CHAPTER 36.

An Act to amend the Savings Banks Acts. A.D. 1880.

[7th September 1880.]

BE it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Repayment by terminable annuity of deficit on trustee savings bank account. 26 & 27 Vict. c. 25.

1. Whereas in pursuance of the Savings Bank Investment Act, 1863, the National Debt Commissioners annually prepare a balance sheet showing the assets and liabilities of the Commissioners in respect of trustee savings banks on the previous twentieth day of November, and the said balance sheet has annually shown a deficiency of the said assets to meet the liabilities, and such deficiency has in pursuance of the said Act been declared by the Treasury to be a charge on the Consolidated Fund of the United Kingdom:

And whereas in the said balance sheet the securities forming part of the assets have in pursuance of the said Act been valued at the price which the like securities bore on the said day in the public market, and by reason of the adoption of that mode of valuation and the variation in the price of securities the deficiency has in some years appeared to have diminished, whereas if the securities had in every year been valued at the same price such diminution would not have appeared: 26 & 27 Vict. c. 25.

And whereas in pursuance of section seventeen of the Customs, Inland Revenue, and Savings Banks Act, 1877, the National Debt Commissioners annually make out an account with respect to the year ending on the previous twentieth day of November, showing on the one side the interest accrued on the above-mentioned assets, and showing on the other side the interest paid and credited to the trustees of trustee savings banks, and the interest accrued is annually insufficient to meet the interest paid and credited, and such deficiency has been paid out of moneys provided by Parliament: 40 & 41 Vict. c. 13.

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And whereas it is expedient to make further provision respecting the above-mentioned balance sheet and deficiencies: Be it therefore enacted as follows:

(1.) In every balance sheet of the assets and liabilities of the National Debt Commissioners in respect of trustee savings banks prepared after the passing of this Act in pursuance of the Savings Bank Investment Act, 1863, the assets besides being valued in manner directed by the said Act shall also be valued as follows; that is to say,

26 & 27 Vict. c. 25.

The Government stock shall be valued at such sum as would, if invested to yield three and a quarter per centum per annum, produce the same income as the said stock;

The terminable annuities shall be valued at the total amount of the future payments after deducting discount at the rate of three and a quarter per centum per annum; and

The residue of the assets shall be valued at par.

The sum by which the assets, valued as directed by this Act, in the balance sheet prepared for the year ending on the twentieth day of November one thousand eight hundred and eighty are insufficient to meet the liabilities of the National Debt Commissioners in respect of trustee savings banks on that day is in this Act referred to as the capital deficiency. There shall be added to the said capital deficiency the sum (if any) by which during the year ending on the last-mentioned day the interest accrued from the assets of the National Debt Commissioners in respect of trustee savings banks was insufficient to meet the interest paid and credited to the trustees of the trustee savings banks.

For the purpose of paying to the National Debt Commissioners the total deficiency so ascertained, the Treasury shall, by warrant under their hands, create and direct the Governor and Company of the Bank of England to inscribe in their books for the National Debt Commissioners on the trustee savings banks account a terminable annuity for such number of years, not exceeding twenty-eight, computed from the first day of April one thousand eight hundred and eighty-one, as the Treasury think expedient, of such an amount as will pay off the said total deficiency if the interest is calculated at the rate of three and a quarter per centum per annum.

The said annuity shall be charged upon the Consolidated Fund, and shall be added to and paid out of the permanent annual charge for the National Debt, and the permanent annual charge for the National Debt shall, during the period for which the said annuity is created, be increased by the amount of the annuity.

32 & 33 Vict. c. 59.

Sections four, five, six, and seven of the Savings Bank Investment Act, 1869, shall apply to such terminable annuity in like

manner as they apply to the terminable annuities created in pursuance of that Act for the National Debt Commissioners on account of savings banks.

Reduction of rate of interest in the case of trustee savings banks. 26 & 27 Vict. c. 87.

2. After the twentieth day of November one thousand eight hundred and eighty, all receipts issued either before or after that day to the trustees of trustee savings banks by the National Debt Commissioners, in respect of money paid into the Banks of England or Ireland by such trustees, shall carry interest at the rate of three per centum per annum, and the Trustee Savings Banks Act, 1863, shall be construed as if three pounds were throughout section twenty-one of that Act substituted for three pounds five shillings.

From and after the same day, the interest payable to depositors by the trustees of any trustee savings bank shall not exceed the rate of two pounds fifteen shillings per centum per annum.

Investment of deposits in savings banks in Government stock.

3.—(1.) Subject to the regulations under this Act, any deposit in a trustee or Post Office savings bank, or any part of such deposit, may on the request of the depositor be invested by the savings bank authority in any Government stock; provided that—

(*a.*) The sum invested shall not be less than ten pounds, or the amount of the current price of ten pounds stock with the addition of the commission, whichever sum is least:

(*b.*) The amount of stock credited to any one account in any savings bank year (whether any stock has been previously sold or not) shall not exceed one hundred pounds stock:

(*c.*) The whole amount of stock credited to any one account shall not exceed three hundred pounds stock.

(2.) Subject to the regulations under this Act, the depositor may request the savings bank authority to sell the stock standing to his account, or any part of such stock, not less than ten pounds stock, or than stock of the value of ten pounds over and above the commission, whichever is least.

(3.) Upon request from a depositor for an investment in stock under this section, the savings bank authority shall, in the prescribed manner, and on the prescribed day, not later than seven days after the receipt of the request, charge the depositor with the current price on that day of the stock and the commission, and credit the depositor with the equivalent amount of stock out of stock standing to the savings bank investment account of the National Debt Commissioners, and send to the depositor a certificate thereof in the prescribed form.

(4.) On a request for a sale of stock under this section the savings bank authority shall, in the prescribed manner, and on the pre-

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scribed day, not later than seven days after the receipt of the request, discharge the savings bank investment account of the National Debt Commissioners from the proper amount of stock and write the same off from the account of that depositor, and credit him with the current price on the said day of that stock after deducting commission, and shall forthwith pay over the same to him.

(5.) The dividends on the Government stock credited to a depositor shall, subject to the deduction of the commission, be dealt with in the same manner as interest on the deposits of that depositor.

(6.) For the purpose of an immediate investment under this section a deposit to an amount not exceeding the value of one hundred pounds stock with the commission may be deposited in one savings bank year, and in computing the maximum amount of deposit allowable for a depositor in a savings bank, the value of the amount of stock credited to the account of that depositor, or any sum deposited for the sole purpose of an immediate investment in stock, shall not be reckoned, and if by the price of any stock being credited to him as aforesaid, or by the deposit of any sum for immediate investment in stock, his deposit is raised so as to be in excess of the said maximum, that excess shall not be deemed unlawful.

(7.) Subject to the regulations under this Act all sums received by any savings bank authority for investment in Government stock shall be paid over to the National Debt Commissioners, and shall be invested in like manner as other moneys in the hands of those Commissioners, and all sums required for the payment of the sums credited to depositors as the price of stock sold shall be provided and paid by the National Debt Commissioners in like manner as sums required to repay deposits in savings banks.

The National Debt Commissioners shall keep to the prescribed account (in this Act referred to as the savings bank investment account) such amount of and description of Government stock as is sufficient to meet the amounts and description of stock credited to depositors in pursuance of this Act.

(8.) Subject to the regulations under this Act, on a request from a depositor to obtain for him a stock certificate with coupons annexed, under the National Debt Act, 1870, for such amount of stock standing to his account, being either fifty pounds or a multiple of fifty pounds, as is specified in the request, the savings bank authority shall, in the prescribed manner, write off the amount of stock from the account of the said depositor, and procure from the National Debt Commissioners a stock certificate for the same amount of stock.

33 & 34 Vict. c. 71.

Provided, that the sum required to pay for the commission, the expenses, and the fee for the stock certificate shall be paid by, or debited in account to, the depositor in the prescribed manner.

(9.) There shall be charged the prescribed commission on the investment and sale of stock and on the receipt of the dividends under this section, and such commission shall be applied in the prescribed manner in defraying the expenses incurred in carrying into effect this section.

(10.) The current price for purchases and sales respectively on any day shall be a price to be ascertained and certified on that day in the prescribed manner.

(11.) Subject to the regulations made under this Act all enactments for the time being in force relating to savings banks, and all regulations made in pursuance of those enactments, shall, so far as is consistent with the tenour thereof, be construed in like manner as if the stock standing to the credit of any account were a deposit.

Regulations as to investment in Government stock.

4. Subject to the provisions of this Act the Treasury, with the consent of the National Debt Commissioners so far as any regulations relate to those Commissioners, and with the consent of the Postmaster General so far as any regulations relate to Post Office Savings Banks, may from time to time make and when made revoke, alter, or add to regulations with respect to—

(1.) Investments in and sales of stock in pursuance of this Act; and the receipt and payment of dividends on such stock; and

(2.) Any other matter or thing necessary or proper for the purpose of carrying into effect this Act.

All regulations so made shall come into operation at the time therein mentioned, and shall be binding on all persons as if they were enacted in this Act; and a copy thereof shall be laid before both Houses of Parliament within one month after they are made if Parliament be then sitting, and if not, within one month after the commencement of the then next session of Parliament.

Definitions.

5. In this Act, unless the context otherwise requires—

The expression "Postmaster General" means Her Majesty's Postmaster General for the time being.

The expression "Treasury" means the Commissioners of Her Majesty's Treasury.

The expression "Government stock" means Consolidated Three Per Cent. Bank Annuities, Reduced Three Per Cent. Bank Annuities, and New Three Per Cent. Bank Annuities.

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The expression "National Debt Commissioners" means the Commissioners for the Reduction of the National Debt.

The expression "prescribed" means prescribed by the regulations made under this Act.

The expression "trustee savings bank" means a savings bank to which the Trustee Savings Banks Act, 1863, extends.

26 & 27 Vict. c. 87.

The expression "savings bank authority" means as regards any trustee savings bank the trustees of that bank, and as regards the Post Office Savings Banks the Postmaster General.

The expression "trustees" includes managers.

A savings bank year shall be reckoned as the twelve months ending, in the case of a trustee savings bank, on the twentieth day of November, and in the case of a Post Office Savings Bank, on the thirty-first day of December.

34 & 35 Vict. c. 17. 38 & 39 Vict. c. 13.

In computing time for the purposes of this Act there shall be excluded every Sunday and every day which is a holiday within the meaning of the Bank Holidays Act, 1871, and the Holidays Extension Act, 1875.

Amendment of 26 & 27 Vict. c. 87. s. 29., as to the separate surplus fund of trustee savings banks.

6. Nothing in section twenty-nine of the Trustee Savings Banks Act, 1863, shall require the trustees of any trustee savings bank to ascertain, certify, and pay over annually to the National Debt Commissioners the amount of any increased stock and property, except when they are required so to do by the said Commissioners, and any amount so paid over shall carry interest at the same rate as any other sums standing to the credit of the said trustee savings bank.

Commencement of Act.

7. This Act shall come into operation on the first day of November one thousand eight hundred and eighty.

Short title.

8. This Act may be cited as the Savings Banks Act, 1880.

26 & 27 Vict. c. 25. 26 & 27 Vict. c. 87.

Each of the Acts set forth in the Schedule to this Act is in this Act referred to and may be cited by the short title therein mentioned.

SCHEDULE.

ACTS REFERRED TO.

Session and Chapter.	Title.	Short Title.
26 & 27 Vict. c. 25. -	An Act to make further provision for the investment of the moneys received by the Commissioners for the Reduction of the National Debt from the trustees of savings banks established under the enactments of the Act Ninth George the Fourth, chapter ninety-two.	The Savings Bank Investment Act, 1863.
26 & 27 Vict. c. 87. -	An Act to consolidate and amend the laws relating to savings banks.	The Trustee Savings Banks Act, 1863.

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