CHAPTER 39.

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An Act to extend the classes of persons who can become insured as voluntary contributors for the purposes of widows', orphans' and old age contributory pensions, and otherwise to amend, in relation to voluntary contributors and women engaged in certain excepted employments, the enactments relating to such pensions and to health insurance, to amend section thirty of the Widows', Orphans' and Old Age Contributory Pensions Act, 1936, and section four of the Northern Ireland (Miscellaneous Provisions) Act, 1932, and for purposes connected with the matters aforesaid. [1st July 1937.]

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

Special Voluntary Contributors.

General provisions as to persons entitled to become special voluntary contributors.

1.—(1) Subject to the provisions of this Act, a person, not being a person mentioned in the First Schedule to this Act, shall, if he gives notice in that behalf in the prescribed manner and if he fulfils the requirements hereinafter mentioned, thereupon become insured for the purposes of the Widows', Orphans' and Old Age Contributory Pensions Act, 1936 (in this Act referred to as " the principal

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26 Geo. 5. & 1 Edw. 8. c. 33.

Act"), as a voluntary contributor thereunder, and pensions shall become payable in respect of his insurance accordingly.

The said requirements are as follows, that is to say:—

(*a*) in the case of a person who gives notice as aforesaid not later than twelve months after the commencement of this Act (in this Act referred to as an "initial entrant"), that he was under the age of fifty-five at the commencement of this Act;

(*b*) in the case of a person who is not an initial entrant, that he is at the date of his notice under the age of forty; and

(*c*) in the case of any person, whether an initial entrant or not—

(i) that he is resident in Great Britain at the date of the notice and has been so resident for a period of not less than ten years immediately before that date; and

(ii) that he has a total income not exceeding four hundred pounds a year in the case of a man, or two hundred and fifty pounds a year in the case of a woman, of which not more than two hundred pounds a year in the case of a man, or one hundred and twenty-five pounds a year in the case of a woman, is unearned income.

(2) Men who are entitled under the preceding subsection to become voluntary contributors may elect to become insured as such contributors for the purpose of widows' pensions and orphans' pensions only.

(3) A notice given for the purposes of subsection (1) of this section before the commencement of this Act shall have effect for all purposes as if given at the commencment of this Act.

(4) An initial entrant who gives notice under subsection (1) of this section after the commencement of this Act and after he has attained the age of fifty-five shall be deemed to have given the notice on the day on which he attained that age and, if he fulfils the requirements mentioned in the said subsection, to have become insured

for the purposes of the principal Act on that day, and references in this Act to entry into insurance shall be construed accordingly.

(5) In this Act the expression "special voluntary contributor" means a person who has become a voluntary contributor under the principal Act by virtue of this section and has not ceased to be such a voluntary contributor, and the expression "voluntary contributor" includes, except where the context otherwise requires, a special voluntary contributor.

(6) Regulations made by the Minister under the principal Act may prescribe the periods by reference to which, the principles on which, and the manner in which, the total income and the unearned income of a person are to be ascertained for the purposes of this section, and regulations so made may direct that, in such cases and for such purposes as may be specified in the regulations, income of the spouse of the person in question shall be taken into account as if it were income of that person, and may contain provisions making certificates of officers of Inland Revenue as to the total income or the unearned income of any persons conclusive evidence for the purposes of this section unless and until varied by a subsequent certificate.

Special provisions as to persons already possessing pension rights or other analogous rights. 26 Geo 5. & 1 Edw. 8. c. 32.

2.—(1) The following persons, if they become special voluntary contributors, shall become insured only for the purpose of widows' pensions and orphans' pensions, that is to say, male persons who are employed in, or have been granted a superannuation allowance on retirement from—

(*a*) an employment which is one of the excepted employments specified in paragraphs (*b*) and (*c*) of Part II of the First Schedule to the National Health Insurance Act, 1936 (in this Act referred to as "the Insurance Act"), and is an employment as respects which the Minister has certified that provision is made by a superannuation fund established by Act of Parliament, or by means of any other statutory enactment, or by other means approved by the Minister, for securing in respect of men employed therein benefits on the whole not less favourable than

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the benefits by way of old age pensions conferred on men and their wives by the principal Act;

(*b*) an employment which is one of the excepted employments specified in paragraphs (*d*), (*e*), (*f*), (*g*) and (*h*) of Part II of the said First Schedule.

(2) Notwithstanding anything in subsection (4) of section seventeen of the principal Act, an employment which is one of the excepted employments specified in paragraphs (*b*), (*c*) and (*d*) of Part II of the First Schedule to the Insurance Act shall for the purposes of this section be treated as such an employment, whether it is, or is not, also an excepted employment by virtue of paragraph (*k*) of the said Part II.

(3) References in this section to persons who have retired from particular employments shall include references to all persons who have retired from such employments, whether the date of the retirement is before or after the commencement of this Act, the principal Act or the Widows', Orphans' and Old Age Contributory Pensions Act, 1925.

15 & 16 Geo. 5. c. 70.

Statutory conditions in case of special voluntary contributors.

3.—(1) Sections five and nine of the principal Act (which prescribe the statutory conditions to be complied with in the case of a person in respect of whose insurance a pension is payable) shall not apply in the case of a special voluntary contributor, and the statutory conditions to be complied with in the case of a special voluntary contributor in respect of whose insurance a widow's or orphan's pension, or, as the case may be, an old age pension, is payable shall be the following, that is to say:—

(*a*) for a widow's or orphan's pension, that one hundred and four weeks have elapsed and one hundred and four contributions have been paid by him since his entry into insurance;

(*b*) for an old age pension, that he has been continuously insured for a period of not less than ten years immediately before the date on which he attains the age of sixty-five, and that two hundred and sixty contributions have been paid by him since his entry into insurance.

(2) In determining whether the statutory conditions have been complied with in the case of a special voluntary contributor, no account shall be taken of contributions

paid after the date on which he attained the age of sixty-five. A.D. 1937

Rates of contributions in the case of special voluntary contributors.

4.—(1) Section twelve of the principal Act (which relates to rates of contributions) shall not apply in relation to a special voluntary contributor, and the contributions payable under that Act by special voluntary contributors shall, subject to the provisions of this Act relating to persons who, having lapsed from insurance, become again insured as special voluntary contributors, be as specified in this section.

(2) The contributions so payable by special voluntary contributors (other than contributors insured for the purpose of widows' pensions and orphans' pensions only) shall be—

(*a*) in the case of initial entrants, at the rate of one shilling and threepence a week in the case of a man, and sixpence a week in the case of a woman;

(*b*) in the case of all other special voluntary contributors of that class, at the rates specified in Part I of the Second Schedule to this Act, being rates calculated by reference to age at the date of entry into insurance.

(3) The contributions so payable by special voluntary contributors who are insured for the purpose of widows' pensions and orphans' pensions only shall be—

(*a*) in the case of initial entrants, at the rate of tenpence a week; and

(*b*) in the case of all other special voluntary contributors of that class, at the rates specified in Part II of the said Second Schedule, being rates calculated by reference to age as aforesaid.

Provisions as to special voluntary contributors who cease to pay contributions, or pay contributions irregularly.

5.—(1) If at the end of any contribution year the contributions paid, or deemed to have been paid, by a special voluntary contributor in respect of that year are less than twenty-six, he shall, at the end of the following contribution year, cease to be entitled to pay contributions and cease to be insured:

Provided that he shall not so cease if, before the expiration of the second of those two contribution

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years, he has made up to twenty-six the number of contributions paid, or deemed to have been paid, by him in respect of the first of those years and has, or is deemed to have, paid at least twenty-six contributions in respect of the second.

(2) If over the period hereinafter mentioned the average number of contributions per contribution year paid, or deemed to have been paid, by a special voluntary contributor has fallen short of fifty, any pension payable in respect of his insurance shall be payable only at the reduced rate shown in the Third Schedule to this Act as appropriate to the circumstances of his case.

The said period shall be the period comprising the contribution year in which the contributor entered into insurance and each subsequent contribution year down to, and including, the contribution year immediately preceding the date on which he dies or attains the age of sixty-five, as the case may be:

Provided that, if less than twenty-six contributions were paid, or deemed to have been paid, by him in respect of the contribution year immediately preceding the death of the contributor, that year shall not be included in the said period.

(3) Where a person who has, or is deemed to have, paid as a special voluntary contributor at least twenty-six contributions in respect of each of five consecutive contribution years ceases to be insured, then, in the cases specified in the Fourth Schedule to this Act, there shall, in accordance with the provisions of that Schedule, be payable in respect of his insurance such pensions as are specified in that Schedule.

(4) If a person to whom the last preceding subsection applies again becomes insured—

(*a*) the pensions, if any, payable under that subsection in respect of his former insurance shall be paid in addition to the pensions, if any, payable in respect of his subsequent insurance, so however that there shall not be paid altogether in respect of his former and his subsequent insurance more than would have been payable in respect of him if he had at all times been insured as an employed contributor;

(*b*) if his subsequent insurance is as a special voluntary contributor, such diminution shall be made in the rate of contribution payable by him, and such adjustment shall be made in the provisions of subsections (2) and (3) of this section and of the Third and Fourth Schedules to this Act in their application to his case, as the Government Actuary may certify to be appropriate, having regard to his rights in respect of his previous insurance.

(5) Where a person enters into insurance as a special voluntary contributor in the course of the second contribution half-year in a contribution year, then, for the purposes of subsection (1) of this section, contributions shall be deemed to have been paid by him in respect of each contribution week in that half-year before his entry into insurance.

(6) Where a person enters into insurance as a special voluntary contributor in the course of a contribution year, then, for the purposes of subsection (2) of this section and of the Third Schedule to this Act, contributions shall be deemed to have been paid by him in respect of each contribution week in that year before his entry into insurance.

(7) If it is shown to the satisfaction of the Minister, or is decided on appeal in manner provided by the principal Act, that a special voluntary contributor who is normally engaged in some gainful occupation, and by whom not less than one hundred and four contributions have been paid, has, while so engaged, been rendered incapable of work by some specific disease or bodily or mental disablement of which notice has been given in the prescribed time and in the prescribed manner, then, for the purposes of subsections (1), (2) and (3) of this section and of the Third and Fourth Schedules to this Act, contributions shall be deemed to have been paid by him to such extent as may be prescribed in respect of any period of that incapacity after the first thirteen weeks thereof.

Regulations made by the Minister under the principal Act may require special voluntary contributors, as a condition of obtaining the benefit of this subsection, to furnish evidence of incapacity at such intervals as

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the Minister may require, and to submit to medical examination.

Special Pensions Account and Treasury Special Pensions Account.

6.—(1) There shall be kept, in accordance with directions of the Treasury, an Account to be called the Special Pensions Account, and, notwithstanding anything in the principal Act, there shall be carried thereto all contributions under the principal Act paid by special voluntary contributors, and there shall be paid thereout all pensions payable under the principal Act in respect of the insurance of special voluntary contributors:

26 Geo. 5. & 1 Edw. 8. c. 31.

Provided that an old age pension under the Old Age Pensions Act, 1936, which is payable by virtue of section eleven of the principal Act, shall not for the purposes of this section be deemed to be a pension payable under the principal Act, but shall be payable out of moneys provided by Parliament in manner provided by the Old Age Pensions Act, 1936.

(2) Any sums standing to the credit of the Special Pensions Account which are not required to meet expenditure shall from time to time be paid over to the Treasury and by them credited to an Account to be called the Treasury Special Pensions Account.

(3) There shall also be paid into the Treasury Special Pensions Account out of moneys provided by Parliament the following sums, that is to say:—

(*a*) in the year ending on the thirty-first day of March, nineteen hundred and forty, and in each of the two succeeding years, a sum greater by one-third than the sum which, on an estimate made in accordance with directions to be given by the Treasury, may be expected to be received in a contribution year in respect of the contributions of initial entrants on the basis that every initial entrant is insured throughout the year;

(*b*) in each of the next succeeding seven years, a sum so calculated that, if annual payments of that amount were made during a period of twenty-seven years, those payments together with the sums paid under paragraph (*a*) of this subsection would be equal in value to the capital

amount (as estimated by the Government Actuary in the year nineteen hundred and forty-one) of the loss to the Treasury Special Pensions Account arising through the admission to insurance of the persons admitted thereto as initial entrants; and

(*c*) in subsequent years, such sums as Parliament may determine with a view to meeting the loss to the Treasury Special Pensions Account arising through the admission to insurance, whether as initial entrants or otherwise, of persons admitted thereto as special voluntary contributors.

(4) If at any time it is shown to the Treasury that the sums in the Special Pensions Account are insufficient to meet the liabilities to be met thereout the Treasury may out of the Treasury Special Pensions Account issue to the Special Pensions Account any sums required for the purpose of discharging those liabilities.

(5) There shall be paid from the Special Pensions Account such sums as the Treasury may direct towards defraying expenses of the administration of the principal Act in relation to special voluntary contributors, and the sums so paid shall, in accordance with regulations made by the Treasury, be applied as an appropriation in aid of the moneys provided by Parliament for the expenses incurred in the administration of the principal Act.

(6) The provisions of subsections (4) and (6) of section fourteen of the principal Act (which relate to the investment of funds and the audit of accounts) shall apply to the Special Pensions Account and to the Treasury Special Pensions Account in like manner as they apply to the Pensions Account and to the Treasury Pensions Account.

Decennial reports by Government Actuary.

7.—(1) The Government Actuary shall in the year nineteen hundred and forty-eight, and in every succeeding tenth year, make a report to the Treasury on the general financial operation of the foregoing provisions of this Act, the amount of contributions from the Exchequer which will be required to preserve the solvency of the Treasury Special Pensions Account, and the value of the benefits conferred by the foregoing provisions of this Act:

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Provided that nothing in this provision shall be construed as preventing the Treasury from requiring additional reports to be so made at such times during the currency of any decennial period as they think fit.

(2) Every report of the Government Actuary under this section shall be laid before Parliament.

General Provisions.

Persons insured for purposes of principal Act.

8.—(1) For the purpose of enabling persons to be insured separately as voluntary contributors for purposes relating to pensions and as voluntary contributors for purposes relating to health, whether they are or are not so insured for the purposes of the other class, the following provisions shall have effect, that is to say:—

(i) subject to the provisions of this Act relating to persons who immediately before the commencement of this Act were voluntary contributors, a person shall not be deemed to be insured within the meaning of the principal Act by reason only that he is insured as a voluntary contributor under the Insurance Act; and

(ii) the following shall be the classes of persons insured within the meaning of the principal Act—

(*a*) persons who by virtue of any provision of this Act are voluntary contributors;

(*b*) persons who are insured, or treated as insured, under the Insurance Act otherwise than as voluntary contributors; and

(*c*) exempt persons and persons engaged in excepted employments:

Provided that a person mentioned in paragraph (*c*) of this subsection shall, unless he is also a person mentioned in paragraph (*a*) or paragraph (*b*) thereof, be insured for the purposes of the principal Act only in the circumstances, to the extent and subject to the conditions mentioned in sections sixteen and seventeen respectively of that Act.

(2) Section two of the principal Act shall cease to have effect.

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Persons entitled to become voluntary contributors (otherwise than as special voluntary contributors).

9.—(1) Subject to the provisions of this Act, a person who, having been employed in an employment or employments in respect of which he was insured under the principal Act for a period, whether continuous or not, of one hundred and four weeks or upwards, ceases to be so employed, shall, if he gives notice in that behalf within the prescribed time and in the prescribed manner, thereupon become a voluntary contributor under that Act:

Provided that, if a person who, at any time during the said period, was an exempt person, or was engaged in an excepted employment entailing the payment of contributions at less than the ordinary rates, becomes a voluntary contributor, he shall, subject to the provisions of the next succeeding subsection, be insured only for the same benefits and subject to the same conditions as while he was insured as an exempt person or as a person engaged in that excepted employment.

(2) Any such person as is mentioned in the proviso to the last foregoing subsection, who would be entitled to become a voluntary contributor if his insurance as an exempt person or, as the case may be, while engaged in an excepted employment were disregarded, may elect whether he will be insured as a voluntary contributor for all the purposes of the principal Act, or for the same purposes and subject to the same conditions as while he was compulsorily insured as an exempt person or as a person engaged in an excepted employment.

(3) A person who, having been employed within the meaning of the Insurance Act and insured as an employed contributor for a period, whether continuous or not, of one hundred and four weeks or upwards, becomes an exempt person, or becomes engaged in an excepted employment entailing the payment either of no contributions under the principal Act or of contributions thereunder at less than the ordinary rates, shall be entitled to become, or, if he is already a voluntary contributor, to remain, a voluntary contributor under the principal Act in the same manner as if he had ceased to be employed on the date when he became an exempt person, or, as the case may be, became engaged in such an excepted employment as aforesaid.

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(4) If, in the case of a person employed in an excepted employment entailing the payment of contributions under the principal Act, contributions thereunder either cease to be payable or become payable at less than the ordinary rates, that person shall be entitled to become a voluntary contributor under the principal Act in all respects as if he had ceased to be employed in such an employment as aforesaid.

(5) If a person while insured as a voluntary contributor becomes insured as an employed contributor for any period, he may, if he ceases to be employed within the meaning of the Insurance Act and gives notice within the prescribed time and in the prescribed manner, again become a voluntary contributor:

Provided that, unless under any of the foregoing provisions of this section he is entitled to become a voluntary contributor for all purposes, he shall only become such a contributor for the same purposes and subject to the same conditions as while he was previously insured as a voluntary contributor.

Rates and mode of payment of contributions, and provisions as to irregular payment of contributions by voluntary contributors.

10.—(1) The contributions payable under the principal Act by voluntary contributors, other than special voluntary contributors, shall be—

(*a*) in the case of persons insured only for the purposes of widows' pensions and orphans' pensions, at the rates specified in Part IV of the First Schedule to the principal Act; and

(*b*) in other cases, at the ordinary rates of contribution.

(2) The provisions of section five of, and of the Third and Fourth Schedules to, this Act shall, subject to the prescribed modifications, apply in relation to a voluntary contributor under the principal Act who is not a special voluntary contributor as if he were a special voluntary contributor, and condition (*b*) in subsection (1) of section five of the principal Act and condition (*c*) in subsection (1) of section nine of the principal Act (being statutory conditions requiring a certain number of contributions to have been paid per contribution year on an average taken over a specified period) shall not apply in relation to any such voluntary contributor.

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Women employed in certain excepted employments not to be insured for purposes of principal Act.

11. After the commencement of this Act no contributions shall be payable in respect of women employed in one of the excepted employments specified in paragraph (*d*) of Part II of the First Schedule to the Insurance Act, or in one of the excepted employments specified in paragraphs (*b*) and (*c*) of that Part as respects which the Minister has certified that provision is made by means of a superannuation fund established by Act of Parliament, or by means of any other statutory enactment, or by other means approved by the Minister, for securing benefits in respect of women employed in that employment on the whole not less favourable than the benefits by way of old age pensions conferred by the principal Act on women, and women so employed shall not be insured under the principal Act.

Miscellaneous provisions.

12.—(1) Notwithstanding anything in this Act, a person who on attaining the age of sixty-five is insured as a voluntary contributor shall continue insured throughout his life, but no contributions shall be payable by him in respect of any contribution week after he attained that age.

(2) A person who ceases to be insured shall, if he again becomes insured, be treated as if he had never previously been insured:

Provided that nothing in this subsection affects the provisions of section five of this Act relating to the reduction of contributions and the making of other adjustments in the case of certain persons in respect of whose former insurances pensions may become payable.

(3) Regulations made by the Minister under the principal Act may make provision for the transition of persons from insurance as voluntary contributors to insurance by virtue of any employment entailing the payment of contributions under the principal Act and conversely.

(4) The provisions of this subsection apply to a woman who, at the date of her marriage, either—

(*a*) was insured as a voluntary contributor under the principal Act; or

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(*b*) having been employed in an employment or employments in respect of which she was insured under the principal Act for a period, whether continuous or not, of one hundred and four weeks or upwards, was so insured;

and who marries a man who is at the date of their marriage, or within three months thereafter becomes, insured under the principal Act.

If the husband of a woman to whom this subsection applies dies within the prescribed period after their marriage and at the date of his death was insured under the principal Act, then, if she was not at the date of his death insured under the principal Act and does not become entitled to a widow's pension in respect of his insurance, she shall, if she gives notice within the prescribed time and in the prescribed manner, be entitled to become insured as a voluntary contributor under the principal Act, and—

(i) if she so becomes insured as a voluntary contributor; or

(ii) if, within three months after the date of her husband's death, she becomes employed in an employment in respect of which she is insured under the principal Act,

then, for all the purposes of the principal Act, that insurance shall, notwithstanding anything in subsection (2) of this section, be treated as continuous with her former insurance and a contribution shall be deemed to have been paid by, or in respect of, her in respect of each week during the subsistence of her marriage in respect of which a contribution was not in fact paid.

(5) Where a person is in receipt of a pension payable by the Minister of Pensions, the Minister of Pensions may, with the consent of the pensioner, notwithstanding anything in any Act, Royal Warrant, Order in Council, or order, pay any contributions payable by the pensioner as a voluntary contributor under the principal Act, and deduct the amount so paid on his behalf from the pension payable to him.

(6) A voluntary contributor shall be entitled to pay contributions under the principal Act in respect of

any contribution year at any time before the end of the immediately succeeding contribution half year :

Provided that nothing in this subsection shall apply in relation to the proviso to subsection (1) of section five of this Act.

(7) It is hereby declared that neither contributions under the principal Act nor contributions under the Insurance Act can be paid in respect of any voluntary contributor after his death.

(8) Contributions payable by a person as a voluntary contributor under the principal Act and contributions payable by that person under the Insurance Act shall, notwithstanding anything in those Acts, not be paid as one contribution under the Insurance Act.

Repeal of certain provisions of Insurance Act, and consequential and minor amendments of principal Act and that Act.

13.—(1) The following provisions of the Insurance Act, that is to say, paragraph (*c*) of subsection (1) of section three, subsections (3), (4) and (5) of that section and section one hundred and twenty-one (being provisions conferring on certain persons rights to become voluntary contributors for the purposes of that Act) and subsection (2) of section nineteen (being a provision enabling elderly persons to pay contributions as if they were voluntary contributors for the purposes of that Act) shall cease to have effect.

(2) The amendments specified in the Fifth Schedule to this Act, being minor amendments or amendments consequential upon the provisions of this Act, shall be made in the sections of the principal Act and of the Insurance Act specified in that Schedule.

Claims and appeals.

14.—(1) For section thirty of the principal Act (which relates to claims and appeals) there shall be substituted the following section :—

"**30.**—(1) Subject to the provisions of this Act and in accordance with any regulations made thereunder, all claims for or in respect of pensions, all applications for entry into insurance as a voluntary contributor and all questions arising under this Act as to the rate of contribution appropriate to, or the number of contributions paid or deemed

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to have been paid by, a voluntary contributor shall be made or submitted to the Minister.

(2) If any person is dissatisfied by the award or decision of the Minister in respect of any such claim, application or question as aforesaid, the matter shall, on application being made within the time prescribed in relation to matters of that class, be referred to one or more referees selected in accordance with regulations made by the National Health Insurance Joint Committee (hereinafter called "the Joint Committee") from a panel of referees to be appointed in accordance with regulations so made, and the decision of the referee or referees shall be final and conclusive:

Provided that—

(*a*) nothing in this subsection shall be construed as requiring such a reference to be made as respects any matter which by this Act is a matter within the discretion of the Minister; and

(*b*) if any question involved is one which might at any time have arisen under the Insurance Act or under any repealed Act relating to national health insurance and, if it had so arisen, would have fallen to be decided under and in accordance with the provisions of section one hundred and sixty-one or section one hundred and sixty-three of the Insurance Act, or under and in accordance with the provisions of one of the corresponding sections of the Act so repealed, that question shall be decided under and in accordance with that one of those sections of the Insurance Act which is appropriate.

(3) For the purposes of this section any question—

(*a*) whether any person is or was entitled to be a voluntary contributor other than a special voluntary contributor;

(*b*) whether any person is or was an exempt person;

(*c*) whether any employment or class of employment is an excepted employment or any particular class of excepted employment;

(*d*) whether a person is or was a person engaged in an excepted employment; or

(*e*) as to who is or was the employer of a person engaged in an excepted employment;

shall be deemed to be a question which might have arisen under the Insurance Act and would have fallen to be decided under and in accordance with the provisions of the said section one hundred and sixty-one ".

(2) Nothing in this section applies in relation to any claim made to the Minister before the commencement of this Act.

Reciprocal arrangements with countries outside Great Britain.

15.—(1) The amendments effected by this Act in the principal Act and in the Insurance Act shall not prevent any scheme of health insurance and of pensions established outside Great Britain from being treated for the purposes of section thirty-five of the principal Act (which relates to reciprocal arrangements) as a scheme substantially corresponding to those provided by virtue of the Insurance Act and the principal Act, if it could have been so treated if this Act had not been passed.

(2) In subsection (1) of the said section thirty-five, for the words " periods of insurance, contributions paid, and residence ", in both places where those words occur, there shall be substituted the words " employment or " insurance, contributions or pensions paid, and resi- " dence ", and for the words " for the purpose of qualification for pensions in the other country " there shall be substituted the words " for the purpose of all " or any of the provisions of the pensions scheme or " schemes in force in the other country ".

Amendment of 22 Geo. 5. c. 11. s. 4 (1).

16.—(1) In subsection (1) of section four of the Northern Ireland (Miscellaneous Provisions) Act, 1932 (which relates to reciprocal pension arrangements between Northern Ireland and other parts of His Majesty's Dominions), for the words " Contributory Pensions

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Acts, 1925 to 1931" there shall be substituted the words "Contributory Pensions Acts, 1936 and 1937".

(2) In paragraph (*a*) of the said subsection (1), for the words "periods of insurance, contributions paid, and residence", in both places where those words occur, there shall be substituted the words "employment or insurance, contributions or pensions paid, and residence", and for the words "for the purpose of qualification for pensions in the other country" there shall be substituted the words "for the purpose of all or any of the provisions of the pensions scheme or schemes in force in the other country".

Transitory provisions.

17.—(1) The provisions of section nine of this Act, which enable persons to become voluntary contributors under the principal Act upon the happening of certain events mentioned in the said section, shall have effect in relation to persons as respects whom those events happened before the date of the commencement of this Act, but who are still insured at that date, as they apply in relation to persons as respects whom those events happen after the commencement of this Act.

(2) Until such date as may be prescribed, the principal Act and the Insurance Act shall, in relation to all persons who immediately before the commencement of this Act were voluntary contributors, continue to have effect as if this Act had not been passed, and on and after the said date the said Acts shall continue so to have effect in relation to such of those persons as either—

(*a*) have before the said date ceased to be entitled to pay contributions; or

(*b*) not having ceased to be entitled to pay contributions, have before the said date elected within the prescribed time and in the prescribed manner that the said Acts shall continue so to have effect in relation to them:

Provided that the provisions of this subsection shall cease to apply in relation to any person if at any time he ceases to be insured.

(3) Subject to the provisions of the last preceding subsection, the persons who immediately before the

commencement of this Act were voluntary contributors shall, unless at the prescribed date mentioned in that subsection they have already ceased to be insured, become on that date voluntary contributors under the principal Act, as amended by this Act, and, separately, voluntary contributors under the Insurance Act, as amended by this Act:

Provided that—

(*a*) any such person who, when compulsorily insured, was insured only for widows' and orphans' pensions may elect to be insured for those purposes only; and

(*b*) if any person mentioned in this subsection fails to pay such number of contributions under the principal Act in respect of the next contribution year before the expiration of such period after the end thereof as may be prescribed, he shall cease, as from the end of that period, to be entitled to pay contributions under the principal Act and his insurance thereunder shall cease on the date on which it would have ceased if this Act had not been passed.

For the purposes of this subsection, the expression "next contribution year" means, if the prescribed date is the first day of a contribution year, that year and, if it is not, the first contribution year commencing after that date.

(4) The repeal by this Act of subsection (2) of section nineteen and subsection (4) of section two hundred and twenty-seven of the Insurance Act shall not deprive any employed contributor who at the commencement of this Act has attained the age of sixty in the case of a man, or fifty-five in the case of a woman, of any of the rights conferred by those subsections.

(5) References in this Act to the principal Act or to the Insurance Act shall, unless the context otherwise requires, be construed as including references respectively to any former Act relating to contributory pensions or to national health insurance.

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Administrative expenses.

18. Any increase attributable to this Act in the expenses incurred in the administration of the principal Act or of the Old Age Pensions Act, 1936, shall, to such extent as may be sanctioned by the Treasury, be defrayed out of moneys provided by Parliament.

Application to Scotland.

19. For the purpose of the application of this Act to Scotland—

A separate account to be called the Special Pensions (Scotland) Account shall be kept, and all the provisions of this Act and of the principal Act, as amended by this Act, relating to the Special Pensions Account (including the provisions as to the making of payments thereto from the Treasury Special Pensions Account), shall apply to the Special Pensions (Scotland) Account in like manner as those provisions apply to the Special Pensions Account.

Short title, construction, citation, commencement, repeal and extent.

20.—(1) This Act may be cited as the Widows', Orphans' and Old Age Contributory Pensions (Voluntary Contributors) Act, 1937, and shall be construed as one with the principal Act, and that Act and this Act may be cited together as the Widows', Orphans' and Old Age Contributory Pensions Acts, 1936 and 1937.

(2) This Act shall come into force on the first Monday in the year nineteen hundred and thirty-eight.

(3) The enactments set out in the Sixth Schedule to this Act are hereby repealed to the extent specified in the third column of that Schedule.

(4) This Act, except section sixteen thereof, shall not extend to Northern Ireland.

SCHEDULES.

FIRST SCHEDULE.

Section 1.

PERSONS NOT ENTITLED TO BECOME SPECIAL VOLUNTARY CONTRIBUTORS.

Classes of persons.

1. Persons employed within the meaning of the Insurance Act.

2. Persons who are, or are qualified to become, voluntary contributors under the principal Act, otherwise than by virtue of the provisions of this Act relating to special voluntary contributors.

3. Persons employed in an employment which is one of the excepted employments specified in paragraphs (*b*), (*c*) and (*d*) of Part II of the First Schedule to the Insurance Act, in respect of whom contributions are payable under the principal Act.

4. Persons who are employed in, or have been granted a superannuation allowance on retirement from, an employment which is one of the excepted employments specified in paragraphs (*b*), (*c*) and (*d*) of Part II of the First Schedule to the Insurance Act, and is an employment as respects which the Minister has certified that provision is made by a superannuation fund established by Act of Parliament, or by means of any other statutory enactment, or by other means approved by the Minister, for securing in respect of men employed therein and of their widows and children, or in respect of women employed therein and their children, benefits on the whole not less favourable than all the benefits conferred by the principal Act.

5. Female persons who are employed in, or have been granted a superannuation allowance on retirement from, an employment which is one of the excepted employments specified in paragraphs (*b*), (*c*) and (*d*) of Part II of the First Schedule to the Insurance Act, and is an employment as respects which the Minister has certified that provision is made as aforesaid for securing benefits in respect of women employed therein on the whole not less favourable than the benefits by way of old age pensions conferred by the principal Act on women.

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1ST SCH. —*cont.*

6. Female teachers who are employed in, or have been granted a superannuation allowance on retirement from, an employment which is one of the excepted employments specified in paragraphs (*e*), (*f*), (*g*) and (*h*) of Part II of the First Schedule to the Insurance Act.

7. The wives of persons mentioned in paragraphs 1 to 4 of this Schedule.

8. The wives of persons who, if otherwise qualified to become special voluntary contributors, are under subsection (1) of section two of this Act allowed to become special voluntary contributors only for the purpose of widows' pensions and orphans' pensions.

9. The widows of persons who immediately before their deaths fell within the classes of persons enumerated in paragraphs 1 to 4 of this Schedule, other than—

(*a*) the widows of insured persons in respect of whose insurance no widow's pension became payable by reason of any of the conditions mentioned in sections three and five of the principal Act not being satisfied, and

(*b*) a woman who, although she is the widow of a person mentioned in paragraph 4 of this Schedule, did not on his death become entitled to any benefits under the provision made as respects his employment for securing benefits in respect of the widows of men employed therein.

Interpretation.

10. Notwithstanding anything in subsection (4) of section seventeen of the principal Act, an employment which is one of the excepted employments specified in paragraphs (*b*), (*c*) and (*d*) of Part II of the First Schedule to the Insurance Act shall for the purposes of this Schedule be treated as such an employment, whether it is, or is not, also an excepted employment by virtue of paragraph (*k*) of the said Part II.

11. References in this Schedule to persons who have retired from particular employments shall include references to all persons who have retired from such employments, whether the date of the retirement is before or after the commencement of this Act, the principal Act or the Widows', Orphans' and Old Age Contributory Pensions Act, 1925.

SECOND SCHEDULE.

PART I.

RATES OF CONTRIBUTIONS PAYABLE BY SPECIAL VOLUNTARY CONTRIBUTORS INSURED FOR ALL THE BENEFITS OF THE ACT, OTHER THAN INITIAL ENTRANTS.

MEN.		WOMEN.	
Age next birthday at date of entry not exceeding	Weekly rate of contribution.	Age next birthday at date of entry not exceeding	Weekly rate of contribution.
	s. d.		*d.*
21	1 3	25	6
22	1 4	30	7
23	1 4	35	8
24	1 5	37	9
25	1 6	38	10
26	1 7	40	11
27	1 8		
28	1 9		
29	1 10		
30	1 11		
31	2 0		
32	2 1		
33	2 2		
34	2 3		
35	2 4		
36	2 5		
37	2 6		
38	2 7		
39	2 9		
40	2 11		

PART II.

RATES OF CONTRIBUTIONS PAYABLE BY SPECIAL VOLUNTARY CONTRIBUTORS (MEN ONLY) INSURED FOR WIDOWS' AND ORPHANS' PENSIONS ONLY, OTHER THAN INITIAL ENTRANTS.

Age next birthday at date of entry not exceeding	Weekly rate of contribution.
	s. d.
23	10
25	11
27	1 0
29	1 1

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2ND SCH. —*cont.*

Age next birthday at date of entry not exceeding	Weekly rate of contribution.
	s. *d.*
31	1 2
33	1 3
35	1 4
37	1 5
39	1 6
40	1 7

Sections 5, 10.

THIRD SCHEDULE.

REDUCED RATES AT WHICH PENSIONS ARE PAYABLE BY VIRTUE OF SECTION 5 (2).

Average number of contributions.	Widows' Pensions or Old Age Pensions.	Allowances.		Orphans' Pensions.
		Eldest qualified child.	Each other qualified child.	
	s. *d.*	*s.* *d.*	*s.* *d.*	*s.* *d.*
45 and under 50	9 0	4 6	2 9	6 9
40 and under 45	8 0	4 0	2 6	6 0
35 and under 40	7 0	3 6	2 3	5 3
30 and under 35	6 0	3 0	2 0	4 6
26 and under 30	5 0	2 6	1 6	3 9

Sections 5, 10.

FOURTH SCHEDULE.

PENSIONS PAYABLE IN RESPECT OF INSURANCE OF LAPSED CONTRIBUTORS.

1. In this Schedule—

"Lapsed contributor" means a person who, having paid, or being deemed to have paid, as a special voluntary contributor at least twenty-six contributions in respect of each of five consecutive contribution years, ceases to be insured;

" Contribution average " means in relation to a lapsed contributor the number of contributions arrived at by dividing the total number of contributions paid or deemed to have been paid by him by the number of contribution years in the period comprising the contribution year in which he entered into insurance and each subsequent contribution year down to and including the contribution year immediately preceding the sixty-fifth anniversary of his birth.

2. If a male lapsed contributor (not being an initial entrant who was insured for the purpose of widows' pensions and orphans' pensions only) dies within a period of three years from the end of the contribution year in which he ceased to be insured and leaves a widow or an orphan child, a widow's pension or an orphan's pension, as the case may be, shall be payable at a rate calculated as though he had died on the first day of the contribution year following the last contribution year in respect of which he paid at least twenty-six contributions.

3. In the case of a male lapsed contributor whose contribution average is at least twenty contributions (not being an initial entrant or a person insured for the purpose of widows' and orphans' pensions only)—

(*a*) if he dies after the period mentioned in the last preceding paragraph and leaves a widow, a widow's pension shall be payable to her if she is then of the age of sixty-five, or if and when she attains the age of sixty-five without having remarried;

(*b*) when he attains the age of sixty-five, an old age pension shall be payable to him, and when both he and his wife have attained that age an old age pension shall be payable also to his wife.

The pensions payable under this paragraph shall be, in the case of a lapsed contributor with a contribution average of at least forty-five contributions, at the weekly rate of seven shillings and, in the case of a lapsed contributor whose contribution average is less than forty-five contributions, at the weekly rate of seven shillings less one shilling for each five contributions, or part of five contributions, of the deficiency; and no additional allowances shall be payable in the case of a widow's pension payable under this paragraph.

4. There shall be paid to any female lapsed contributor with a contribution average of at least ten contributions an old age pension when she attains the age of sixty-five:

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4TH SCH. —*cont.*

Provided that no pension shall be payable under this paragraph—

(*a*) to any initial entrant whose age next birthday at the date of entry into insurance was fifty-one years or more;

(*b*) to any initial entrant whose age next birthday at the date of entry into insurance was forty-six years or more, unless her contribution average is at least thirty-five contributions;

(*c*) to any initial entrant whose age next birthday at the date of entry into insurance was forty-one years or more, unless her contribution average is at least twenty-five contributions;

(*d*) to any initial entrant whose age next birthday at the date of entry into insurance was thirty-six years or more, unless her contribution average is at least fifteen contributions.

The pensions payable under this paragraph shall be at the rates set out in the following table :—

Contribution Average.	Women (other than initial entrants whose age next birthday at date of entry exceeded 25).	Women initial entrants whose age next birthday at date of entry was				
		26 to 30	31 to 35	36 to 40	41 to 45	46 to 50
	s. d.	*s. d.*	*s. d.*	*s. d.*	*s. d.*	*s. d.*
45 and over	9 0	8 0	7 0	6 0	4 0	2 0
40 and under 45	8 0	7 0	6 0	5 0	3 0	2 0
35 " " 40	7 0	6 0	5 0	4 0	3 0	2 0
30 " " 35	6 0	5 0	4 0	3 0	2 0	—
25 " " 30	5 0	4 0	4 0	3 0	2 0	—
20 " " 25	4 0	3 0	3 0	2 0	—	—
15 " " 20	3 0	3 0	2 0	2 0	—	—
10 " " 15	2 0	2 0	2 0	—	—	—

FIFTH SCHEDULE.

Section 13.

CONSEQUENTIAL AND MINOR AMENDMENTS OF PRINCIPAL ACT AND OF INSURANCE ACT.

AMENDMENTS OF PRINCIPAL ACT.

Section five.

In proviso (iv) of subsection (1), the words " deemed to be " shall be omitted.

Section eight.

At the end of subsection (2) there shall be added the following paragraph :—

" Where an old age pension ceases to be payable under the proviso to this subsection, the widows' pension payable in lieu thereof shall be paid at a rate not lower than that of the old age pension."

Section eleven.

At the end of the section there shall be inserted the following subsection :—

" (2) Where the pension to which any such person as aforesaid, or, as the case may be, the husband of any such person as aforesaid, was or would have been entitled was or would have been payable in respect of the insurance of a voluntary contributor and at a lower rate than ten shillings a week, the foregoing provisions of this section shall have effect as if for the reference to the rate of ten shillings a week there were substituted a reference to that lower rate, but nothing in this subsection shall be construed as depriving any person of any rights under the Old Age Pensions Act, 1936, which he would have had if this Act had not been passed.

In applying the provisions of this subsection to a person who was or would have been entitled to a widow's pension, any additional allowance to which she was or would have been entitled shall be left out of account."

Section twelve.

In paragraph (*a*) of subsection (1), after the word " insured " there shall be inserted the words " as an employed contributor," and the words " whether an employed contributor or a voluntary contributor " shall be omitted.

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5TH SCH. —*cont.*

In proviso (ii) to paragraph (*d*) of subsection (1), for the words from "the contributions payable" to the end of the proviso there shall be substituted the words "the contributions payable in respect of such men shall be at the rates specified in Part IV of the First Schedule to this Act, and no contributions shall be payable in respect of such women".

In paragraph (*e*) of subsection (1), after the words "every person" there shall be inserted the words "being a man"; and, in the proviso, the words "or in respect of women employed therein and of their children" and the words "or such women, as the case may be" shall be omitted.

Section thirteen.

In subsection (1), after the words "an insured person" there shall be inserted "being an employed contributor under the Insurance Act," and after the words "the age of sixty-five" there shall be inserted the words "or by a person who is a voluntary contributor."

Section sixteen.

In subsection (1), the words "be deemed to", in both places where they occur, shall be omitted.

In subsection (4), the words "by virtue of any of the provisions of the Insurance Act" shall be omitted.

Section seventeen.

In subsections (1) and (2), the words "deemed to be", wherever they occur, shall be omitted.

Section twenty-two.

In paragraph (*b*) of subsection (1), the words "being other than a married woman and," "under the Insurance Act," "for the purposes of this Act" in both places where those words occur, and "at the ordinary rates" shall be omitted; and for the words "desires to become a voluntary contributor" there shall be substituted the words "desires to continue to be or to become a voluntary contributor."

Subsection (3) shall cease to have effect.

Section twenty-five.

In subsection (1), after the words "Pensions Account" there shall be inserted the words "or, in the case of a pension which would have been payable out of the Special Pensions Account, out of that Account."

At the end of subsection (4) there shall be added the following paragraph :—

"Where a widow's pension payable to a woman is at a lower rate than an old age pension to which she would be entitled but for the payment of the widow's pension, the rate of the widow's pension shall be increased so as to be equal to that of the old age pension to which she would otherwise be entitled."

Section thirty-two.

For paragraph (*d*) of subsection (1) there shall be substituted the following paragraph :—

"(*d*) for providing for any necessary apportionment or allocation between the appropriate National Health Insurance Funds, the Pensions Account and the Special Pensions Account in respect of sums received on account of contributions, and for any necessary financial adjustment between the Pensions Account and the Special Pensions Account;"

Section forty-one.

In subsection (1), after the words "Provided that" there shall be inserted the following words :—

"(*a*) the reports under this subsection shall not deal with the operation of this Act in relation to special voluntary contributors, or the value of the benefits conferred thereby in respect of the insurance of special voluntary contributors;

(*b*)"

Section forty-two.

In subsection (1), for the definition of "contributions," there shall be substituted the following definition—

"Contributions" means contributions under this Act, or any Act repealed by this Act, or as respects any period before the fourth day of January, nineteen hundred and twenty-six, under the enactments relating to national health insurance for the time being in force;

and at the end of the subsection there shall be inserted the following words :—

"'Insured' means, as respects any period before the fourth day of January, nineteen hundred and twenty-six, insured under the enactments relating to national health insurance for the time being in force or deemed under the Widows', Orphans' and Old Age Contributory Pensions

A.D. 1937.

5TH SCH. —*cont.*

Act, 1925, to have been insured and, as respects any period beginning on or after that date, insured, or deemed to be insured, under this Act or any former Acts for the time being in force relating to contributory pensions, and 'Insurance' shall be construed accordingly;

'The Insurance Act' means the National Health Insurance Act, 1936;

and other expressions have the same meanings as in the Insurance Act."

Section forty-four.

In paragraph (6), for the word "question," where that word first occurs, there shall be substituted the word "matter."

The First Schedule.

In Part IV, for the word "persons" there shall be substituted the word "men."

The Third Schedule.

At the end of the Schedule there shall be added the following paragraph:—

"3. Paragraph 1 of this Schedule shall, in relation to pensions payable in respect of the insurance of a special voluntary contributor, have effect as if the words 'as a rate-aided person of unsound mind or', the words 'or is 'detained in any mental hospital within the meaning of 'the Lunacy and Mental Treatment Acts, 1890 to 1930' and the proviso, were omitted."

AMENDMENT OF INSURANCE ACT.

Section twenty-nine.

After the words "an insured person" there shall be inserted the words "being an employed contributor."

SIXTH SCHEDULE.

ENACTMENTS REPEALED.

Session and Chapter.	Short Title.	Extent of Repeal.
26 Geo. 5. & 1 Edw. 8. c. 32.	The National Health Insurance Act, 1936.	Paragraph (*c*) of subsection (1), and subsections (3), (4) and (5) of section three; subsection (2) of section nineteen; section one hundred and twenty-one; subsections (3), (4), (8) and (9) of section two hundred and twenty-seven.
26 Geo. 5. & 1 Edw. 8. c. 33.	The Widows', Orphans' and Old Age Contributory Pensions Act, 1936.	Section two; paragraph (*d*) of subsection (1) and subsection (6) of section seventeen; subsection (3) of section twenty-two; in Part IV of the First Schedule, all words in the first column of the table and in the other columns the entries relating to women.

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