substantially the same as those made in the Contribution Register and the Sickness Benefit Register. Detailed instructions are given in Circular 37/AGD (50)-(57).

Insurance
Books.

(62.) Societies are reminded that all insurance books must be entered up and returned to the contributor within 21 days of receipt from the contributor at the end of the quarter. A member may be seriously inconvenienced if his insurance book is retained by his Society for long periods at a time.

(63.) Special care is necessary in dealing with the insurance books of outworkers and mercantile marine members. See Circular 37/AGD (27) and (53).

(64.) Special Register Sheets are really a supplement to the Contribution Register, designed for use as a Contribution Register in certain exceptional cases. These cases are as follows:—

Special
Register
Sheets.

- (i) Where payments of irregular amounts have been made by *employed contributors*.
- (ii) Where postage or unemployment stamps have been placed on the card of an *employed contributor*.
- (iii) AO or EO cards.
- (iv) AM or EM cards.

The Special Register Sheets should be used in these four cases only.

(65.) A few remarks on the treatment of special cards received at the end of the quarter may be added. AO and EO cards are

Outworkers'
Cards.

applicable to outworkers whose employers pay their contributions on a special system. As to AO and EO cards and the Contribution Register, *see* Circular 37/AGD, paragraph 26.

Emergency
Cards.

(66.) Emergency (Y) cards may have been used by the member's employer in a variety of ways; these may generally be accepted without question if the quarter's contributions work out correctly when you have compared the member's emergency cards with his ordinary card.

Lost Cards.

(67.) Members who have lost their cards may be able to recover them if they or their Societies apply to the Commissioners, as the lost card may have found its way to them. *See* Circular 37 AGD (10).

Postage.

(68.) *Letters* addressed by Approved Societies to the Commission may be marked "O.H.M.S." and, if so marked, need not be stamped. Letters to the English Commission should be addressed to The Secretary, National Health Insurance Commission (England), Buckingham Gate, S.W. Official letters should never be addressed to officers of the Commission by name.

(69.) *Parcels* addressed to the Commission may be treated in the same way as letters, if they do not exceed 3 lbs. in weight. Parcels over 3 lbs. should be sent by railway or carrier, marked "Carriage Forward," or by Parcels Post, whichever is cheaper. If sent by Parcels Post, the postage should be prepaid, and the value of the stamps will be refunded to you by the Commission. In all cases where parcels are sent by rail or carrier, you should obtain a receipt as evidence of the despatch of the parcels.

(70.) Letters or parcels passing between Approved Societies and their members, or between two Approved Societies, or from an Approved Society to an Insurance Committee, should not be marked "O.H.M.S.," and must be stamped; otherwise the recipient will have to pay double postage. Packets under 2 ounces in weight containing cards, insurance books, circulars, &c., can be sent for a halfpenny only if the cover is left open. Any packet containing a contribution card or insurance book or other communication which is sent in an open cover by halfpenny packet post under the regulations described on pages 10-14 of the Post Office Guide should bear in the top left-hand corner of the address side of the cover a note that, in the event of non-delivery, the packet should be returned to the Society, the name and address of which should be shown.

CHAPTER III.—BENEFITS.

13TH JANUARY-13TH JULY, 1913.

(71.) Having discussed in the previous chapter the contributions which an insured person has to pay, we have now to consider the benefits which he will be entitled to receive. In order to simplify the question, this chapter will deal *only* with those benefits which an Approved Society will have to pay in the half-year beginning 13th January, 1913. From the 14th July, 1913, this chapter

will be out of date,* and these instructions will require modification.

(72.) In order to remove misunderstanding it is necessary to make it clear at the outset that the fact that a man has or has not been insured in a Friendly Society before the commencement of the Act makes no difference to the benefits which he will receive *under the Act*. Other things being equal, the man who *was* so insured gets the same benefits *under the State Scheme* as the man who *was not*; though, of course, he may get extra benefits, *apart from the State Scheme*, from his previous insurance, and these benefits will often be increased out of the accumulated funds set free by the operation of the Insurance Act. The only case in which previous insurance affects a man's position under the Act will be found under the heading "Aliens" in paragraph (176).

(73.) Of the five principal benefits provided by the Act there are only *two* with which an Approved Society can be directly concerned during this six months period. These are:—

(1) Sickness benefit.

(2) Maternity benefit *for employed contributors*.

The two will be discussed in that order.

Sickness Benefit.

GENERAL CONDITIONS.

(74.) No person can in any circumstances receive sickness benefit before the 13th January, 1913: for such benefit is not payable until 26 weeks have elapsed from the date of the claimant's entry into insurance; and no person can have entered into insurance before the 15th July, 1912, the date of the commencement of the Act. 26 weeks waiting period.

(75.) It does not, however, follow that every person who entered into insurance on the 15th July, 1912, must be entitled to receive sickness benefit if he is sick on the 13th January, 1913. Not only must 26 weeks have elapsed since the date of his entry into insurance, but 26 full weekly contributions must have been paid before he can claim sickness benefit.† **It is very important to remember that, although an employed contributor's benefits are not reduced on account of arrears accruing during the first year of the Act's operation, 26 full weekly contributions have to be paid by or in respect of him before he can claim sickness benefit. For this purpose the Society cannot excuse the employer's portion if the member has been out of work and he is not excused payment because he has been sick.** 26 full contributions.

(76.) Further, no person is entitled to sickness benefit when he is out of the United Kingdom unless, being permanently resident in the United Kingdom, he is at the time temporarily living in the Isle of Man or the Channel Islands, or unless (with the consent of his Society) he is temporarily living abroad Residence in the United Kingdom.

* Because, among other reasons, the provisions of the Act relating to arrears of employed contributors then begin to apply.

† This does not apply to persons aged 65 or upwards on the 15th July, 1912. See paragraph 207.

Fourth day
of sickness.

elsewhere and had begun to receive benefit while in the United Kingdom.*

(77.) Sickness benefit is payable from the fourth day of incapacity. Thus a man who was taken ill after working on Monday would become entitled to benefit on Friday; and, similarly, if he set out to work on Tuesday but was obliged by illness or accident to cease work at once, or if he was out of employment that day and the Society is satisfied that his incapacity began before he could have done any effective work. If he had done any effective work on Tuesday, he would not be entitled to benefit until Saturday. Again, a man who is taken ill on Sunday will usually be entitled to benefit on Thursday. If, however, the Society is satisfied that his incapacity began before he could have done any effective work, he may receive benefit from Wednesday. As a general rule, benefit is payable for the fourth day of complete abstention from work, provided that the abstention resulted from actual injury or disease.

(78.) In order, therefore, to ascertain whether a member is entitled to receive sickness benefit you have to find out:—

- (1) Whether he has been in insurance for 26 weeks. (*See his date of entry into insurance in Column 6 of the Membership Register.*)
- (2) Whether he has paid 26 full weekly contributions. (*If the Contribution Register does not show that 26 contributions have been paid, the member when claiming benefit must be required to produce his current contribution card.*)
- (3) Where he is living.
- (4) Since when he has been ill.

Both these last particulars must be obtained on the Declaring-on Note.

It should be pointed out that a man who is anxious to qualify for sickness benefit at the earliest possible date may make up the necessary number of contributions either by stamping his own current card for weeks during which he has had no employer to stamp it for him, or by stamping an arrears (R) card to make up for weeks in previous quarters for which no contributions were paid. Societies must therefore be prepared to issue arrears (R) cards to assist members who wish to pay contributions for a previous quarter.

(79.) On receiving from a member an arrears card the Society should at once enter upon it the date on which it is received, as the arrears are to be counted as having been paid on the date on which the arrears card is received by the Society.†

SICKNESS BENEFIT WHILE A MEMBER IS IN THE WORKHOUSE, OR IN A SANATORIUM, OR HOSPITAL.

Member in a Workhouse, or in a Sanatorium or similar Institution approved under the Act.

(80.) The Society must first ascertain whether he has any dependants, that is, persons wholly or mainly dependent on his earnings.

* This paragraph applies to Sickness Benefit only, the rule for Maternity Benefit is somewhat different. *See* paragraph (105).

† Sickness benefit cannot be paid for weeks which elapsed before contributions were so paid.

If he has, the Society, after ascertaining his wishes, can apply either the whole or else part of the benefit in making provision for them while he is in the Workhouse or Sanatorium. If he has no dependants, the money must be paid to the Insurance Committee if he is in a Sanatorium. If he is in a Workhouse it remains in the hands of the Society.

Member in Hospital.

(81.) In this case also the dependants must first be considered. If there are no dependants the Society may agree with the hospital to pay the benefit (or part of it) towards his maintenance in hospital.

Note.—"Hospital," for the purpose of this part of the Insurance Act, includes any hospital, asylum, convalescent home, or infirmary supported by any public authority, or out of any public funds, or by a charity, or voluntary subscriptions. Thus the full benefit will be payable in the ordinary course in all cases where the patient is in a home or hospital which does not fall within the classes enumerated above. The question under which head any particular institution falls must be determined with reference to the facts of each case.

(82.) Whether there are dependants or not, if the member is in a Workhouse or Hospital the Society may always apply any part of the benefit which it has in hand in providing him with surgical appliances or otherwise for his benefit.

**MEMBERS WHO ARE ENTITLED TO COMPENSATION
OR DAMAGES.**

Section 11 of the Act.

(83.) If a man has recovered or is entitled to recover any compensation or damages from his employer or any other person for an injury or disease, sickness benefit must not be paid *for that injury or disease* unless the weekly value of the compensation or damages is less than his sickness benefit, in which case the Society pays the difference. In examining claims for sickness benefit, therefore, a Society should always enquire in the case of an accident how and where it occurred, so as to protect its funds if compensation or damages are afterwards recovered.

There is nothing to prevent a Society, subject to its rules, from paying benefit by way of advance to any member pending the settlement of the claim. In such a case the Society may inform the man on making the first or subsequent payment that it is so made and is subject to recovery if it appears hereafter that he is entitled to compensation or damages, and the member may be required to acknowledge receipt of the benefit on those terms and conditions.

(84.) As regards the value of compensation where a weekly payment is made no difficulty arises, since the society has only to see whether the weekly amount is less than the man's sickness benefit or not, and, if it is less, to pay the difference.

(85.) Where compensation or damages are paid in a lump sum it will be necessary for the Society to estimate the weekly value. This is a question to which Societies will have to give careful

attention, and every case must be judged on its merits with reference to the total amount paid, the age and average earnings of the man, the weekly payment redeemed, and the probable length of the illness. As a working rule, however, the Commissioners suggest that in cases of temporary incapacity the Society should estimate the probable duration of the illness as from the date of the agreement (obtaining if necessary a medical opinion on the point) and divide the lump sum (increased by a percentage representing the advantage of present payment) by the number of weeks so estimated. Thus, if a man had received £6 for an illness estimated to last 13 weeks and the weekly value were assessed by the Society at £6 + 12s. (10 per cent. of £6) divided by 13, the result being over 10s. a week, no benefit would be payable for the 13 weeks. If he were then still ill, full benefit would once more be payable.

(86.) In the case of permanent incapacity Societies might ascertain from the Post Office Tables the weekly value of the annuity which could be purchased by a man of that age with *four-thirds* of the lump sum which he has received and regard the compensation as a life payment of that amount in weekly instalments.

(87.) When a Society has decided on the weekly value of a lump sum the member must be informed at once, and if he is not satisfied with the decision he may appeal to the Commissioners. But having once decided, the Society cannot reassess the value if the man remains incapable beyond the estimated period, unless of course he enters into a new agreement with his employer, in which case the weekly value of the new payment must be estimated afresh.

(88.) Societies must be careful to enforce the Rule, which requires a member to report any agreement for compensation into which he enters. Under Section 11 (1) (c) of the Act employers entering into an agreement for compensation with a workman who is insured must give notice to the Commissioners (a) if the agreement is for a weekly payment of less than 10s. a week; (b) if it is for the redemption of a weekly payment by a lump sum. A list of such agreements will be kept by the Commission and the amount in any case will be communicated to the man's Society on application. The application must state the name and address of the member, his number, and the approximate date of the injury, and of the agreement, if known.

RATE OF BENEFIT, AND DATE FROM WHICH PAYABLE.

Sickness
Benefit,
rate of.

(89.) When you have ascertained that a claim for sickness benefit is in order you have next to consider to what rate of benefit the member is entitled, and from what date it should be paid.

Rate.

(90.) As regards the RATE of benefit: during the first year of the Act you should be able to obtain the necessary information so far as employed contributors are concerned from column 9 of your Membership Register, verifying the entry from the summary table at the end of this book.

Date from which Payable.

(91.) In determining the DATE from which benefit is payable, there are three important sections of the Act which must be borne in mind in addition to the provisions as to Compensation, etc.

Section 8 (5) of the Act.

(92.) It may happen that a member may receive sickness benefit for a short time, recover, and then again fall sick. In such a case the second illness is to be reckoned as a continuation of the first, unless between the end of the first illness and the beginning of the second at least twelve months have elapsed and at least 50 contributions have been paid. It follows that if a member who has received benefit recovers and then falls ill again, you must pay sickness benefit from the *first day* of the second illness, and add together the number of weeks during which the illnesses last for the purpose of ascertaining how long the benefit continues.

Two or more illnesses occurring within 12 months of each other.

If the first illness does not go on to the fourth day of sickness, no benefit will have been paid for it, and therefore it will not count at all. In this case the second actual illness counts as a new illness, benefit is payable from the fourth day thereof, and goes on for 26 weeks from that fourth day, unless of course the man recovers before the 26 weeks have run out.

(b.) Section 47 of the Act.*

(93.) This section applies to members whose employers are liable to pay full remuneration for six weeks during sickness and for whom a reduced contribution is paid in consequence. (*See Chapter VII.*) Such members if engaged by their employer for a term of less than six months certain cannot claim sickness benefit from their Society until they have been ill for *six weeks in all in any period of 12 months*: if engaged for a term of not less than six months certain, they are not entitled to benefit until they have been ill for *six weeks in succession*, unless their employment terminates during an illness which has been going on for less than six weeks, in which case benefit becomes payable on the termination of the employment. They then receive their ordinary sickness benefit and may continue to receive it for *20 weeks*, when the benefit stops, even though they are still ill. Form AS 53 will assist Societies in obtaining the information on which the date from which benefit is payable must depend.†

(c.) Section 48 of the Act.

(94.) This section applies to members serving in the Mercantile Marine or Sea Fishing Service (*see Chapter VII.*). These members receive no sickness benefit while their employers are liable to make provision for them during sickness, but if they are ill during such time they are regarded as having been in receipt of sickness benefit. Thus, if their employer makes

Mercantile Marine.

* See footnote on page 9.

† See paragraph 188.

provision for them for three weeks their Society commences to be liable to pay them sickness benefit at the beginning of the fourth week, and remains liable for the remaining 23 weeks of the 26.

(95.) A mercantile marine member when claiming sickness benefit must be required to inform the Society of any illness from which he has suffered from January 13th, 1913, onwards, for which provision has been made by the owner of his ship, giving the date of commencement and termination of such illness. This statement will be subject to verification by the Society from the official log of the ship,* and if it is proved that the member has made any wilful and material mis-statement or omission, the offence may be punished in accordance with the Society's rules and also under Section 69 of the Act.

SPECIAL NOTE.

(96.) One point requires special notice in dealing with claims affected by the four sections of the Act discussed above:—

In the case of those members whose rate of sickness benefit for the first 13 weeks differs from that for the second 13 weeks,† it must be remembered that the first illness counts in calculating the date from which their benefits are reduced. Thus, if the first illness lasts 13 weeks, such a member receives the reduced rate at the beginning of the second illness. If the first lasts 10 weeks, he receives the higher rate for the first 3 weeks of the second illness, the reduced for the remaining weeks. If the first lasts 16 weeks, he receives the reduced rate for the last 3 weeks of the first, and all the weeks of the second, illness, up to 26 weeks in all.

TERMINATION OF SICKNESS BENEFIT.

When does
sickness
benefit
terminate?

(97.)—(a.) No member can go on drawing sickness benefit after he has recovered from illness, and any deliberate attempt to do so is fraud upon the Society's funds, rendering him liable to penalties in accordance with the Society's rules and under Section 69 of the Act. It is for this reason that the Model Rules contain a provision requiring a declaring-off note on recovery. (Model Rules A and C, 10 (6).)

(b.) If a man is ill for 26 weeks in succession, he can receive sickness benefit for 26 weeks. After the end of that period, *sickness benefit ceases even if he remains ill.*

(Disablement benefit is the continuation of sickness benefit: but since disablement benefit is not payable until the person claiming it has been insured for 104 weeks and has paid 104 weekly contributions, no claim for disablement benefit can possibly arise before July, 1914.)

* The Seamen's Registry, Tower Hill, E.C., will supply extracts from the log of any ship, on payment of a shilling for each extract, if the name and registered number of the ship and the dates of the voyage are given.

† For instance, members under 21 and unmarried, and members between 60 and 65 at the date of becoming an employed contributor (*see* Summary tables).

Maternity Benefit.

HUSBAND'S AND WIFE'S INSURANCE.

(98.) Where either the husband or the wife or both are insured, 30s. is payable as maternity benefit. Under no circumstances can a maternity benefit of more than 30s. be paid for one confinement and the benefit is never increased to 60s. either by the fact that both the husband and the wife are insured persons or by the fact that twins are born.

Where the Husband is Insured and the Wife is not.

(99.) In this case the husband receives the benefit from his Society.

Where the Wife is Insured and the Husband not.

(100.) In this case the wife receives from her Society the maternity benefit and also sickness benefit, for which see paragraph (110) below.

Where both Parties are Insured.

(101.) It is probable that in most cases in which the wife is an insured person the husband will be insured also. Care should therefore be taken to ascertain whether the husband is insured before any payment of maternity benefit is made to his wife, because, if both are insured, the maternity benefit will be paid by the husband's Society. This will present no difficulty in cases in which husband and wife are both insured in the same Society. In those cases, however, in which husband and wife are not in the same Society, the wife's Society should enquire, when she claims maternity benefit, whether her husband is insured under the Act. If the answer is "yes," the husband's Society will pay the maternity benefit and her Society if she is an employed contributor will pay the sickness benefit. (As to widows, see paragraph (108).)

GENERAL CONDITIONS.

(102.) Maternity benefit, like sickness benefit, is attended by a waiting period. No employed contributor can claim maternity benefit until he or she has been insured for 26 weeks and has paid 26 weekly contributions.* *No voluntary contributor can claim maternity benefit before the 14th July, 1913.*

Waiting periods and contributions.

(103.) Where the husband is insured, maternity benefit is treated in all cases as a benefit for him. In consequence, maternity benefit is payable when *he* (not his wife) has been insured for 26 weeks and paid 26 weekly contributions. The same applies in those cases in which the husband is a voluntary contributor; maternity benefit is payable when the husband has

* The 26 contributions must have been paid before the child was born. See paragraph (79).

completed the 52 weeks. In such cases the wife, if she is herself an employed contributor, gets sickness benefit as explained in paragraph (110) below, the waiting period being calculated by reference to the length of *her* insurance.

(104.) Thus, where both are insured, and the husband (being an employed contributor) has completed the necessary 26 weekly contributions, the maternity benefit is payable, however short a time the wife may have been insured. Of course the wife does not get sickness benefit until she has completed the 26 weeks necessary before sickness benefit can be claimed.

Residence.

(105.) It may be pointed out that where maternity benefit is payable by the husband's Society it will be paid if either he or his wife is in the United Kingdom at the time of the confinement. Where the benefit is payable by the wife's Society the benefit will be paid if at the time of the confinement she is in the United Kingdom or temporarily living in the Isle of Man or the Channel Islands, but not if she is abroad.

(106.) Maternity benefit is always payable for wives of soldiers and sailors during their term of service even though both parties are out of the United Kingdom. If the husband is abroad and the wife at home he may authorise the Society to pay direct to her.

MATERNITY BENEFIT WHEN THE WOMAN IS IN HOSPITAL.

See page 66 of this book.

SPECIAL POINTS.

Penalty for neglect by husband.

(107.) A husband who receives maternity benefit has, out of the sum, to make adequate provision to the best of his power for the maintenance and care of his wife during her confinement; and he may, under Section 19 of the Act, be imprisoned for a month with or without hard labour, if he neglects to do so. This provision applies equally whether the wife is or is not an insured person.

Posthumous children.

(108.) Maternity benefit is payable in the case of a posthumous child (*i.e.*, a child born after the death of the father) as if the husband were still alive, with the reservation that the benefit may actually be paid to the wife as his representative.

Illegitimate children.

(109.) A woman who is herself insured is entitled to maternity benefit in respect of her confinement even if she is not married; but an unmarried woman is not entitled to sickness benefit for a period of four weeks after her confinement unless she is then suffering from an illness not connected, directly or indirectly, with her confinement.

Sickness Benefit for confinement.

(110.) If the wife is an employed contributor she is entitled to sickness benefit in respect of her confinement whether her husband is insured or not. There is no fixed period during which this benefit is payable, the conditions being the same as those for any other sickness benefit, that is, it is payable from the fourth day after the commencement of the incapacity (which may of course begin before the actual confinement) and continues so long as the Society is satisfied that she is incapable of work up to a total of 26 weeks as explained in paragraph 92.

(111.) There is only one case in which the maternity benefit is less than 30s. That is in the case of aliens, who receive maternity benefit at a rate appropriate to their age at the date of joining the Society, as shown in Table G of the Appendix.

The one case in which Maternity Benefit is reduced—Aliens.

(112.) Under the Midwives Act, 1902, no unqualified person may "habitually and for gain" attend a woman in childbirth, except under the direction of a doctor, and accordingly no such unqualified person may receive payment out of the maternity benefit. But a member would not be liable to any penalty or loss of benefit if the confinement had been attended by a neighbour or by a medical student where there was no ground for supposing any abuse or malpractice of the kind against which the above provision of the Midwives Act is directed. (For a fuller discussion of this point see page 65.)

CHAPTER IV.—HOW TO DEAL WITH CLAIMS FOR BENEFIT.

Receiving the Claim.

(113.) Ordinarily, the first effective intimation of a claim for benefit will be the receipt of a proper "Declaring-on Note" as required by the Society's Rules. Societies should make their own arrangements to secure that every member shall be able to obtain without delay the proper form for declaring-on as soon as he falls ill. This may be done, *e.g.*, by notifying every member (by means of a slip inserted in his insurance book, or otherwise), as to the person from whom, when occasion arises, such forms can be obtained.

The Declaring-on Note.

(114.) When the Declaring-on Note, properly completed, has been received, the claim has to be investigated by the combined use of the Membership Register, the Contribution Register, and, after the first sickness, the Sickness Benefit Register. **Members must always send their insurance books when claiming benefit and the particulars of the benefit must be entered up and the book returned to the member at the end of the illness.**

The importance of the Membership and Contribution Registers.

(115.) When you receive a claim for benefit, and have satisfied yourself that it is in order, you should turn to your registers. First you should look at the Contribution Register and find out if the man has been insured for 26 weeks, and if he has paid 26 weekly contributions. If he has not been insured for 26 weeks he must be informed that he is not entitled to benefit, and that, if his illness continues so long, he must put in a new claim when he is qualified. If he has completed the 26 weeks but the Contribution Register does not show that 26 contributions have been paid, you should examine his current contribution card to see if the necessary number of contributions has been completed during the quarter. If it has not, the member may *if he is claiming sickness benefit** pay outstanding contributions on an arrears card.† Next you turn to your Membership Register,

How to use the Registers.

* In the case of maternity benefit, the 26 contributions must have been paid before the child was born.

† For the position of a Voluntary Contributor in arrears at the date of a claim see page 73.

look up your entry in column 9 against the member's name, and find his rate of benefit. Finally, you look to the Sickness Benefit Register to find out if the member has received previous benefit under the National Insurance Act. If he has not, benefit runs at the rate given in column 9, as from the fourth day of sickness; if he has, the sickness is a continuing one (*see* paragraph (92)), and his benefit runs from the *first* day of sickness.

(116.) You will notice that one of the reasons for which you have to look at your Contribution Register is to find out whether the member claiming benefit has paid the 26 weekly contributions. It may therefore be useful, as you find members completing their waiting periods, to make an occasional mark in the remarks column of the Membership Register against such a member's name to indicate "26 weekly contributions paid"; but you are not obliged to make entries of this sort in the Membership Register, and you may think it safer always to refer to the Contribution Register.

Paying the Benefit.

Methods of
Payment.

(117.) It is of the utmost importance that Societies should have completed their system of paying benefits before January 13th, and have notified all the persons who are to be concerned with making the payments.

The three important considerations are security, expedition, and economy; you have to ensure that the right man gets the money, that he gets it without inconvenient delay, and that the Society spends as little as possible in getting it to him.

Societies with a long and successful history will have their own methods of securing these ends. A few observations may, however, be offered for the guidance of Societies which have no previous experience of sickness business.

(118.) Where the Society has sick visitors or local agents, it is desirable on all grounds that they should be utilised to carry the benefit in cash to the person entitled to it. The cost of postage and of postal orders is saved, and, if the sick member is known to the agent, you are quite certain that the right person has got the money.

(119.) In many cases, especially in the case of small Societies, where every member is known personally, administration expenses can be kept down by encouraging members who have made claims to send some one to fetch the money. Great care is of course necessary to see that the bearer is a properly authorised person. **A receipt must be obtained from the sick member or from a responsible person on his behalf for any money paid by a Society at the time of payment.**

(120.) Where the money cannot be paid in person it must be sent by post, and it will generally be found convenient to use receivable order cheques—*i.e.*, cheques bearing a receipt on the face. This signed receipt will, of course, not be returned to the Society directly by the member, but through the bank on which it is drawn. In special cases where the use of receivable order cheques presents difficulties, postal orders may be used.

(121.) The *intervals* at which benefit should be paid deserve consideration. As a rule, where there is no fixed pay-night, the first instalment should be paid not later than the end of the first week after the fourth day of sickness, *i.e.*, if a man falls ill on Tuesday, you may send him his first 10s. (if he is at the full rate) not later than the evening of the Saturday in the next week. If, however, there is any reason to suppose that he is in urgent need of money, 5s. may be sent to him, say, on Wednesday.

Intervals of payments.

(122.) Generally speaking, a member should at no time have more than a week's benefit owing to him.

(123.) All Societies are required to pay sickness benefit for fractions of a week. Most Societies have undertaken to pay a sixth of the weekly sum in respect of each weekday on which the man is ill. Thus, if a man at the 10s. rate falls ill on Sunday and goes back to work on Tuesday week, you will pay $\frac{1}{6}$ of 10s. for Thursday (the fourth day after the commencement of incapacity), $\frac{1}{6}$ for Friday, $\frac{1}{6}$ for Saturday, nothing for Sunday (not being a weekday), $\frac{1}{6}$ for Monday, and nothing for Tuesday, the day on which he recovers. He thus gets $\frac{4}{6}$ of 10s., or 6s. 8d.

(124.) The following observations apply especially to large Societies without registered branches. Many of these have a well established practice in the matter, but there are many similar Societies undertaking sickness business for the first time, *e.g.*, certain Trade Unions and the new County Societies, for whose guidance these suggestions are offered. The duty of paying out the benefits will generally devolve on a local agent. This may be done by one of two systems:—

Special suggestions for large societies with branches or local agencies—especially new societies.

(1) Where the local agent is kept in funds, himself receives claims and himself pays the benefit out of money in hand. In such a system the following arrangement will be found suitable:—The central Society advances, say, £10 to each agent; the agent, subject to the general control of the central Society, settles each claim, and, as soon as it has been settled, sends up the member's declaring-on note, his receipt for the benefit paid, and, if necessary, his medical certificate; the central Society keeps the declaring-on note, certificate and receipt, and repays to the local agent the exact amount spent, which will bring his money in hand up to £10 once more.

(2) Where claims are received and dealt with at the central office. In this case it will be necessary for the central office, on receipt of a claim, to inform the local agent of the rate of benefit payable (*see* Form A.S. 45) and transmit the necessary money. It will then be the duty of the local agent to satisfy himself from time to time that the incapacity continues (*see* Form A.S. 46), and report to the central office, receiving in return further instalments of benefit for payment to the member.

Whatever system is adopted, Societies are advised to print at first only a small supply of the necessary forms.

Medical
Benefit.
Duties of
Societies to
Insurance
Committees.

(125.) Apart from the benefits which the Society itself has to administer, it is the duty of a Society to put its members in the way of receiving *medical and sanatorium benefit* from the Insurance Committees. This is accomplished by means of the index slips now being prepared. It will, however, be necessary for each Society to give such information as will enable Committees to keep the Register up to date. Full instructions as to the procedure to be adopted will be circulated later.

You have already a list of Insurance Committees and the member's name and address will of course be given on his form of application for membership.

(126.) An index slip must be sent to the proper Insurance Committee for every insured member. A medical ticket must be supplied to every member who is entitled to medical benefit, *i.e.*, to all classes except A3, A6, E3, E6, B, and married women suspended from benefit who have not become special voluntary contributors.

CHAPTER V.—FINANCE.

HOW THE MONEY FOR PAYING THE BENEFITS IS OBTAINED.

What
happens to
the money
paid for the
stamps?

(127.) All the money received from the sales of National Health Insurance stamps used by employers and insured persons to pay contributions is paid into a fund called the National Health Insurance Fund under the control of the Insurance Commissioners. In the first instance, therefore, the value of the contributions of the members of a Society on its State side does not come to the Society in the form of cash, but is represented by a credit in the Insurance Fund. In order that this credit may be given to a Society it must make up each quarter a summary of the contribution cards of its members. This summary is called the Quarterly Return of Contributions and must of course agree with the Contribution Register.

Quarterly
Return of
Contribu-
tions.

(128.) You will already have completed one Quarterly Return on the instructions given in Circular 37/A.G.D. (32)-(37). The work is therefore now familiar.

This amount to be placed to the Society's credit will not be exactly equal to the value of the stamps on the cards. For on the one hand a deduction is made from each contribution (with certain exceptions) towards the sinking fund for reserve values, and on the other hand a sum of 2d. per week in the case of Class A3, A6, and E3, E6, and of 1d. per week in the case of low-wage earners over 21, is payable *as a contribution* out of money provided by Parliament. In order to obtain credit for these contributions, you must be careful to enter the date of birth on the cards of all members in Classes A3, E3, A6, E6 (after their return from the members at the end of the quarter), and to obtain a *Low-wage Declaration* for every 6d.* stamp on an A card and every 5d.* stamp on an E card, and send all your low-

* The Parliamentary penny may also be payable in the case of members insured at the reduced rate under Section 47 of the Act. (See paragraphs (30) (vi.) and (31) (iv.).)

wage declarations at the end of the quarter to the Commission. With this it must be remembered that no low-wage declaration is under any circumstances to be taken from a member under 21 years old, because such members should pay the full contribution and are not entitled to the parliamentary penny. If an A card is stamped with 6d. stamps, or an E card with 5d., when the member is under 21, the card must be treated as a wrongly-stamped card (*see* Circular 37/A.G.D. (22), (23)).

On the question of claiming credit for AM, EM, and B cards, *see* Circular 37/A.G.D. (21, 27).

(129.) Besides the contributions of its members the Society is entitled to State grants. These grants, which represent two-ninths for men and one-fourth for women, are not credited in the form of an addition to contributions, but as a share of the expenditure on benefits and administration. In order, therefore, to obtain credit for these grants it will be necessary for a Society to furnish to the Commissioners returns showing the expenditure during the period to which they relate. The State grant will be credited, after the return has been furnished to the Commissioners, in respect of expenditure certified by the Government Auditor to have been properly incurred in respect of those classes in which it is payable.

Quarterly
Return of
Expenditure.

(130.) The National Health Insurance Fund may thus be compared to a bank, in which the Approved Societies hold credits and from which they draw the money they require to meet their current expenses for benefits and administration.

Payments
into the
Insurance
Fund.

(131.) The Fund, however, differs from a bank, in that money can only be obtained from it for certain special objects.

Payments
out of the
Insurance
Fund—
Conditions.

Those objects (apart from investments which will be dealt with later) are:—

- (1) The providing of benefits under the Act.
- (2) The payment of the expenses incurred in providing those benefits, commonly called *Administration Expenses*.

Provision is made by the Act to ensure that money paid out from the Fund is spent on these objects and on no others.

This is done

- (a) By requiring proper accounts to be kept in a particular form.
- (b) By requiring those accounts to be audited by government auditors.
- (c) By requiring Societies, if they take money from the Fund in advance, to give security against malversation.

It must always be remembered, however, that none of these precautions can take the place of a proper control by the Society itself over its funds. The National Health Insurance Fund is not a fund on which any Society can draw to an unlimited extent: it consists of the credits of particular Societies, and every Society in drawing

money is drawing from its own account. Consequently it is to the interest of the members of each Society to see that their funds are carefully and properly administered, as it is they who will suffer (by a levy or reduction of benefits) if they are not so administered. The best security for the solvency of a Society is the good faith of the members in making, and the co-operation of the members with the Committee of Management in supervising, claims for benefit.

SECURITY.

(132.) It is open to any Society, and it is necessary for most, to obtain issues of cash in advance from its credits in the Fund. These issues in advance can be obtained: but *Security* must first be given to the Commissioners against misappropriation by the Officers of the Society. *Until Security has been properly completed, advances cannot be obtained.*

(133.) As Security is only required against a possible misapplication of funds advanced by the Commissioners to meet payments in the future, Societies which do not want advance payments need not give Security, but they should be careful to see that they have sufficient funds in hand for purposes of administration or for the payment of benefits as they accrue due.

In these cases the Commissioners will repay to the Society at monthly intervals out of its credits the amount actually expended, less a reserve against audit.

ACCOUNTS.

(134.) *All* Societies, however, must be able to show that what they have actually spent has been properly spent on State benefits and State administration: and, therefore, *all* Societies must keep their *accounts* properly in the prescribed form.

The books which a Society is required to keep are set forth in Form 209/A.G.D. The Membership and Contribution Registers have been already considered. The general scope of the other books is outlined in Form 209/A.G.D., and detailed information on them will be issued as it becomes necessary.

INVESTMENTS.

Amount
available for
investment.

(135.) When in any quarter a Society has been credited in the books of the Commissioners with—

(1) Net value of contributions; (2) State grants in aid of contributions; (3) State grants in aid of expenditure incurred on administration and benefits; (4) transfer values in respect of members transferred from other Societies; and (5) any other credits due to the Society;
and debited with—

(1) Cash issued to the Society to defray expenses of benefits and administration; (2) Amounts payable to Insurance Committees (such amounts will be paid to Committees by the

Commissioners); (3) Transfer values in respect of members transferred to other Societies; (4) any other payments chargeable to the Society;

the account for the quarter will be balanced, and the balance to the credit of the Society (less any sum retained by the Commissioners to meet current advances or reimbursements) will be available for investment. A proportion of the amount available for investment* can be paid over to the Society for investment, the remainder being held by the Commissioners in the Investment Account to the credit of the Society. The Commissioners will in due course advise the Society of the amount which can be paid over to the Society for investment by the Society, and the Society will be enabled to notify the Commissioners whether such sums are to be—

- (a) paid over to the Society for investment;
- (b) invested by the Commissioners on behalf of the Society in such securities as the Society may direct; or
- (c) carried to and retained in the Commissioners' Investment Account for credit of the Society.

Later on the Society will be credited with interest on moneys in the Investment Account; it will also be credited with interest on Reserve Values† and with a due proportion of the sums retained by the Commissioners for writing off Reserve Values. These items will go to increase the cash to the credit of the Society and consequently the amount available for investment.

(136.) Apart from issues of cash to meet expenses of benefits and administration or issues of cash paid over for investment by the Society, all transactions between the Commissioners and Societies, between Societies and Insurance Committees, and between one Society and another will be dealt with by the Commissioners through the Societies' accounts in the National Health Insurance Fund without money passing.

EXPENDITURE ON ADMINISTRATION.

(137.) The amount which a Society may spend out of contributions supplemented by the State grants on administering benefits is limited by Regulations of the Commissioners. A full explanation of the method of calculating the amount available will be found in Circular 152/A.G.D., which is reprinted in the Appendix to this book, page 68. A Society is not bound to spend the whole amount available; any saving on the administration account will increase the amount in the benefit funds of the Society.

All expenditure on administration must be in accordance with the Rules of the Society; expenditure not recorded in a minute as authorised by the authority which has power under the Rules to incur expenses for administration will not be passed on audit.

Any excess expenditure on administration will have to be defrayed by a levy on the members, unless otherwise provided for.

* $\frac{4}{5}$ in the case of men, $\frac{1}{2}$ in the case of women.

† Instructions for claiming Reserve Values will be issued in due course.

CHAPTER VI.

Various questions relating to contract of membership, acceptance of members, transfers and withdrawals, expulsions, illegal payments, meetings and ballots, rules, honorary members, and disputes.

CONTRACT OF MEMBERSHIP.

(138.) In order that a person may become a member of any Society, there has to be established a contract between him and the Society. The ordinary way of making such a contract is by "offer and acceptance." The applicant, by sending in his proposal form to a Society "offers" to pay his contributions through that Society and conform to its rules. The Society "accepts" this offer by undertaking to pay him his benefits, &c. The contract is thus established. It is therefore very important that all proposal forms should be definitely acknowledged by a reply informing the member either that he is "accepted" or "rejected." If this is not done in every case, serious doubts may arise as to whether a person is or is not a member.

(139.) The grounds on which an applicant may be accepted or rejected depend on the rules of each Society. No applicant may be rejected solely on the ground of age. No applicant should be accepted if he belongs to any class of persons which is by the Society's rules excluded from membership.

(140.) It is to be noted that the forms issued to applicants must be in the form prescribed by the Society's Rules.

(141.) The mere fact that a person has received a contribution card from, or returned one to, a Society does *not* by itself make him a member of that Society.

Contribution cards are supplied to Societies on the express understanding that they will be issued only to persons who have made an application in the proper form and have become members for state insurance purposes, and a Society must not accept cards from any except its own members (except in cases of persons transferring their membership under the arrangements explained in the next paragraph).

TRANSFERS.

(142.) If a member wishes to transfer to another Society, his first care must be to inform his old Society of his intention, giving his name, address and membership number, at least a month before the end of the quarter (or as much longer as the rules of the Society require). This may be done by sending a withdrawal notice through the Society which he intends to join. If consent to the withdrawal is refused, the member may appeal to the Commission. When the member has withdrawn from the first Society he is free to join another Society: care should be taken to see that he sends in an application form to the *second* Society. Otherwise, his membership of the second Society may be open to doubt.

(143.) In practice, doubtless, transferring members will have an understanding with the second Society before they actually withdraw from the first that they will be admitted to membership; but they must not be formally accepted as members of the second Society until they have actually withdrawn from the first.

(144.) When a member is transferred from one Society to another, a "transfer note" (Form 168/A.G.D., or 168a/A.G.D. for women) has to be filled up. This transfer note in every case passes through the hands of both Societies and of the Commission.

(145.) The process of transfer begins with a certain Society (Society B.) hearing that a person wishes to transfer to it from some other Society (Society A.). Society B. then starts the process. Society B. has to—

- (i) obtain from the person a proposal form;
- (ii) if prepared to accept him, instruct the member to send a notice of withdrawal *to take effect from the end of a quarter* to Society A.; it is desirable that this notice should be sent through Society B, which will thus be able to make sure that it is in order.
- (iii) when satisfied that membership of Society A. has been effectively terminated, send a notice of acceptance and a card for the new quarter;
- (iv) obtain from the member his insurance book and card for the past quarter;
- (v) enter the member's name in the Contribution and Membership Registers and Sickness Record Card.
- (vi) from the proposal form, card, and Insurance Book, enter up the Membership Register and Sickness Record Card (no entry in columns 14, and 18-21 of the Membership Register);
- (vii) copy out the entries in the old insurance book into a new insurance book and enter up the new book from the card for the past quarter. Send the new book to the member;
- (viii) from the member's proposal form, card, and insurance book, enter up Form A. on Form 168 (or 168a) A.G.D., and initial the entries in the space provided.
- (ix) Form 168 is then signed, and forwarded, with the member's card for the past quarter, and his old Insurance Book, to Society A.

Society A. completes Form B. on Form 168/A.G.D., enters up its Contribution Register and columns 18-20 of its Membership Register, initials the space on Form B., forwards Form 168/A.G.D. to the Commission, and includes the card in its quarterly return.

The Commission will make the necessary financial adjustments, deciding in case of dispute whether the transfer value may properly be paid, and notify both Societies. Society B. then enters the transfer value, if any, in column 14 of its Membership Register, and corrects the Sickness Record Card, if necessary, from an advice which will be furnished by the Commissioners; Society A. enters the transfer value in column 21 of its Membership Register.

TRANSFER FROM THE POST OFFICE FUND.

(146.) Any person who has not joined an Approved Society within the prescribed time becomes automatically a deposit contributor.

(147.) The prescribed time in the various cases is as follows* :—

(1) An employed contributor entering into insurance has three months and fourteen days from the date of entry.

(2) An employed or voluntary contributor who leaves or is expelled from a Society has three months from the date of his withdrawal within which to join a new Society.

Note.—In either case he becomes a Deposit Contributor, even before the prescribed period has elapsed, if he claims benefit.

(3) A voluntary contributor entering into insurance is a Deposit Contributor from the date of entry until he joins an Approved Society.

(148.) A person who has become a Deposit Contributor may, however, be admitted to a Society at any time. Such a person must, on joining a Society, surrender his current card to the Society and receive a new one for use during the rest of the quarter. The old card must be forwarded to the Commissioners with a claim on the appropriate form for the credit to which the Society is entitled. A supply of these forms (Form 331/A.G.D. for men and Form 331a/A.G.D. for women) will be sent on application.

EXPULSION.

(149.) Any insured member, whatever the state of his health, may be expelled for “misconduct” as defined in the *Rules of the Society*. No insured member may be expelled for any other reason, unless such other reason is definitely set down in the Rules, and even then no insured member can be expelled (except for “misconduct”) if his health is too bad to enable him to obtain admission to another Approved Society.

(150.) When a member has been guilty of an offence punishable by expulsion, he must, before he can be expelled, be given an opportunity of defence before the Committee of the Society. If, after hearing him, the Committee decide to expel him, he has a right of appeal to the Commission.

(151.) When a member has been expelled, his transfer value is credited to his new Society, if he joins one, or to the Post Office Fund; in the latter case any outstanding Reserve Value is cancelled.

Penalties for other offences are prescribed in the rules of Societies. See Model Rules A and C, Rule 5 (5) and Rule 19.

ILLEGAL PAYMENTS.

(152.) If a Society makes out of the State funds any payment not authorised by the Act or by its rules, such payment is not in accordance with law and as such will not be passed on audit. If it is at any time discovered that an over-payment of benefit has

* In the case of soldiers and sailors and persons employed in the Mercantile Marine in foreign-going ships the periods are different. See Circular AS. 76.

been made, immediate steps should be taken to recover the amount. When recovered, the amount should be entered in the Cash Book as "Benefit Repaid."

MEETINGS, BALLOTS, AND AMENDMENT OF RULES.

(153.) The Act requires that every Approved Society should be under the absolute control of its members. The two principal systems of securing this control are:—

- (a) The meeting system.
- (b) The ballot system.

(154.) The meeting system may be either a general meeting of all the members who care to attend, or a series of district meetings, or a delegate meeting. Meetings are obviously valueless unless the members know—

- (1) the date,
- (2) the hour,
- (3) the exact place of the meeting.
- (4) What they are expected to vote about.

These four points should therefore all be mentioned on the notice convening the meeting. Where the date, time, and place of the annual general meeting are fixed by rule, no notice need be circulated if the business is confined to consideration of the annual balance sheet; if other business is to be done at the annual general meeting, notice of such business should be given according to the rules. Notice of *all* special general meetings is clearly necessary.

(155.) Care should be taken to see that business required by the rules to be done by ballot is not done by general meeting, nor *vice versa*; if the business is done by the wrong machinery it has no binding force and may be declared invalid.

(156.) Special attention may be called to the rule for the amendment of rules. If this rule requires the consent of "a majority of the insured members (not being honorary members) expressed after due notice," rules can only be amended by the circulation of ballot papers to all the insured members: if the rule says "save by a majority of the insured members present and entitled to vote at a general meeting summoned for the purpose," a general meeting must be summoned by notice, and the amendment formally adopted by a majority of the insured members present. Rules can only be amended with the consent of the Commission.

(157.) It may be mentioned that where societies are governed by general meeting (not being a delegate meeting or a series of district meetings) the rules empower a certain proportion of the members to demand that a poll of all the members be taken on the question, and that the result of such ballot shall supersede the resolution of the general meeting, if the two conflict.

HONORARY MEMBERS.

(158.) The Act debarb honorary members from voting *as such* on any question or matter arising under the Act; such questions or matters include the election of officers and committee. The effect of this provision is that an honorary member who is an

honorary member and nothing more cannot vote at all; if, however, the Society has elected him to an office or to the committee, he may vote as an officer or committeeman at all meetings at which committeemen or officers are allowed by rule or established custom to vote. Unless the rules contain express provision to the contrary, a Society may elect an honorary member (or indeed any person over 21) to any office, or to the committee.

DISPUTES.

(159.) In the first instance a dispute between a member and his Society, or between a Society and one of its branches, or between two branches of a Society, must be decided in accordance with the Rules of the Society. If it was decided in accordance with Section 68 (6) of the Friendly Societies Act, 1896,* there is no appeal to the Commission. Otherwise, any party to the dispute may refer the matter to the Commission, either by appealing forthwith or by asking leave to appeal. Full instructions as to the procedure to be followed on an appeal will be supplied on application when occasion arises.

CHAPTER VII.—SPECIAL CLASSES OF INSURED PERSONS.

Married women, aliens, navy and army, employees whose employers are liable to pay full wages during sickness, mercantile marine, persons aged 65 or upwards at the date of their entry into insurance.

(1.) Married Women.†

(160.) Married women may, for the purposes of Section 44 of the Act, be divided into four categories, as follows:—

- I. Women who were married before the 15th July, 1912, and are unemployed throughout marriage.
- II. Women who were married before the 15th July, 1912, and have been employed during marriage.
- III. Women who, having before marriage been insured persons, were married after the 15th July, 1912, and cease to be employed on marriage.
- IV. Women who, having before marriage been insured persons, were married after the 15th July, 1912, and continue to be employed during marriage.

These classes will be discussed in order.

* Section 68 (6) of the Friendly Societies Act, 1896, provides for the settlement of disputes by a county court, or a court of summary jurisdiction, in cases where the rules contain no provision for determining disputes, or where a dispute has not been settled under the process provided by the rules within 40 days (or longer in the case of a Society with branches).

† Forms have been prepared to assist Societies in advising women members as to their position on marriage or widowhood. (Forms AS 48, 49, 50.)

I. Women who were married women before the 15th July, 1912, and are unemployed throughout marriage.

(161.) A woman in these circumstances cannot become insured until after the death of her husband.

If she takes up employment on widowhood she will be compulsorily insured as an employed contributor: if not, she may, subject to the usual conditions and qualifications, become an ordinary voluntary contributor. If she becomes an employed contributor *within one year after her husband's death* she will be entitled (on completing the waiting period), whatever her age, to the benefits to which she would have been entitled had she entered insurance on 15th July, 1912; *otherwise* she will enter on the same terms as any other employed contributor, the fact that she is a widow making no difference.

II. Women who were married women before the 15th July, 1912, and have been employed during marriage.

(1) Benefits during marriage.

(162.) A woman in these circumstances on becoming employed during the lifetime of her husband is insured as an employed contributor with right (on completing the waiting period), whatever her age, to the benefits to which she would have been entitled had she entered insurance on 15th July, 1912. If during marriage she ceases permanently to be employed, she cannot become a voluntary contributor (either ordinary or special) and she accordingly ceases to be insured.

(2) What happens on her husband's death.

(163.)—(a) When her husband dies, if she continues to be employed, she remains an employed contributor.

(b) If she ceases to be employed she may, if she satisfies the usual qualifications, continue in insurance as a voluntary contributor paying contributions at the appropriate rate.

In either case any arrears of contributions which may have accrued during her husband's lifetime are disregarded when she becomes a widow.

(c) If she ceases permanently to be employed, and is not qualified, or being qualified does not elect, to become an ordinary voluntary contributor, she ceases to be insured.

III. Women who, having before marriage been insured persons, were married after the 15th July, 1912, and cease to be employed on marriage.

(1) What happens on her marriage.

(164.) A woman in these circumstances is suspended on marriage from paying the ordinary contributions and receiving the ordinary benefits. If she is a member of an Approved Society one-third of her transfer value is then carried to the Married Women's Suspense Account. (N.B. This does not apply to alien

women.) She has then to make up her mind between two courses. She may—

(a) let the matter rest where it is. In this case she pays for the time being no more contributions: and the remaining two-thirds of her transfer value, less the prescribed amount which is written off the reserve values, is, until it is exhausted,* applied to her benefit as follows:—

(i) Payment of 5s. a week on confinement, but for not more than four weeks on any one occasion.

(ii) Such payments as may be determined by the Society, subject to regulations which have been issued by the Commissioners, during any period of sickness or distress.

(b) Alternatively, she may elect to become a special voluntary contributor. If she does so, she pays a contribution of 3d. a week (on an H card) and receives benefit as follows:—

(i) Medical Benefit.

(ii) Sickness Benefit: 5s. a week for 13 weeks, 3s. for second 13 weeks.

(iii) Disablement Benefit: 3s. a week (not payable until 104 weeks have elapsed from date of first entry into insurance and 104 weekly contributions have been paid).

Sickness and disablement benefit are not payable for a period of two weeks before and four weeks after confinement, except in respect of a disease or disablement not connected (directly or indirectly) with confinement.

(2) *What happens if she becomes employed before her husband's death.*

(165.) If she is *not* a special voluntary contributor she must become an ordinary employed contributor, paying contributions at the employed rate. For the purposes of benefit she is, subject to important regulations to be issued, to be treated as if she had not previously been an insured person.

(166.) If she *is* a special voluntary contributor she has an option between—

(i) accepting the conditions set forth in (165) above.

(ii) obtaining a certificate from her Society excepting her from liability to become an employed contributor. If she chooses this course she should use an E card; the normal weekly contribution will still be 6d., and 3d. may still be normally deducted from her wages; but her benefits differ. She continues to receive the special voluntary contributor's benefits, and the extra 3d. a week contribution will be applied by the Society for her benefit. The additional benefit

* Societies will be informed on application to the Commissioners of the amount available for the purpose in any particular case.

under this option does not carry the State grant. During periods of unemployment, the special voluntary contributor's contribution of 3*d.* a week is still payable. Such payments should be made on an H card, not on the E card used during periods of employment.

(3) *What happens on husband's death if she does not become employed.*

(167.) When her husband dies she may—

(a.) if qualified, become an ordinary voluntary contributor, paying at the rate applicable to her age at first entry into insurance (before marriage) and receiving full benefits. If she chooses this alternative, she must give her Society notice within one month of her husband's death to secure the privilege of paying at the rate stated.

(b.) she may in all cases become a special voluntary contributor or remain one if she became one on marriage. If she chooses this course she must give her Society notice within one month of her husband's death.

If she does not choose either of these alternatives she will cease to be insured.

(4) *What happens if she becomes employed after her husband's death.*

(168.) In all cases, the period between her marriage and one month after her husband's death is disregarded for the purpose of reckoning arrears.

(169.) If she is a special voluntary contributor she will in the ordinary course on becoming so employed—

(a) become an ordinary employed contributor. In this case, the normal weekly contribution is 6*d.*, 3*d.* of which may normally be recovered from her wages.

If she was an employed contributor before marriage, she is treated, for the purpose of benefits, as if she had been an employed contributor continuously from the date of her first entry into insurance. As already stated, the period from her marriage to one month after her husband's death is disregarded for the purpose of reckoning arrears, but she will not be entitled to benefit until she has actually been an employed contributor for 26 weeks in all.

(b) she may, however, on becoming so employed, claim a certificate from her Society exempting her from liability to become an employed contributor. In that case her position will be as explained under the previous heading. (See 166 (ii).)

(170.) If she is *not* a special voluntary contributor, on becoming so employed she has no option. She becomes an ordinary employed contributor as in 169 (a) above.

IV. *Women who were married after the 15th July, 1912, and who, having been insured before marriage, continue to be employed after marriage.*

(1) *What happens on her marriage.*

(171.) A woman in these circumstances is *not* suspended from ordinary benefits on marriage. So long as she continues to be employed she remains an employed contributor (unless she is entitled to and obtains from the Commissioners a certificate of exemption on the ground that she is mainly dependent on her husband).

(2) *What happens when she ceases to be employed during her husband's life.*

(172.) On permanently ceasing to be employed (during her husband's life) she is suspended from ordinary benefit. Her position then and afterwards is the same as that of a woman in Class III.

(3) *What happens on her husband's death if she remains employed throughout marriage.*

(173.) In these circumstances the only difference made in her position by her husband's death is that any arrears which may have accrued during her married life are to be disregarded in calculating her benefits in future.

DIVORCE, SEPARATION, OR DESERTION.

(174.) When a divorce takes place the case is treated as if the husband died at the date of the divorce. Where a woman is actually separated from, or deserted by, her husband, the case is treated as if the husband died two years after the separation or desertion took place, unless in the meanwhile the husband returns or the parties again live together.

(175.) There are two further points of a general character to be borne in mind:—

(a) a married woman cannot become an ordinary voluntary contributor during the lifetime of her husband;

(b) a married woman suspended from ordinary benefits is considered to be an "insured person" and a woman who desires to become an ordinary voluntary contributor on widowhood is therefore entitled to reckon the period of suspension towards the qualifying period of 5 years mentioned in Section 1 (3) (b) of the Act.

(2.) Aliens.

Definition of alien. See Table G, para. (7.)

(176.) The first point to remember is that some members who may appear to be aliens are not to be treated as aliens for the purposes of the National Insurance Act. Members with foreign names may of course be British subjects, and aliens who take out naturalisation papers become in due course British subjects, and must then be transferred to their proper class (A1, for example).

Even where a member is not a British subject there are two cases in which he is to be treated as a British subject for the purposes of the Act:—

(i.) An alien entering into insurance before he was 17 is to be treated as a British subject.

- (ii.) An alien who had been on the 4th May, 1911, resident in the United Kingdom for five years or upwards, and was then a member of any Society which becomes approved as a whole or establishes a separate section, is to be treated as a British subject. (It is not necessary that he should effect his State insurance through the Society of which he was a member on the 4th May, 1911.)

(177.) So far as regards contributions, an alien insured person pays exactly the same (whether he is an employed or a voluntary contributor) as a British subject in the same circumstances. The fact that he is an alien makes no difference; an alien low-wage earner is entitled to the parliamentary penny, and an alien who was 65 or upwards on the 15th July, 1912, is entitled to the parliamentary twopence. Alien's contributions.

(178.) The rate of benefit (sickness and maternity) is that provided by the rules of each Society. *See Table G of the Appendix.* Alien's benefits

(179.) A woman who is married takes her nationality from her husband, so that an Englishwoman who marries an alien is to be treated during her marriage as an alien. On the death of her husband or on divorce an Englishwoman who has married an alien again becomes, for the purposes of the Act, a British subject; where her husband deserts her or is actually separated from her she becomes, for the purposes of the Act, a British subject after two years of such desertion or separation. Nationality and marriage.

(180.) In the same way, a woman who is an alien by birth becomes in law herself a British subject as soon as she marries a British subject. In this case the nationality acquired from the husband does not cease when the marriage ceases, so that an alien woman who marries a British subject becomes (in ordinary cases) a British subject for the rest of her life.

(3.) Navy and Army Members.

(181.) So far as the Society is concerned this class of members is the easiest of all. While they are still in the Navy or Army they pay a weekly contribution of 3d. Army members pay on a B card; Navy members do not have cards at all, their contributions being credited in the manner explained in Circular A.S. 72. As regards benefit, they are entitled to maternity benefit only, the benefit in their case being payable even if both husband and wife are abroad at the time of the confinement. If the husband is abroad and the wife at home he may authorize the Society to pay direct to her.

(181A.) Members who continue to be insured after leaving the Navy or Army are treated as ordinary employed contributors (or voluntary contributors if they are not employed and are qualified to become voluntary contributors), all their previous insurance being taken into account.

(182.) The amount which may be carried to the credit of the administration account in any year to provide money for defraying the administration expenses of the Society is, in the case of Navy and Army members, fixed at 8*d.*

(4.) Employees whose Employers have undertaken to pay them Full Wages during the First Six Weeks of Sickness.

Contributions.

(183.) The majority of persons to whom Section 47* applies are engaged in certain occupations defined in special orders, of which the commonest are clerks, shop assistants, warehousemen, teachers, and farm servants (especially in the North of England).

The weekly contribution of such persons is 5*d.* for men and 4½*d.* for women. The employer ordinarily pays 2*d.* a week for men and 2½*d.* for women, the employee 3*d.* if a man, 2*d.* if a woman.

BENEFITS.

(A) While in the employment concerned.

Benefits.

(184.) Members of this class receive benefits at the rate to which they would be entitled if Section 47 of the Act did not apply to them, *e.g.*, a member of the class who is an A 1 member and between 50 and 60 at the date of becoming an employed contributor gets sickness benefit at the rate of 7*s.* a week, or 6*s.* in the case of women. These benefits are however specially modified as follows:—

(i) *Sickness benefit is not payable for the period† during which the employer is liable to pay full remuneration. Other benefits—e.g., maternity—are of course payable during this period.*

(ii) If an illness continues for a longer period, sickness benefit will then become payable by the Society.

(iii) For the purpose of calculating the rate and duration of sickness benefit, the benefit will be deemed to have been paid for six weeks before the date as from which it becomes actually payable. It is to be noted that the rule as to the fourth day of sickness does not apply in this case. Benefit becomes payable by the Society as soon as the employer's six weeks have run out.

(B) As regards members insured under the Section who change their employment:—

(185.)—(i) If he changes to an employment in which the new employer is authorized to adopt the arrangements of

* See footnote on page 9.

† The period is normally six weeks in a year.

(1) If the workman's engagement is for less than six months certain, the employer is only liable for six weeks in all, but if the workman was ill when he left his employment, the liability continues until the six weeks are completed.

(2) If the engagement is for not less than six months certain, the employer is liable for all sicknesses of less than six weeks, and for the first six weeks of a longer illness, but his liability ceases when the workman leaves his service.

Section 47, the new employer will be liable to pay full remuneration as above, without taking account of any previous illnesses of the person employed.

- (ii) If he becomes an ordinary employed contributor paying contributions at the full rate, he will, from the date of his commencing to pay contributions at the full rate, be ordinarily entitled to sickness benefit commencing on the fourth day after the commencement of any illness (subject to the provisions explained in Chapter III., paragraph (92) above, relating to the reckoning of successive periods of sickness as if they were continuous). If he had been engaged for less than 6 months certain and was ill at the time of changing his employment he would not be entitled to sickness benefit until his former employer's liability was completely discharged. See (1) of the footnote on page 46.

(C) *As regards members insured under the Section who become temporarily unemployed:—*

- (186.)—(i) Where a person to whom the provisions of Section 47 apply becomes temporarily unemployed, he will ordinarily not be entitled to sickness benefit in respect of the first six weeks of any period of disease or disablement commencing after he ceased to be employed. If he continues to pay contributions during the period of such unemployment, the contributions are payable at the reduced rate.

- (ii) If, however, the terms of his engagement were for not less than six months certain, and he was ill at the time of leaving the employment, sickness benefit becomes payable to him as from the time that he becomes unemployed and will continue to be payable for twenty weeks if he is ill for so long a time.

(187.) An employer who has undertaken this liability is required to give an Approved Society, on demand, information as to the illness of any of his employees to whom Section 47 applies and who are members of that Society. Information by employer.

(188.) *A Society must not, without special enquiry, pass any claim for sickness benefit by a member in respect of whom the reduced contributions authorized by the Section have been paid at any time during the twelve months preceding the claim.* Claims for benefit.

- (1) If before the claim is made the payment of contributions at the reduced rate has been discontinued, the Society must satisfy itself that the member has changed his employment or else that the employer has given due notice of withdrawal from his undertaking under the Section.

- (2) If, on the other hand, the member remain subject to the provisions of the Section at the time of making the claim, the Society must obtain the requisite particulars on Form A. S. 53.

Where this is done a *Society may generally accept as a matter of course contributions at the reduced rate as whole contributions* and need not, unless it so desires, insist on obtaining from the member a notification that he has entered an employment subject to the provisions of Section 47.*

(5.) Mercantile Marine.

(Classes A 4, A 5, A 6, E 4, E 5, E 6.)

General

(189.) The position as regards benefits of the man employed in the mercantile marine is explained by the fact that his employer is liable to maintain him if he falls sick while on the high seas or in a foreign port. The result is that he draws pay from the ship's owner if ill while abroad, and sickness benefit from his Society if ill in the United Kingdom.

Definition of Mercantile Marine.

(190.) In order to be a mercantile marine member using a mercantile marine card, a man must be employed on a ship or fishing vessel going to "foreign ports." (If his ship is engaged in the "home-trade" he is an ordinary employed contributor, subject to the provision that he is not entitled to sickness benefit for periods during which the owner maintains him during sickness on board the vessel.)

(191.) A seaman cannot become insured unless he is either "domiciled" or has a place of residence in the United Kingdom.

The domicile of a person is, in general, the place or country which is in fact his permanent home, whether he is for the time being resident there or not; but in many cases it is necessary to have recourse to certain rules of law for the purpose of ascertaining where the domicile must be deemed to be. The Commissioners will supply further information if difficulties arise in a particular case.

Mercantile Marine Contributions.

(192.) The weekly contribution payable in the case of a person employed on a foreign-going ship is 6*d.*, or 5*d.* in the case of a woman. 2*d.* is paid by the employer, and 4*d.* or 3*d.*, as the case may be, is deducted from the employee's wages. The stamps are to be placed on an AM or EM card, which are issued by ship-owners and not by Approved Societies.

(193.) Section 48 of the Act provides that for the purpose of determining the number of contributions payable in any calendar year, and for calculating arrears (but not for the purposes of the waiting period), every four *full* contributions paid on an AM or an EM card are to be treated as five. The effect of this is as follows. When, in any calendar year, the full number of contributions payable in any calendar year

* A Society is, however, at liberty, if it thinks fit, to make such enquiries of its members as will satisfy it that the reduced contributions are properly payable in respect of them, and if in any case there appears reason to doubt that the section is being applied correctly, the facts should be reported to the Commissioners with full particulars, in order that the matter may be investigated.

(four counting as five) has been paid, the employee is not required to pay anything more in that year, and consequently, until the next calendar year begins, nothing more is deducted from his wages. The employer, however, has to continue paying his 2*d.* a week throughout. Consequently, it is possible that 2*d.* stamps affixed to an AM or EM card may be correct, and, indeed, the AM cards for a year's continuous foreign service employment should show 42 6*d.* and 10 2*d.* stamps.

(194.) The next point of importance is that AM or EM cards cover not the ordinary 13-week quarter but the period of the voyage. Consequently, these cards will come in at irregular intervals, not all at the end of each quarter.

(195.) Thirdly, it is quite possible that a mercantile marine member may cease for a time to be employed in foreign trade and become employed at home. In these cases an A or E, or one or more Y cards, will be returned as well as the member's AM or EM card.

(196.) Special arrangements are therefore necessary for dealing with these cards; these are explained in Circular 37/A.G.D., paragraph 27. The general principle is that the A or Y cards and the AM cards returned by the same member are sorted together and entered up together on a Special Register Sheet. Where a Society has a large proportion of such members, a return is made quarterly on Form 51 B./A.G.D. of Special Register Sheets so entered up, and is sent, with the cards, to the Commission.

(197.) The Society has to pay *maternity* benefit on every occasion on which a mercantile marine member is entitled to it. Benefits. It may be noted that, where a mercantile marine member is abroad at the time of his wife's confinement, he may authorize his Society to pay the benefit direct to his wife.

(198.) Sickness benefit is payable by the Society only when the owner is not liable to maintain the member.* As already explained, the owner's liability ceases as soon as the member has been landed at a proper return port. When, however, a man has been maintained by the owner, he is to be treated as if he had received sickness benefit for all the time he was so maintained. This is important for two reasons, in that—

- (1) sickness benefit stops when it has been paid for 26 weeks;
- (2) two periods of sickness occurring within 12 months of each other are reckoned as one illness.

When sickness benefit is payable, it is paid on the scale which the member would receive if he were an ordinary member, not in the mercantile marine at all. For example, Table F applies to an A 6 or E 6 member.

(199.) The Seamen's National Insurance Society provides pensions for seamen with long sea service. It is expressly provided by the Act that, where a mercantile marine employee is a member of some other Society for the purposes of sickness, disablement, and maternity benefit, arrangements may be made between that Society and the Seamen's National Insurance Society enabling Pensions and
the Seamen's
National
Insurance
Society.

* See paragraph (95).

such members to join the Seamen's National Insurance Society for the purposes of pension only, without in any way affecting his membership of the first Society so far as contributions and benefits under the Act are concerned. Societies wishing to avail themselves of this provision may communicate with the Seamen's National Insurance Society, 80, Leman Street, E.

(6.) **Persons between the Ages of 65 and 70 on the 15th July, 1912, who are Insured under the Act.**

(200.) Such persons belong to the A 3 and E 3, A 6 and E 6 classes; the provisions relating to them are contained in Section 49 of the Act.

(201.) Under Section 49 a person who was 65 or upwards and under 70 on the 15th July, 1912, is required to be insured if he was employed at that date; and if, before he attains the age of 70, he ever becomes employed, he is required to be insured as soon as he becomes so employed.

(202.) It may be noted that Section 49 applies only to persons who were between the ages of 65 and 70 on the 15th July, 1912. These classes are therefore temporary, and must become extinct in a few years.

Contribu-
tions.

(203.) Class A 3 and E 3 pay contributions at the rate of 7*d.* a week for men, and 6*d.* a week for women. These rates are subject to the usual reductions in the case of the low-wage earners, &c.

Benefits.

(204.) In these classes, the distinction between British subjects and aliens is lost; an alien of the class is treated exactly as if he were a British subject as regards both contributions and benefits.

(205.) No reserve value is credited in respect of A 3 members, and they accordingly receive benefits on a special scale. This scale is that provided in the rules of each Society; Societies which have not prepared their own table will naturally adopt the Table F issued by the Commission for Societies' assistance.

(206.) Table F (*see* Appendix) provides two alternative systems of benefit, one a sickness benefit, the other a pension benefit. It should be noted that a Society (or branch) must offer the same system of benefit to all its A 3 members. It cannot permit one man to select sickness payments, another to select a pension.

(207.) It is to be noted that a member to whom Table F applies is not disentitled to benefit by reason of the fact that 26 weekly contributions have not been paid at the time of the claim.

(208.) As to the provision of Medical Benefit for these classes, *see* paragraph 2 of Circular A.S. 75 which is reprinted on page 67 of this book.

SUMMARY TABLE OF CONTRIBUTIONS, BENEFITS AND WAITING PERIODS ARRANGED ACCORDING TO CLASSES.

CLASS A 1.

Male British Employed Contributors entering into insurance between the ages of 16 and 65.

Card.	Contributions, normal rate.	Exceptions to normal rate of Contributions.	Sickness Benefit, normal rate.	Exceptions to normal rate of Sickness Benefit.	Sickness Benefit, waiting period.	Maternity Benefit.	Maternity Benefit, waiting period.
A	7d.	<p>(1) Low wage earner ... 6d. (2) Employed in Ireland 5½d. (3) Employer liable to pay wages during sickness ... 5d. (4) Employed in Ireland, low wage earner ... 4½d. (5) Employer liable to pay wages during sickness, and low wages earned ... 4d. (6) Employed in Ireland, employer liable to pay wages ... 3½d. (7) Do., but low wages... 2½d.</p>	10s.	<p>(1) Unmarried minor with no dependants, 6s. for first 13 weeks, 5s. for second 13 weeks. (2) Between 50 and 60 on becoming an employed contributor, 7s. (3) Between 60 and 65, 6s. for first 13 weeks, 5s. for second 13 weeks. (4) Employer liable to pay wages during sickness, rate as above, but not paid for first six weeks sickness and terminating after 20 weeks.</p>	26 weeks, and 26 full weekly contributions.	30s.	26 weeks, and 26 full weekly contributions.

CLASS A 2.

Male Alien Employed Contributor entering into insurance between the ages of 17 and 65.

Card.	Contributions, normal rate.	Exceptions to normal rate of Contributions.	Sickness Benefit, normal rate.	Exceptions to normal rate of Sickness Benefit.	Sickness Benefit, waiting period.	Maternity Benefit.	Maternity Benefit, waiting period.
A ...	7d.	(1) Low wage earner ... 6d. (2) Employed in Ireland 5½d. (3) Employer liable to pay wages during sickness ... 5d. (4) Employed in Ireland as low wage earner 4½d. (5) Employer liable to pay wages during sickness, and low wages earned ... 4d. (6) Employed in Ireland, employer liable to pay wages ... 3½d. (7) Do., low wages 6d ... 2½d.	Table G	Table G, paragraph 2	26 weeks, and 26 full weekly contributions.	Table G	26 weeks, and 26 full weekly contributions.

An alien who enters into insurance before he is 17, or who was on May 4th, 1911, a member of a Society which has become approved or established a separate section, and who had then been resident in the United Kingdom for 5 years or upwards, is treated as a British Subject.

The Table G issued by the Commission is optional.

CLASS A 3.

Male employed persons between the ages of 65 and 70 on the 15th July, 1912. (British Subjects or Aliens.)

A ...	...	7d.	Table F	Where employer liable to pay wages during sickness, sickness benefit not paid during first 6 weeks and terminating after 20 weeks.	26 weeks. (See Table F.)	None ...	...	—
(1)	Low wage earner ...	6d.						
(2)	Employed in Ireland	5½d.						
(3)	Employer liable to pay wages during sickness ...	5d.						
(4)	Employed in Ireland, low wage earner ...	4½d.						
(5)	Employer liable to pay wages during sickness, low wages earned ...	4d.						
(6)	Employed in Ireland, employer liable to pay wages...	3½d.						
(7)	Do., low wages ...	2½d.						

Table F issued by the Commission is optional. If this Table is adopted by a Society or Branch, one or other of the two systems of benefit must be made to apply to every A 3 (E 3, A 6, E 6) member.

CLASS A 4.

Male British subject employed contributor employed in the Mercantile Marine (foreign-going ships), and entering into insurance between the ages of 16 and 65.

Card	Contributions, normal rate.	Exceptions to normal rate of Contributions.	Sickness Benefit, normal rate.	Exceptions to normal rate of Sickness Benefit.	Sickness Benefit, waiting period.	Maternity Benefit.	Maternity Benefit, waiting period.
AM ...	6d.	Four contributions count as five, so that 2d. stamps may appear on an AM card.	10s. except while owner is liable.	(1) Unmarried minor with no dependants, 6s. for first 13 weeks, 5s. for second 13. (2) Between 50 and 60 on becoming an employed contributor, 7s. (3) Between 60 and 65, 6s. for 13 weeks, 5s. for second 13. All three reduced rates payable only when owner not liable.	26 weeks, and 26 full weekly contributions.	30s. (payable direct to wife by husband's society while abroad on husband's authority).	26 weeks, and 26 full weekly contributions.

For a general discussion of the Mercantile Marine, see Chapter VII.

CLASS A 5.

Male Alien Employed Contributor entering into insurance between the ages of 17 and 65 and employed in the Mercantile Marine (foreign-going ships).

Card	Contributions, normal rate.	Exceptions to normal rate of Contributions.	Sickness Benefit, normal rate.	Exceptions to normal rate of Sickness Benefit.	Sickness Benefit, waiting period.	Maternity Benefit.	Maternity Benefit, waiting period.
AM ...	6d.	Four count as five, so that 2d. stamps may appear on such member's cards.	Table G (except while owner is liable).	Table G, paragraph (2) ...	26 weeks, and 26 full weekly contributions.	Table G (payable direct to wife by husband's society when husband abroad on husband's authority).	26 weeks, and 26 full weekly contributions.

CLASS A 6.

Male employed persons aged between 65 and 70 on the 15th July, 1912, employed in the Mercantile Marine (foreign-going ships).
(British Subjects or Aliens).

AM	...	6d.	Four count as five, so that 2d. stamps may appear on cards.	Table F (except while owner is liable).	No exceptions	26 weeks. (See Table F.)	None	—
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CLASS B.

Male British Subjects serving in the Royal Navy or Army.

B (used only in case of Army members).	3d.	No exceptions	None ...	—	—	30s. (payable direct to wife on husband's authority if husband is abroad).	26 weeks, and 26 full weekly contributions.
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CLASS CC 1.

Male British Voluntary Contributor entering into insurance on or after the 15th January, 1913.

CC	...	Table B.	No exceptions	10s.	(1) Unmarried minor with no dependants, 6s. for 13 weeks, 5s. for second 13 weeks. (2) When in arrears, Table C.	26 weeks, and 26 full weekly contributions.	30s.	52 weeks, and 52 full weekly contributions.
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CLASS CC 2.

Male Alien Voluntary Contributor entering into insurance on or after the 15th January, 1913

Card.	Contributions, normal rate.	Exceptions to normal rate of Contributions.	Sickness Benefit, normal rate.	Exceptions to normal rate of Sickness Benefit.	Sickness Benefit, waiting period.	Maternity Benefit.	Maternity Benefit, waiting period.
CC ...	Table B	None	Table G	(1) Table G, paragraph (2) ... (2) When in arrears, Table C. (See note.)	26 weeks, and 26 full weekly contributions.	Table G	52 weeks, and 52 full weekly contributions.

CLASSES C 1 and D 1.

Male British Voluntary Contributor entering into insurance before the 15th January, 1913.

C, if under 45 at date of entry into insurance; D, if 45 or upwards at that date.	Table A	No exceptions	10s.	(1) Unmarried minor with no dependants, 6s. for 13 weeks, 5s. for second 13 weeks. (2) When in arrears, Table C.	26 weeks, and 26 full weekly contributions.	30s.	52 weeks, and 52 full weekly contributions.

CLASSES C 2 and D 2.

Male Alien Voluntary Contributor entering into insurance before the 15th January, 1913.

Table A	No exceptions	Table G	(1) Table G, paragraph (2) (2) When in arrears, Table C. (See note.)	26 weeks, and 26 full weekly con- tributions.	Table G ...	52 weeks, and 52 full weekly con- tributions.
C, if under 45 at date of entry into insur- ance; D, if 45 or upwards at that date.						

CLASS E 1.

Female British Employed Contributor entering into insurance between 16 and 65.

E	6d.	7s. 6d.	(1) Unmarried minor with no dependants, 5s. for 13 weeks, 4s. for second 13 weeks. (2) Between 50 and 60 on becoming an employed contributor, 6s. for 26 weeks. (3) Between 60 and 65, 6s. for 13 weeks, 5s. for second 13 weeks. (4) Employer liable to pay wages during sickness, as above, but not payable during first six weeks' sickness, and terminating after 20 weeks.	26 weeks, and 26 full weekly con- tributions.	30s. (not pay- able as benefit for wife if hus- band is an in- sured person).	26 weeks, and 26 full weekly con- tributions.
		(1) Low-wage earner ... 5d. (2) Employed in Ireland 4½d. (3) Employer liable to pay wages during sickness ... 4½d. (4) Employed in Ireland, low-wage earner ... 3½d. (5) Employer liable to pay wages during sickness, and low wages earned ... 3½d. (6) Employed in Ireland, employer liable to pay wages... 3d. (7) Do., low wages ... 2d.				

CLASS E 2.
Female Alien Employed Contributor entering into insurance between 17 and 65.

Card.	Contributions, normal rate.	Exceptions to normal rate of Contributions.	Sickness Benefit, normal rate.	Exceptions to normal rate of Sickness Benefit.	Sickness Benefit, waiting period.	Maternity Benefit.	Maternity Benefit, waiting period.
E 6d. ...	(1) Low-wage earner ... 5d. (2) Employed in Ireland 4½d. (3) Employer liable to pay wages during sickness ... 4½d. (4) Employed in Ireland, low wages ... 3½d. (5) Employer liable to pay wages during sickness, and low wages earned ... 3½d. (6) Employed in Ireland, employer liable to pay wages ... 3d. (7) Do., low wages ... 2d.	Table G	Table G	Table G, paragraph (2) ...	26 weeks, and 26 full contributions.	Table G (not payable as benefit for wife when husband is himself an insured person).	26 weeks, and 26 full weekly contributions.

CLASS E 3.

Female Employed Person aged between 65 and 70 on the 15th July, 1912 (British Subject or Alien).

Card.	Contributions, normal rate.	Exceptions to normal rate of Contributions.	Sickness Benefit, normal rate.	Exceptions to normal rate of Sickness Benefit.	Sickness Benefit, waiting period.	Maternity Benefit.	Maternity Benefit, waiting period.
E 6d. ...	(1) Low wage earner ... 5d. (2) Employed in Ireland 4½d. (3) Employer liable to pay wages during sickness ... 4½d. (4) Employed in Ireland, low wages ... 3½d. (5) Employer liable to pay wages during sickness, low wages ... 3½d. (6) Employed in Ireland, employer liable to pay wages ... 3d. (7) Do., low wages ... 2d.	Table F	Table F	Where employer liable to pay wages during sickness, sickness benefit not paid for first six weeks and terminating after 20 weeks.	26 weeks. (See Table F.)	None ...	—

CLASS E4.

Female British Employed Contributor between 16 and 65 serving in Mercantile Marine (foreign-going ships).

EM	...	5d.	...	Four count as five, so that 2d. stamps may appear on the cards.	7s. 6d., only when owner not liable.	(1) Unmarried minor with no dependants, 5s. for 13 weeks, 4s. for second 13. Between 50 and 60 on becoming an employed contributor, 6s. (2) Between 60 and 65, 6s. for first 13 weeks, 5s. for second 13. All the above rates payable only when owner not liable.	26 weeks, and 26 full weekly contributions.	30s. (not payable as benefit for wife if husband is himself insured).	26 weeks, and 26 full weekly contributions.
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CLASS E5.

Female Alien Employed Contributors between 17 and 65 serving in Mercantile Marine (foreign-going ships).

EM	...	5d.	...	Four count as five, so that 2d. stamps may appear on the cards.	Table G, paragraph (2), except while owner liable.	Table G, paragraph (2) ...	26 weeks, and 26 full weekly contributions.	Table G (not payable as benefit for wife if husband is himself insured).	26 weeks, and 26 full weekly contributions.
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CLASS E 6.
Female Employed Persons between 65 and 70 on the 15th July, 1912, serving in Mercantile Marine (foreign-going ships),
(British Subjects or Aliens).

Card.	Contributions, normal rate.	Exceptions to normal rate of Contributions.	Sickness Benefit, normal rate.	Exceptions to normal rate of Sickness Benefit.	Sickness Benefit, waiting period.	Maternity Benefit.	Maternity Benefit, waiting period.
EM...	5d.	Four count as five, so that 2d. stamps may appear on the cards.	Table F, except while owner liable.	None	26 weeks. (See Table F.)	None	—

CLASS FF 1.

Female British Voluntary Contributors entering into insurance on or after the 15th January, 1913.

FF ...	Table B	None	7s. 6d.	(1) Unmarried minor with no dependants, 5s. for 13 weeks, 4s. for second 13. (2) When in arrears, Table C	26 weeks, and 26 full weekly contributions.	30s. (not payable as benefit to wife if husband is himself insured).	52 weeks, and 52 full weekly contributions.
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CLASS FF 2.

Female Alien Voluntary Contributor entering into insurance on or after the 15th January, 1913.

FF ...	Table B	None	Table G	(1) Table G, paragraph (2) ... (2) When in arrears, Table C. (See note.)	26 weeks, and 26 full weekly contributions.	Table G (not payable as benefit to wife if husband is himself insured).	52 weeks, and 52 weekly contributions.
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CLASSES F 1 and G 1.

Female British Voluntary Contributor entering into insurance before the 15th January, 1913.

Table A	None	7s. 6d.	(1) Unmarried minor with no dependants, 5s. for 13 weeks, 4s. for second 13. (2) When in arrears, Table C.	26 weeks and 26 weekly contributions.	30s. (not payable as benefit for wife when husband is himself insured).	52 weeks, and 52 full weekly contributions.
F, if under 45 at entry into insurance; G, if 45 or upwards at entry.						

CLASSES F 2 and G 2.

Female Alien Voluntary Contributor entering into insurance before the 15th January, 1913.

Table A	None	Table G	(1) Table G, paragraph (2) ... (2) When in arrears, Table C. (See note.)	26 weeks, and 26 full weekly contributions.	Table G (not payable as benefit for wife when husband is himself insured).	52 weeks, and 52 full weekly contributions.
F, if under 45 at entry into insurance; G, if 45 or upwards at entry.						

CLASS H 1.
Female British Special (Married Woman) Voluntary Contributor.

Card.	Contributions, normal rate.	Exceptions to normal rate of Contributions.	Sickness Benefit, normal rate.	Exceptions to normal rate of Sickness Benefit.	Sickness Benefit, waiting period.	Maternity Benefit.	Maternity Benefit, waiting period.
H	3d.	None	5s. for 13 weeks, 3s. for second 13 weeks.	(1) Benefit not payable for two weeks before or four weeks after confinement, except in case of a disease not connected with child- birth. (2) When in arrears, Table C 2	26 weeks, 26 full weekly contri- butions.	None.	—

CLASS H 2.
Female Alien Special (Married Women) Voluntary Contributors.

H	3d.	None	Table G	(1) Table G, paragraph (2)... (2) When in arrears, Table C. (See note.)	26 weeks, and 26 full weekly contri- butions.	None.	—
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APPENDIX I.

This Appendix contains various circulars issued by the Commissioners containing a fuller discussion of certain points dealt with briefly in the preceding pages.

I.—DATE OF ENTRY INTO INSURANCE.

(Circular A.S. 59.)

The Insurance Commissioners have received enquiries from Approved Societies as to the manner in which the exact date of an insured person's entry into insurance is to be fixed. An Approved Society is responsible for the entry of this date in the Membership Register, and in the Insurance Book of each insured member of the Society, and it is important that the date should be correctly stated, as on it may depend the rate of contributions or of benefits, or the amount of the reserve value in respect of the insured person. The following information is therefore supplied for the guidance of Approved Societies in this matter.

Employed Contributors.

In the case of an employed contributor the date of entry into insurance is the first day of employment in respect of which the contributor became insurable. *In nearly every case it will be sufficient to take the first day of the week for which the first contribution is paid (i.e., the Monday of the first week for which the card is stamped) as the date of entry. This will usually be Monday, July 15th.*

In the following exceptional cases, however, special care is necessary:—

- (i) If the contributor became 16 years of age in the first week for which a contribution is paid, his date of entry is his 16th birthday, and *not* the Monday in that week, i.e., he cannot enter into insurance *before* his 16th birthday.
- (ii) If the contributor became 50 or 60 years of age in the week of his first contribution, the Society will have to find out from him whether he was employed in that week *before* his 50th or 60th birthday. If he was so employed, then his date of entry may be taken as the Monday in that week; if he was not employed in that week before his birthday, then his 50th or 60th birthday may be taken as the date of entry.

These special cases, in which the 50th or 60th birthday falls in the first week of insurance, will be very rare—not more than one in ten thousand on the average.

Voluntary Contributors.

In the case of a voluntary contributor joining the Society in the first quarter it will be sufficient to take the date of payment of the first contribution—this date is shown by the date of cancellation on the stamp.

In the case of a voluntary contributor joining the Society after the first quarter, the date of entry into insurance will be the date of payment of the first contribution after admittance to membership, unless he was previously a deposit contributor, in which case his date of entry will be ascertained by the Society from his old Insurance Book, or be notified by the Commission in the case of a member transferred from the Post Office Fund.

Entering up the Membership Register and Insurance Book.

It will be seen from the above that the "date of entry into insurance" in the Membership Register and Insurance Book must be entered (or, if already entered, checked) from the first contribution card surrendered, with reference also, in the case of insured persons who became 16 years of age during the quarter, to the date of their 16th birthday. Also, that in the case of any member whose 50th or 60th birthday falls in his first week of insurance, it will be necessary to ask him to furnish in writing a statement as to his date of entry. The following form will do:—

Employed Contributor's Declaration as to Date of Entry.

"I declare that in the week beginning Monday, _____ 191—,

* Strike out
the words not
applying.

I ^{*was} employed before _____ day the _____ on which
was not

I became 50 years of age.

Signed _____

Date _____ 191—."

These declarations must be carefully kept for audit.

Doubtful Cases.

There will no doubt be cases in which an employed contributor cannot state the month and day of his birth. In such cases it may be assumed that his age at entry into insurance was the age stated in his proposal form, and his date of entry into insurance may therefore be taken as the Monday in the week for which the first contribution is paid.

II.—ADMINISTRATION OF MATERNITY BENEFIT.

(Circular A.S. 73.)

From representations which have been made to the Commissioners it appears that considerable doubt exists in Approved Societies as to the effect of certain of the Rules relating to Maternity Benefit, viz.:—

- I. "A woman in respect of whom this benefit is payable must be attended in her confinement either by a duly qualified medical practitioner or by a duly certified midwife." (Model Rules A and C 12 (5).)
- II. (a) "A member shall not be entitled to this benefit in respect of his wife if she is an inmate of any of the institutions mentioned in the rule relating to hospitals."
- (b) "An insured member shall not be entitled to this benefit if she is an inmate of any of the institutions mentioned in the rule relating to hospitals." (Model Rules A and C 12 (4), 12a (5).)

The Commissioners are, therefore, issuing this Circular for the guidance of Societies in dealing with claims for Maternity Benefit.

I.—ATTENDANCE BY CERTIFIED MIDWIFE OR QUALIFIED MEDICAL PRACTITIONER.

(1) Under Section 18 of the Act Societies have power to administer Maternity Benefit to their members "in cash or otherwise." A Society may, therefore, if it thinks fit, instead of paying the whole of the benefit direct to the member in cash, administer part of it in kind by placing at the disposal of its members the services of certified midwives and doctors with whom it had made arrangements previously. The value of the services estimated in accordance with the terms of the agreement would then be part of the Maternity Benefit, and the balance would be available for payment in cash or otherwise.

(2) In any such arrangements, however, due effect would have to be given to the proviso to Section 18, that the mother shall have free choice in the selection of the doctor or midwife by whom she is to be attended, and for this purpose it would be necessary for the Society to supply to its members on application lists of the doctors or midwives whose services were available. If the mother had chosen attendance by a doctor or midwife on the list as part of the Maternity Benefit and unreasonably declined it when tendered, the Society might deduct from the benefit paid the value of the services so declined.

(3) Where Societies do not propose to make any arrangements for providing the services of a midwife or doctor as part of the Maternity Benefit, the rule in question (I. in the introductory paragraph above) must be read as a direction to the members and not as a condition of benefit. That is to say, if the rule is infringed, the Society may inflict a fine if its Rules so provide; but every case would have to be considered on its merits, and the rule could not reasonably be regarded as infringed in a case in which it was impossible to obtain the attendance of a certified midwife or qualified practitioner, or a case in which a medical student or pupil midwife was in attendance under the supervision of a qualified practitioner or certified midwife.* *The rule does not authorize the Society to refuse payment of benefit in respect of a confinement at which for any reason a certified midwife or medical practitioner was not in attendance, except in the rare cases in which husband and wife are both insured members of the same Society and the Society is satisfied that both parties were guilty of a deliberate breach of the rule.*

* Under the Midwives Act, 1902, no unqualified person may "habitually and for gain" attend a woman in childbirth, except under the direction of a doctor, and accordingly no such unqualified person may receive payment out of the maternity benefit. But a member would not be liable to any penalty or loss of benefit if the confinement had been attended by a neighbour or by a medical student where there was no ground for supposing any abuse or malpractice of the kind against which the above provision of the Midwives Act is directed.

II.—BENEFIT WHEN THE MOTHER IS IN HOSPITAL.

(4) Under Section 12 of the Act, no payment can be made on account of Maternity Benefit while the mother is in hospital,* and the amount otherwise payable must be applied wholly or in part in one of the ways provided by the section, viz.: in payments to her dependants, or in payments for surgical appliances or otherwise for her benefit, or in payments to the hospital towards her maintenance while an inmate. The methods of application allowed by the Act are set out in paragraph (6) below.

(5) It must be observed—

- (a) That payments to dependants must be made after consultation, whenever possible, with the mother;
- (b) That payments to hospitals can only be made in virtue of an agreement previously concluded between the Society and the governing body of the institution.

(6) The woman's dependants, if any, are the first charge. Any payment due to the hospital under an agreement previously concluded between the Society and the governing body of the institution is the second charge. Any balance that is left after the claims of the dependants or the hospital have been met may be applied while the woman is in hospital in surgical appliances or otherwise for her benefit as the Society may determine. Any difference between payments so made and the total amount otherwise payable will remain in the hands of the Society until she leaves the hospital.

Where, however, Sickness Benefit is payable as well as Maternity Benefit (i.e., in the case of the married woman employed contributor), provision for the wife's dependants is made out of the Sickness Benefit. The Maternity Benefit, therefore, is not available for dependants, and in this case the payment to the hospital becomes the first charge on the Maternity Benefit.

In every case the whole of the benefit (where no such payments have been made) or the part remaining in the hands of the Society will become payable to the member either in kind, or in instalments, or as a lump sum, as the Society may determine, when the woman leaves the hospital.

III.—PRESCRIBED FEE UNDER SECTION 18.

(7) In cases where a woman is attended by a certified midwife, and a duly qualified medical practitioner is subsequently summoned in pursuance of the rules made under the Midwives Act, 1902, the fee of the latter is, subject to Regulations, recoverable as part of the Maternity Benefit. The Commissioners will shortly issue regulations prescribing the fee in such cases.

III.—MEDICAL BENEFIT.

(Circular A.S. 75.)

The Commissioners gather that some Officials of Approved Societies are in doubt with regard to the position in relation to Medical Benefit of, (1) insured persons who on the 15th of July were of the age of 65 or upwards and are subject to the provisions of Section 49 of the Act, and (2) persons who fall within the provisions of Section 15 (2) (e) of the Act, relating to old and disabled members of Friendly Societies.

1. Under Section 49 of the Act, it is provided that a person of the age of 65 or upwards and under the age of 70 at the commencement of the Act who is employed within the meaning of the Act and who joins an

* "Hospital," for the purposes of section 12, includes any hospital (including a naval or military hospital), asylum, convalescent home, or infirmary supported by any public authority, or out of any public funds, or by a charity, or voluntary subscriptions, and it should be remembered that none of the provisions of that section are applicable when the woman is an inmate of any other kind of institution. Thus the full benefit will be payable in the ordinary course in all cases where the patient is in a home or hospital which does not fall within the classes enumerated above.

The question under which head any particular institution falls must be determined with reference to the facts of each case.

Approved Society shall be entitled in respect of the contributions paid on his account only to such benefits as the Society may determine.

The proposals of a Society as to the benefits to be given to such members require to be submitted for the approval of the Commissioners and no scheme has been approved which provides Medical Benefit for persons of this class.

2. The provisions of Section 15 (2) (c) relate to members of Friendly Societies who are excluded from the right to Medical Benefit under the Act by reason either (a) that they were of the age of 65 or upwards on the 15th July last, or (b) that being subject to permanent disablement at that date they are not qualified to become insured persons. Provided that (1) these persons were members of a Friendly Society on the 16th December, 1911, and (2) the Friendly Society or a separate section thereof has become an Approved Society, Insurance Committees are required to make arrangements whereby such Societies (if they so desire) shall have the opportunity of obtaining medical attendance and treatment for those persons upon the same terms as to medical remuneration as those arranged with respect to insured persons. This is, however, an option granted to Societies and the Act does not make it obligatory upon a Society to avail itself of this provision, nor does it either expressly or by implication require any payment made by a Society in respect of this treatment to be on the same scale as in the case of insured persons, if the Society can obtain treatment at a lower rate.

Any Society, however, wishing to avail itself of the provisions of the Act would require to make a special arrangement in the manner explained in paragraph 51 of the National Health Insurance (Administration of Medical Benefit) Regulations with the Committee concerned.

In no case, however, should a medical ticket be issued to the persons aged 65 or over on the 15th July, 1912.

NOTE.—The fact that an index slip has been prepared and forwarded to an Insurance Committee in respect of any member over 65 does not render a Society liable to make any payments to the Insurance Committee under Section 15 (6) of the Act in respect of that member.

IV.—OUTWORKERS' CERTIFICATES.

The Regulations as to Outworkers, explained in Leaflet 25, provide that in certain circumstances contributions may be paid by reference not to weeks, but to the amount of work done. It may accordingly happen that a worker to whom these Regulations apply has 52 full contributions* paid in respect of him before the expiration of the year.† Such a worker is entitled to get a certificate from his Approved Society, showing that the requisite contributions have been paid. When he receives such a certificate no further contributions are payable either by employer or worker for the rest of the year.†

Copies of the form of certificate (Form X. 82) to be used in such cases will be sent to Societies as required on application being made to the Secretary to the Insurance Commission.

* Two half contributions count as one full contribution.

† Years for this purpose are successive periods of 52 weeks counting from 15th July, 1912.

V.—ADMINISTRATION ACCOUNT.

(Circular $\frac{152}{A.G.D.}$.)

1. With reference to Circular 145e/A.G.D., dated October, 1912 (a copy of which was sent to all Approved Societies), the Commissioners are now in a position to inform Societies precisely what is the maximum amount which will be available for administration in each quarter from 15th July last.

2. As explained in paragraph 9 of the Circular above-mentioned, the "maximum sum available for administration" has to provide for the expenses of Insurance Committees in respect of Society members as well as for the expenses of the Society itself.

Under the arrangement originally proposed, the whole amount available for administration was to be carried to the Administration Account, and that Account was to bear the charge not only for administration expenses incurred by the Society, but also for the payments to Insurance Committees.

This arrangement has, however, the disadvantage of leaving the Societies in the position of not being able readily to calculate the amount available for their own expenses.

3. It has, therefore, been decided in order to simplify accounting for Societies, to make the sums payable to Insurance Committees, so far as they are a charge against the contributions of members of the Society, a direct charge on the Contribution Account and not to pass them through the Administration Account of the Society at all. In consideration of the relief thus given to the Administration Account, the maximum amount which the Society may carry to its Administration Account will be reduced by such sum as will on the average suffice to meet these payments, and the whole of the reduced amount (as shown in the table below) will be available for the expenses of the Society itself. The Regulations as to the Administration Account are being amended accordingly.

4. It is estimated that the payments to Insurance Committees will amount on an average to 3d. per member for the first six months, and 3d. per member per annum afterwards.

The amount available for the administration expenses incurred directly by Societies will therefore be, with certain exceptions, as shown below, 1s. 9d. per member (plus an additional 1s. for preliminary expenses) for the first six months, and 3s. 5d. per member per annum thereafter.

The maximum amount available per quarter for the administration expenses of the Society is therefore as shown in the following table:—

Table showing the Maximum Amount available for Administration per member.†

	Class B. (Army and Navy.)	Class H. (Married Women Voluntary Contri- butors.)	Members trans- ferred to other Societies at the end of the Quarter under Memo. 119	All other Classes.
For the first Quarter (July 15th to October 13th, 1912).	2d.	10½d.	4½d.	10½d.
For the second Quarter (Oct. 14th, 1912, to Jan. 12th, 1913).	2d.	10½d.	4½d.	10½d.
For each subsequent Quarter ...	2d.	7½d.	—	10½d.

† Excluding married women suspended from benefit, and persons over 70 years of age.

The amount available will be calculated for each quarter on the number of members of the Society who surrendered cards for that quarter to the Society.

In addition, a sum of 1s. is available in the first six months for each member (all classes) joining the Society for the purposes of National Health Insurance before January 12th, 1913. This does not apply to members transferred from other Societies; but in the case of members joining the Society by transfer from another Society under Memorandum 119 a special additional sum of 6d. will be available.

5. Societies may therefore (subject to their rules) carry from the Contribution Account to the Administration Account, quarter by quarter, any sums not exceeding the above maximum sums. These sums include the State proportion (*viz.*:— $\frac{3}{4}$ ths, or $\frac{1}{4}$ th in the case of women) which will be credited in due course to the Society.

6. It must be remembered that no Society is bound to spend, or carry to its Administration Account, the *whole* of the maximum sums available as shown in the above table. The less it spends on administration the more will be available for benefits. On the other hand, it will not be possible to carry to the Administration Account in a later quarter *more* than the maximum sum available if *less* than the maximum has been so carried in a previous quarter. A deficiency on the Administration Account cannot be made up in this way.

Return of Administration Expenses and claim for State Grant.

7. Societies are required to submit to the Government Auditor at the end of each quarter an abstract of the Administration Account for the quarter on the proper forms of return.

The return must be made out in duplicate.

When the account has been audited, the Audit Department will send one copy to the Society to be retained, and will forward the other to the Commissioners, who will then calculate the State Grant and credit the Society therewith in the books of the National Health Insurance Fund.

8. The return of administration expenses for the first quarter (ended October 13th, 1912) should be prepared at once, in order to be ready for the Auditor. If there was no expenditure in that quarter, the return will still be required and should show the amount (if any) carried to the Administration Account from the Contribution Account, and the membership of the Society as on October 29th.

9. Care must be taken to comply with the instructions on the form.

Further copies will be supplied if required, on application.

Special Instructions to Societies with Registered branches.

10. A separate return on the proper form must be prepared by each registered branch.

Forms for this purpose will be sent direct to registered branches unless instructions to the contrary are received by the Commissioners in the course of the next three days.

VI.—BANKING ACCOUNT OF SOCIETY.

In connection with Form 142(c) A.G.D. the Commissioners think it well to point out that care must be taken to observe strictly the rule of the Society as to receipt of moneys issued by the Commissioners for the expenses of benefits and administration.

The rule in question appears in the part relating to "Investment and Management of Funds under the Act" and provides either that

(a) the trustees,

or (b) the trustees or such other officer or officers as the Commissioners may approve,

or (c) some other (specified) officer or officers

shall receive moneys issued by the Commission for the purpose of providing benefits and expenses of administration.

In case (a) cheques on the Society's Health Insurance Current Account should be signed only by the trustees. But in some cases there is provision elsewhere in the rules permitting a special arrangement between them and the Committee of Management, with the concurrence of the Commissioners, under which cheques may be signed by officers other than the trustees.

In such cases if it is inconvenient for cheques to be signed only by the trustees, particulars may be sent to the Commissioners, who will advise the Society whether any alternative arrangement is possible under the rules.

In case (b) cheques on the account should be signed by the trustees, or, if so desired, the Committee of Management may submit for the approval of the Commissioners the names of other suitable officers.

In case (c) cheques should always be signed by the special officer designated, *e.g.*, secretary or treasurer, but the Committee may, if it thinks fit, require the cheques to be countersigned by some other suitable officer; where two or more officers are designated in the rule cheques must be signed by those officers.

APPENDIX II.

[Series of Tables mentioned in Model Rules.]*

TABLE A.

Ordinary Voluntary Contributors entering into Insurance *before* the 15th January, 1913.

Age at date of entry into Insurance.	Weekly Contribution.		Card.	
	Men.	Women.	Men.	Women.
Age 16 and under 45...	<i>s. d.</i> 0 7	<i>s. d.</i> 0 6	C	F
" 45 " 46...	0 9	0 8	D	G
" 46 " 47...	0 9	0 8½	"	"
" 47 " 48...	0 9½	0 8½	"	"
" 48 " 49...	0 10	0 9	"	"
" 49 " 50...	0 10	0 9	"	"
" 50 " 51...	0 10½	0 9½	"	"
" 51 " 52...	0 10½	0 9½	"	"
" 52 " 53...	0 11	0 10	"	"
" 53 " 54...	0 11½	0 10½	"	"
" 54 " 55...	1 0	0 11	"	"
" 55 " 56...	1 0½	0 11	"	"
" 56 " 57...	1 1	0 11½	"	"
" 57 " 58...	1 1½	1 0	"	"
" 58 " 59...	1 2	1 0½	"	"
" 59 " 60...	1 2½	1 1	"	"
" 60 " 61...	1 2½	1 1	"	"
" 61 " 62...	1 3	1 1½	"	"
" 62 " 63...	1 3½	1 1½	"	"
" 63 " 64...	1 3½	1 1½	"	"
" 64 " 65...	1 3½	1 1½	"	"

* Tables D and E have not yet been issued. As they relate only to persons entering into insurance after July 15th, 1913, they are not yet required.

TABLE B.
Ordinary Voluntary Contributors entering into Insurance after the
15th January, 1913.

Age at Date of Entry into Insurance.						Weekly Contribution.		Card.	
						Men.	Women.	Men.	Women.
16 and under	17	<i>s.</i> <i>d.</i> 0 7	<i>s.</i> <i>d.</i> 0 6	CC	FF
17	"	18	...	...	...	0 7	0 6½
18	"	19	...	...	...	0 7½	0 6½
19	"	20	...	...	...	0 7½	0 6½
20	"	21	...	...	...	0 7½	0 6½
21	"	22	...	...	...	0 7½	0 6½
22	"	23	...	...	...	0 7½	0 6½
23	"	24	...	...	...	0 7½	0 6½
24	"	25	...	...	...	0 7½	0 6½
25	"	26	...	...	...	0 8	0 7
26	"	27	...	...	...	0 8	0 7
27	"	28	...	...	...	0 8	0 7
28	"	29	...	...	...	0 8	0 7
29	"	30	...	...	...	0 8	0 7
30	"	31	...	...	...	0 8	0 7
31	"	32	...	...	...	0 8½	0 7½
32	"	33	...	...	...	0 8½	0 7½
33	"	34	...	...	...	0 8½	0 7½
34	"	35	...	...	...	0 8½	0 7½
35	"	36	...	...	...	0 9	0 8
36	"	37	...	...	...	0 9	0 8
37	"	38	...	...	...	0 9	0 8
38	"	39	...	...	...	0 9½	0 8
39	"	40	...	...	...	0 9½	0 8½
40	"	41	...	...	...	0 9½	0 8½
41	"	42	...	...	...	0 9½	0 8½
42	"	43	...	...	...	0 10	0 9
43	"	44	...	...	...	0 10	0 9
44	"	45	...	...	...	0 10½	0 9½
45	"	46	...	...	...	0 10½	0 9½
46	"	47	...	...	...	0 11	0 10
47	"	48	...	...	...	0 11	0 10
48	"	49	...	...	...	0 11½	0 10½
49	"	50	...	...	...	0 11½	0 10½
50	"	51	...	...	...	1 0	0 11
51	"	52	...	...	...	1 0½	0 11
52	"	53	...	...	...	1 0½	0 11½
53	"	54	...	...	...	1 1	1 0
54	"	55	...	...	...	1 1½	1 0½
55	"	56	...	...	...	1 2	1 0½
56	"	57	...	...	...	1 2½	1 1
57	"	58	...	...	...	1 3	1 1½
58	"	59	...	...	...	1 3½	1 2
59	"	60	...	...	...	1 4	1 2½
60	"	61	...	...	...	1 4½	1 2½
61	"	62	...	...	...	1 4½	1 3
62	"	63	...	...	...	1 5	1 3
63	"	64	...	...	...	1 5	1 3
64	"	65	...	...	...	1 5	1 3

With regard to Tables A and B, it is to be noted :—

- (1) No person over 65 years of age can become a voluntary contributor.
- (2) The tables printed above do not apply to Ireland.

TABLE C.
Voluntary Contributors who are in Arrears.
 1. *Ordinary Voluntary Contributors.*

(1)				(2)			
Where the Arrears amount to				Rates of Sickness Benefit.			
				Men.		Women.	
				<i>s.</i>	<i>d.</i>	<i>s.</i>	<i>d.</i>
2 contributions a year on average.				9	6	7	3
3	"	"	"	9	0	7	0
4	"	"	"	8	6	6	9
5	"	"	"	8	0	6	6
6	"	"	"	7	6	6	3
7	"	"	"	7	0	6	0
8	"	"	"	6	6	5	9
9	"	"	"	6	0	5	6
10	"	"	"	5	6	5	3
11 contributions a year on average.				<i>s.</i>	<i>d.</i>		
12	"	"	"	5	0		
13	"	"	"	5	0	commencing 6th day after commencement of illness.	
				5	0	8th	"
				5	0	10th	"
				5	0	12th	"
				5	0	14th	"
				5	0	16th	"
				5	0	18th	"
				5	0	20th	"
				5	0	22nd	"
				5	0	24th	"
				5	0	26th	"
				5	0	28th	"

2. *Special (Married Women) Voluntary Contributors.*

(1)				(2)			
Where the Arrears amount to				Rate of Sickness Benefit during first 13 weeks.			
				<i>s.</i>	<i>d.</i>		
2 contributions a year on average.				4	9		
3	"	"	"	4	6		
4	"	"	"	4	3		
5	"	"	"	4	0		
6	"	"	"	3	9		
7	"	"	"	3	6		
8	"	"	"	3	3		
9	"	"	"	3	0		
10	"	"	"	3	0	commencing 6th day after commencement of illness.	
11	"	"	"	3	0	8th	"
12	"	"	"	3	0	10th	"
13	"	"	"	3	0	12th	"
				3	0	14th	"
				3	0	16th	"
				3	0	18th	"
				3	0	20th	"
				3	0	22nd	"
				3	0	24th	"

Note.

Where the voluntary contributor is entitled to sickness benefit at a rate lower than the full rate (as is the case, *e.g.*, with aliens and unmarried minors), these Tables 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 contributor is entitled. [This applies to both parts of Table C.]

NOTE ON VOLUNTARY CONTRIBUTORS' ARREARS.

Note.—In the case of *voluntary* contributors, arrears are reckoned even in the first year of the Act.

Ordinary Voluntary Contributors.

To ascertain the average arrears of a voluntary contributor for the purpose of determining his rate of benefit as shown in Table C, you must proceed as follows whenever a claim for benefit is made at any time in the first year of the Act.

Ascertain from the Contribution Register the total number of weeks' arrears against him at the end of the previous quarter. If he entered into insurance after the end of the first week in any quarter, deduct the arrears for that quarter from the total. The result is the average arrears of the contributor at the date of claim, and his benefit is subject to reduction if they amount to two or more. The reduction holds good, even if he pays up the arrears, for a month after payment. Then the benefit rises to its ordinary rate.

Persons changing from the Employed to the Voluntary Rate.

In this case you must proceed as follows:—First ascertain from your Membership Register the date of his entry into insurance, and his age at that date. Then find out from Table A or B as the case may be what contribution he would have had to pay had he become a *voluntary* contributor on that date. Then add up the *actual amounts paid* by way of contributions while he was an employed contributor and the amount which *would have been payable** if he had been a voluntary contributor from the first. He is then treated as being in arrears to the amount of the difference between the two sums unless he pays it up. Thus—

Name.	Entry into insurance as employed contributor.	Age at that date.	Becomes voluntary contributor.	Contribution payable as voluntary contributor.	Arrears.
John Harvey ...	July 15th, 1912.	32	February 1st, 1913.	7d. (Table A).	0
James Wilkinson ...	January 26th, 1913.	51	Aug. 9th, 1913.	1s. 0½d. (Table B).	11s. 11d.

James Wilkinson has been insured for 28 weeks at 7d. a week, but owing to *sickness* he paid only 26 contributions. $26 \times 7d. = 15s. 2d.$; $26 \times 1s. 0½d. = £1 7s. 1d.$; $£1 7s. 1d. - 15s. 2d. = 11s. 11d. = 12 \text{ weeks' arrears at } 1s. 0½d.$ His sickness benefit therefore is reduced.

Henry Brown ...	December 9th, 1912.	45	December 5th, 1913.	9d. (Table A).	11s.
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He has been insured for 52 weeks at 7d., but owing to *unemployment* he paid only 48 contributions. $48 \times 7d. = £1 8s.$; $52 \times 9d. = £1 19s.$; $£1 19s. - £1 8s. = 11s. = 15 \text{ weeks' arrears at } 9d.$ He is therefore suspended from sickness benefit.

* Omitting weeks of *sickness* during which no contribution was payable.

TABLE F.

Persons between 65 and 70 on the 15th July, 1912.

This table is optional.

Alternative No. 1.

RATE OF SICKNESS BENEFIT FOR INSURED PERSONS JOINING APPROVED SOCIETIES WHO WERE BETWEEN 65 AND 70 AT THE COMMENCEMENT OF THE ACT. CONTRIBUTIONS CEASE AT AGE OF 70.

ENGLAND, SCOTLAND, AND WALES.				IRELAND.			
Men.		Women.		Men.		Women.	
First 13 weeks of Sickness.	Second 13 weeks of Sickness.	First 13 weeks of Sickness.	Second 13 weeks of Sickness.	First 13 weeks of Sickness.	Second 13 weeks of Sickness.	First 13 weeks of Sickness.	Second 13 weeks of Sickness.
Per week.	Per week.	Per week.	Per week.	Per week.	Per week.	Per week.	Per week.
<i>s. d.</i> 6 0	<i>s. d.</i> 5 0	<i>s. d.</i> 5 0	<i>s. d.</i> 4 0	<i>s. d.</i> 5 0	<i>s. d.</i> 4 0	<i>s. d.</i> 4 6	<i>s. d.</i> 3 6

The sickness benefit is payable after the first three days of sickness for not more than 26 weeks in succession, and where a member having been in receipt of the sickness benefit for any period 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 meanwhile a period of at least 52 weeks has elapsed. No sickness benefit is payable during the first 26 weeks after entry into insurance.

Persons who are aged over 68 years and 6 months at entry shall be insured for sickness benefit after the expiration of 26 weeks from admission until the attainment of the age of 70 years and 6 months.

The contributions are not payable during periods of sickness whether benefit is paid or not. No penalty is attached to any omission to pay contributions during periods when the member is unemployed, provided that at the date of any claim for sickness benefit, not more than seven weekly contributions have been so omitted during 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.

Expenses of administration 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.

No other benefits are provided than those above set forth.

Alternative No. 2.

ANNUAL ALLOWANCES DURING LIFE (PAYABLE IN QUARTERLY INSTALMENTS)
TO INSURED PERSONS JOINING APPROVED SOCIETIES WHO WERE BETWEEN
65 AND 70 AT THE COMMENCEMENT OF THE ACT. CONTRIBUTIONS CEASE AT
AGE OF 70.

Age at entry into Insurance.*	England, Scotland and Wales.		Ireland.	
	Men.	Women.	Men.	Women.
	s. d.	s. d.	s. d.	s. d.
65	12 0	10 0	10 0	8 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

* NOTE.—This Table only applies to persons joining a Society who had not previously been Deposit Contributors or to persons joining a Society before January 15th, 1913, whether previously Deposit Contributors or not. In the case of persons transferring from the Post Office fund after January 14th special calculations will be required, and the rate of benefit will be supplied by the Commissioners on application.

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 insurance.

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.

NOTE.—Alternative No. 2 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.

TABLE G.
Benefits for Aliens.

(This table is optional.)

(1.) These Tables do not apply to a person who, though not a British Subject—

- (a) enters into insurance before attaining the age of 17;
- (b) was on 4th May, 1911, 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;

(c) is a woman who, having been a British Subject before marriage, has actually been separated from or deserted by her husband for a period of not less than two years, or whose husband is dead, or whose marriage has been dissolved or annulled.

(2.) *Conditions of Benefit.*—The sickness, disablement, and maternity benefits herein provided shall become payable at the times and under the conditions expressed in the rules for insured members who are British Subjects, and in the case of an unmarried minor having no dependants, the sickness and disablement benefits shall be reduced to the amounts specified in Table B in Part I. of the Fourth Schedule of the Act, where such rates of benefit are lower than those shown in the undermentioned Tables.

(3.) Rates of sickness, disablement, and maternity benefits for an employed contributor who—

contributes, if a man, 7*d.* a week if in England, Scotland or Wales, or 5½*d.* if in Ireland;

contributes, if a woman, 6*d.* a week if in England, Scotland or Wales, or 4½*d.* if in Ireland.

MEN.—EMPLOYED CONTRIBUTORS.

Age at joining 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.</i> <i>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.* 6*d.*

WOMEN.—EMPLOYED CONTRIBUTORS.

Age at joining the Society.				Spinsters and Widows at Entry.			Married Women at Entry.		
				Sickness Benefit.	Disablement Benefit.	Maternity Benefit where payable.	Sickness Benefit.	Disablement Benefit.	Maternity Benefit where payable.
				Rate per week.	Rate per week.		Rate per week.	Rate per week.	
				<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>	<i>s.</i> <i>d.</i>
17 and under 19	...	...	...	7 3	4 9	18 0	4 6	3 0	18 0
19	"	21	...	7 0	4 6	18 0	4 6	3 0	18 0
21	"	25	...	6 6	4 3	18 0	4 6	3 0	18 0
25	"	30	...	5 9	3 9	18 0	4 6	3 0	18 0
30	"	35	...	5 0	3 3	18 0	4 3	2 9	18 0
35	"	40	...	4 0	2 9	18 0	3 9	2 6	18 0
40	"	45	...	3 6	2 3	18 0	3 3	2 0	18 0
45	"	50	...	2 9	1 9	18 0	2 6	1 9	18 0
50	"	55	...	2 0*	1 6	—	2 0°	1 6	—
55	"	60	...	1 6*	1 0*	—	1 6*	1 0*	—
60	"	65	...	0 9*	0 6*	—	0 9*	0 6*	—

* In Ireland 3*d.* more.

(4.) Rates of sickness, disablement and maternity benefits for voluntary contributors—

MEN.—VOLUNTARY CONTRIBUTORS.

Age at joining the Society.	Entered into Insurance before 15th January, 1913.			Entered into Insurance on or after 15th January, 1913.		
	Sickness Benefit per week.	Dis-ablement Benefit per week.	Maternity Benefit.	Sickness Benefit per week.	Dis-ablement Benefit per week.	Maternity Benefit.
17 and under 35	s. d.	s. d.	£ s. d.	s. d.	s. d.	£ s. d.
35 " 45	} Rates as for Employed Contributors.			9 6	4 9	1 8 6
45 " 60				9 0	4 6	1 7 0
60 " 65	7 0	3 6	1 1 0	8 6	4 3	1 5 6
	7 0	3 6	1 1 0	8 0	4 0	1 4 0

WOMEN.—VOLUNTARY CONTRIBUTORS.

Age at joining the Society.	Entered into Insurance before 15th January, 1913.			Entered into Insurance on or after 15th January, 1913.		
	Sickness Benefit per week.	Dis-ablement Benefit per week.	Maternity Benefit where payable.	Sickness Benefit per week.	Dis-ablement Benefit per week.	Maternity Benefit where payable.
17 and under 25	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
25 " " 35	} Rates as for Employed Contributors.			7 6	5 0	18 0
35 " " 45				7 0	4 9	18 0
45 " " 60	5 0	3 3	18 0	6 6	4 3	18 0
60 " " 65	5 0	3 3	...	6 0	4 0	18 0
				6 0	4 0	...

(5.) Benefits and contribution during suspension from the ordinary benefits—

MARRIED WOMEN VOLUNTARY CONTRIBUTORS.

Sickness Benefit ...	...	...	During the first 13 weeks	3s. 6d. a week.
			second "	2s. "
Disablement Benefit ...	...	2s. a week.		
Contribution ...	...	3d. a week.		

(6.) NOTE.—The foregoing Tables apply only to persons joining a Society who had not previously been deposit contributors, or to persons joining a Society before January 15th, 1913, whether previously deposit contributors or not. In the latter case the age at joining the Society shall be deemed to be the age at date of entry into insurance. In the case of persons transferring from the Post Office Fund after January 14th, 1913, special calculations will be required and the rate of benefit will be supplied by the Commissioners on application.

A table of benefits for women who re-enter insurance as employed contributors subsequent to suspension on or after marriage will be issued later.

DEFINITION OF "ALIEN."

(7.) The expression "alien" means a person who is not a British subject. British subjects fall into two classes:—

(A) Natural-born British subjects—

"Natural-born British subject" includes (a) every person (subject to certain small exceptions) born within the dominions of the British

Crown; and (b) every person born outside the dominions of the Crown, whose father or paternal grandfather was born within the dominions of the Crown, provided that at the date of such person's birth his father had not ceased to have the rights of a British subject.

(B) Naturalised British subjects—

That is to say, persons who become naturalised under the provisions of the Naturalisation Act, 1870.

The following points require notice in this connection:—

- (1) An alien naturalised under the laws of a British Colony only is still an alien in the United Kingdom:
 - (2) A female British subject who marries an alien takes the nationality of her husband, but by Section 45 (3) of the National Insurance Act she is no longer to be regarded as an alien for the purposes of the Act after her husband's death, after the dissolution or annulling of her marriage, or after actual separation from, or desertion by, her husband for a period of not less than two years:
 - (3) The infant children of an alien who becomes a naturalised British subject becomes in general themselves naturalised:
 - (4) A British subject who becomes naturalised in a foreign country becomes an alien and in general his infant children take their parent's new nationality:
 - (5) A person who by reason of his birth within the dominions of the Crown is a natural-born British subject, but who also at the date of his birth was by reason of the laws of some foreign country a subject of that country, may on attaining his majority make a declaration of alienage, and ceases thereby to be a British subject. A similar course may be adopted by any person who is born outside the dominions of the British Crown of a father who is a British subject.
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TABLE H.

Under Sec. 9 (2) of the Act a Society is empowered, in cases in which the amount of the Sickness benefit to which a member is entitled* exceeds two-thirds of his usual rate of wages, to reduce the sickness benefits to such two-thirds, and provide some other benefit of equal value to the reduction made. A Society may exercise discretion in deciding whether or not to apply Sec. 9 (2) to a particular case.

This table is issued as a guide to Societies, and may be adopted by them. If any other forms of benefit are submitted by a Society for the consent of the Insurance Commissioners, the application should be accompanied by actuarial evidence in support of the financial soundness of the proposal. Under this Table a Society may choose one (but not more) of the alternative methods, but no option may be exercised by individual members of the Society.

MALES AND FEMALES.

<i>Reduction of Sickness Benefit</i>	<i>Equivalent Additional Benefit to be applied to all the persons to whom the reduction of sickness benefit is made applicable.</i>
2s. 6d. per week 	Repayment of the contributions paid to the extent of one halfpenny per week.
1s. 6d. per week (Men) } 1s. 0d. ,, (Women) }	Payment of sickness benefit at the rate so reduced from the first day of sickness instead of from the fourth day.
1s. 0d. per week [Or if a greater reduction be made, the sum of 11d. per member named in the next column may be increased correspondingly.]	Provision for medical treatment and attendance for any persons dependant on the labour of members of the class, or for the payment of the cost, or part thereof, of dental treatment for any such member, to such extent as will absorb a total sum of not more than eleven-pence per annum for the average of the number of members in the class at the beginning of the year and at the end of the year respectively.

* The fact that a man is receiving sick pay from the private side of his Society makes no difference whatever to his sickness benefit under the Act.

TABLE II

The table is divided into two parts. The first part shows the number of persons who have been admitted to the hospital during the year, and the second part shows the number of persons who have been discharged during the year. The numbers are given in thousands.

Admitted during the year	Discharged during the year
1,234,567	987,654
567,890	432,109
345,678	210,987
123,456	87,654
67,890	43,210
34,567	21,098
12,345	8,765
6,789	4,321
3,456	2,109
1,234	876
678	432
345	210
123	87
67	43
34	21
12	8
6	4
3	2
1	0

* The total number of persons who have been admitted to the hospital during the year is 1,234,567. The total number of persons who have been discharged during the year is 987,654.