



# Finance Act 2012

## 2012 CHAPTER 14

### PART 3

#### FRIENDLY SOCIETIES CARRYING ON LONG-TERM BUSINESS

*Exempt BLAGAB or eligible PHI business: benefits payable by friendly societies etc*

#### **161 Section 160: supplementary**

- (1) This section makes further provision for the purposes of section 160 the application of which depends on whether or not a friendly society is an old society.
- (2) For the purposes of this Part an “old society” means—
  - (a) a registered friendly society which was registered before 4 February 1966,
  - (b) a registered friendly society which was registered in the period beginning with that date and ending with 3 May 1966 and which on or before 3 May 1966 carried on any life or endowment business (within the meaning of section 29 of FA 1966), or
  - (c) an incorporated friendly society which, before its incorporation, was a registered friendly society within paragraph (a) or (b).
- (3) In applying the limits in section 160(3) in relation to the total premiums payable in any period of 12 months, ignore £10 of the premiums payable under any contract made before 1 September 1987 by an old society.
- (4) In applying the limits in section 160(3), the premiums under any contract for an annuity which was made before 1 June 1984 by a friendly society other than an old society are to be dealt with as if the contract were for the assurance of a gross sum.
- (5) In applying the limits in section 160 in any case where a person has outstanding with relevant persons one or more contracts made after 13 March 1984 and one or more contracts made on or before that date, any contract for an annuity which was made before 1 June 1984 by a friendly society other than an old society is to be regarded—
  - (a) as a contract for the annual amount concerned, and

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***Changes to legislation:** There are currently no known outstanding effects  
for the Finance Act 2012, Section 161. (See end of Document for details)*

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- (b) as a contract for the assurance of a gross sum equal to 75% of the total premiums which would be payable under the contract if it were to run for its full term or, as the case may be, if the member concerned were to die at the age of 75.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2012, Section 161.