



GUYANA

ACT No. 17 of 1983

SAVINGS SCHEMES ACT 1983

I assent.

L. F. S. BURNHAM,
President.

1983-10-10

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A.D. 1983]

SAVINGS SCHEMES

[No. 17

AN ACT to make provisions for the establishment of the Savings Schemes Committee, for encouraging savings by persons, and for matters connected therewith.

Enacted by the Parliament of Guyana:—

A.D. 1983

PART I**PRELIMINARY**

1. This Act may be cited as the Savings Schemes Act 1983. Short title.
2. In this Act — Inter-pretation.
 - (a) "approved Savings Scheme" means a Savings Scheme approved by the Minister under this Act;
 - (b) "bank" has the meaning assigned to it by section 2 of the Banking Act; Cap. 85:01
 - (c) "Committee" means the Savings Schemes Committee established by section 3;
 - (d) "financial institution" has the meaning assigned to it by section 2 of the Co-operative Financial Institutions Act; Cap. 75:01
 - (e) "Savings Scheme" means a scheme intended to encourage persons to save money and involving deposit of money for a specific period.

PART II**SAVINGS SCHEMES COMMITTEE**

3. (1) There is hereby established a committee to be known as the Savings Schemes Committee consisting of not more than eleven persons appointed by the Minister by instrument in writing from among persons appearing to him to be qualified as having experience of, and shown capacity in, such matters which he considers will be beneficial in the functioning of the Committee and, without prejudice to the generality of the foregoing, in particular in matters relating to banking, finance, mobilisation of funds, industry, commerce, law or administration, or appearing to him to represent workmen. Establishment of the Savings Schemes Committee.

(2) The Committee shall be a body corporate.

(3) The seal of the Committee shall be kept in the custody of the chairman or the secretary of the Committee and shall be authenticated by the signature of the chairman and the secretary of the Committee.

(4) Every document purporting to be an instrument duly executed under the seal of the Committee shall be received in evidence and deemed, without further proof, to be so executed unless the contrary is proved.

(5) All documents, other than those required by law to be under seal, made by, and all decisions of, the Committee may be signified under the hand of the chairman or the secretary of the Committee.

(6) The Membership of the Committee as first constituted and every change thereof shall be notified in the *Gazette*.

(7) The terms and conditions of appointment of the chairman and other members of the Committee shall be such as may be prescribed by the Minister by regulations.

**Functions
of the
Committee.**

4. The functions of the Committee shall be —

- (a) to prepare, manage and operate Savings Schemes; and
- (b) any other function, relating to finance or banking, it is authorised or directed by the Minister by order to undertake and perform.

**Meetings and
procedure of
the Com-
mittee.**

5. (1) The Minister may by regulations prescribe the procedure of the Committee, including the intervals at which the meetings of the Committee shall be held and the quorum for its meetings.

(2) Subject to the provisions of this Act and any regulations made by the Minister, the Committee may regulate its own proceedings and may make rules for that purpose.

(3) Any minutes made of a meeting of the Committee shall, if duly signed by the chairman or other person presiding at the meeting, without further proof of any other matter or thing, be receivable in all legal proceedings as *prima facie* evidence of the proceedings of the Committee of which the minutes have been made and of the meeting of the Committee, in respect of the proceedings of which the minutes have been so made, having been duly convened and held.

**Power to
appoint
sub-com-
mittees.**

6. (1) The Committee may appoint such sub-committees as it thinks fit:

Provided that any sub-committee so appointed shall include not less than two members of the Committee, and may include persons who are not members of the Committee.

(2) Subject to the provisions of this Act, the constitution, functions and procedure of a sub-committee constituted under subsection (1) shall be determined by the Committee.

7. Subject to the provisions of this Act, the Committee may delegate to any of its members or to any sub-committee constituted under subsection 6 (1) the power and authority to carry out on its behalf such functions as the Committee may determine.

Power to delegate.

8 (1) Subject to subsection (2), no action, suit, prosecution or other proceedings shall be brought or instituted personally against a member of the Committee or any of its sub-committees in respect of any act done *bona fide* in pursuance of the execution or intended execution of his duties under this Act.

Protection of members of the Committee or any sub-committee thereof.

(2) Where a member of the Committee or any of its sub-committees is exempt from liability by reason only of subsection (1), the Committee or the sub-committee, as the case may be, shall be liable to the extent that it would be if such member was a servant or agent of the Committee or the sub-committee, so, however, that if in any case the Committee or the sub-committee is not liable for any of the above-mentioned acts, then subsection (1) does not operate to exempt such member as therein stated.

9. The Committee may employ at such remuneration and on such other terms and conditions as it thinks fit, a secretary and such other officers and employees as it deems necessary for the purpose of carrying out the functions of the Committee:

Officers and other employees of the Committee.

Provided that if the office of secretary is vacant or if the secretary is for any reason unable to perform the functions of his office, the Minister may assign a public officer in the Ministry to carry out the functions of the office of secretary.

10. The funds and resources of the Committee shall consist of —

Funds and resources of the Committee.

- (a) such sums as may be provided by or under an appropriation law;
- (b) such sums as may be allocated from time to time to the Committee from loan funds;
- (c) moneys earned or arising from any property or investments of the Committee;
- (d) all other sums or property which may in any manner be received by, or become payable to, or vested in, the Committee in the performance of its functions or in respect of any matter incidental thereto.

(2) For the purposes of this section, the expression "loan funds" means such sums as may be made available, from time to time, by the Government by way of loan.

PART III

SAVINGS SCHEMES

Approval of Savings Schemes. 11. (1) The Committee may, and if so directed by the Minister shall, submit to the Minister one or more Savings Schemes for approval.

(2) The Minister may approve any Savings Scheme with or without modification.

Management and operation of approved Savings Schemes. 12. (1) The Committee shall manage and operate every approved Savings Scheme and accept deposits from persons under any such Scheme.

(2) For all or any of the purposes of any approved Savings Scheme managed and operated by it the Committee may appoint as its agent any bank, any financial institution, the Post Office or any other person, if it or he consents to function as such.

Cap. 85:02

(3) The Bank of Guyana shall, if so directed by the Minister by order, perform in relation to the Committee, and such approved Savings Schemes as may be specified by the Minister in the Order, the functions conferred on that Bank in relation to banks under section 36 of the Bank of Guyana Act.

Deduction of sums from emoluments of employees and deposit in approved Savings Scheme. 13. (1) Any employee may with the consent of his employer authorise the employer, in such form as may be specified by the Committee, to deduct from the emoluments payable by the employer to the employee such sums, and at such intervals, as may be specified by the employee and to deposit the same in the account of such employee in any approved Savings Scheme specified by him.

(2) Where any authorisation has been made by any employee in the manner referred to in subsection (1) —

- (a) the employer shall deduct from the emoluments of the employee such sums, and at such intervals, as may be specified by the employee and notwithstanding anything contained in any other written law, it shall be lawful for the employer to do so;
- (b) the employer shall deposit the sums so deducted in the account of the employee in the approved Savings Scheme specified by him within such time as may be specified by the Committee; and
- (c) the employer shall maintain a separate account in respect of the sums deducted in pursuance of the authorisation:

Provided that where more than one employee of the employer have authorized the employer in the manner referred to in sub-

section (1) in relation to the same approved Savings Scheme, the employer may maintain one account in respect of the deductions made from the emoluments of all such employees for deposit in their accounts in that approved Savings Scheme.

(3) Notwithstanding anything contained in any other written law, the sums deducted by any employer from the emoluments of his employees in pursuance of any authorisation referred to in subsection (1) shall, in the case of insolvency or winding up of the employer, have priority over all other debts due from the employer, other than debts due to the State.

14. (1) The Government shall, by order signed on behalf of the Government by the Minister, and on such terms and subject to such conditions as may be specified in the order, guarantee the payment by the Committee to each of the persons in whose name an account is maintained in an approved Savings Scheme, of the amount he is entitled to receive under that Scheme from the Committee when the amount becomes due for payment.

Guarantee
by the Gov-
ernment of
payment of
amounts due
from the
Committee.

(2) Where any amount becomes payable by the Government pursuant to a guarantee given in exercise of the powers conferred by subsection (1), that amount shall be charged on the Consolidated Fund and the Minister shall direct payment of the same to issue out of the Consolidated Fund.

(3) Where any amount is paid out of the Consolidated Fund in pursuance of any liability incurred by the Government under a guarantee given in exercise of the powers conferred by subsection (1), the Committee shall repay such amount (together with interest thereon at such rate as the Minister may specify) to the Consolidated Fund in such manner and at such time as the Minister may direct.

(4) Where the Government has, in exercise of the powers conferred by subsection (1), given any guarantee in respect of the amounts due under any approved Savings Scheme, the Minister shall, so long as the guarantee is in force, lay before the National Assembly as soon as may be possible after the end of each financial year a statement containing the particulars of the sums deposited under the approved Savings Scheme and outstanding at the end of that financial year and the amounts, if any, which have been either issued out of the Consolidated Fund under this section or paid into the Consolidated Fund in or towards repayment of any money so issued.

15. Such part of the amounts in the accounts in any approved Savings Scheme as may be specified by the Minister shall be invested —

- (a) in such securities as may be approved by the Minister, in the proportion specified by him; or

Investment
of amounts
in the
accounts in
any ap-
proved Sav-
ings Scheme.

- (b) in any other manner as may be specified by the Minister.

PART IV

MISCELLANEOUS

Accounts and audit.

16. (1) The Committee shall keep accounts of its transactions to the satisfaction of the Minister and the accounts shall be audited annually by an auditor appointed by the Minister.

(2) The members, officers and other employees of the Committee shall grant to the auditor appointed under subsection (1) access to all books, documents, cash and securities of the Committee and shall give to him on request all such information as may be within their knowledge in relation to the operation of the Committee.

Annual report.

17. (1) As soon as may be possible after its accounts for any year have been audited, in accordance with the provisions of section 16, the Committee shall submit to the Minister a report on its operations throughout that year, together with a statement of its accounts so audited.

(2) A copy of the report mentioned in subsection (1) together with a copy of the report of the auditor shall be laid before the National Assembly.

Power of Minister to give directions.

18. (1) The Minister may give to the Committee directions of a general character as to the policy to be followed by the Committee in the exercise and performance of its functions and the Committee shall give effect to any such directions.

(2) The Committee shall provide such facilities to the Minister as will enable him to verify any information furnished in pursuance of this section.

Orders regarding application of Banking Act and Bank of Guyana Act to the Committee.
Cap. 85:01

19. (1) Section 3 of the Banking Act shall not apply to the Committee.

(2) Subject to the provisions of this Act the Minister may by order apply any provision of the Banking Act, other than a provision contained in Part II thereof, to the Committee and such provision shall apply to the Committee with such adaptation, exception, modification and qualification as may be specified in the order.

Cap. 85:02

(3) Subject to the provisions of this Act, the Minister may by order apply any provision of Part VII of the Bank of Guyana Act to the Committee and such provision shall apply to the Committee with such adaptation, exception, modification and qualification as may be specified in the order.

20. No written law prescribing a period of limitation within which a sum of money may be recovered shall apply to a claim for a sum of money by the Committee. **Limitation provisions excluded.**

21. (1) Where, with the approval of the appropriate authority, an officer — **Superannuation benefits of public officers and teachers employed with the Committee. Cap. 27:02**

(a) is seconded or temporarily transferred from a pensionable office within the meaning of the Pensions Act to an office with the Committee, section 5 of that Act shall apply to him as if his service in the office with the Committee were service in a public office;

(b) is transferred from a pensionable office within the meaning of the Pensions Act to a substantive appointment in an office with the Committee, his service with the Committee shall be other public service within the meaning of, and for the purposes of, such provisions in relation thereto as are contained in the Pensions Act.

(2) Where a teacher who has done qualifying service within the meaning of the Teachers' Pensions Act is, with the approval of the appropriate authority, — **Cap. 39:05**

(a) seconded or temporarily transferred from his pensionable office as a teacher to an office with the Committee, section 5 of the Pensions Act (as it applies *mutatis mutandis* to a teacher under section 7C of the Teachers' Pensions (Amendment) Act 1971) shall apply to him as it applies in the case of a public officer; **No. 9 of 1971**

(b) is transferred from his pensionable office as a teacher to a substantive appointment in an office with the Committee, his service with the Committee shall be treated as if it were other public service within the meaning of, and for the purposes of, such provisions in relation thereto as are contained in, the Pensions Act and as if he were a public officer to whom the Pensions Act applies.

(3) In this section, "appropriate authority" means the person or authority vested by law with power to appoint the officer to the pensionable office held by him (and to which the Pensions Act applies) or to appoint the teacher to the office held by him as a teacher, as the case may be.

22. (1) The Minister may make regulations for carrying into effect the purposes of this Act. **Power to make regulations.**

(2) Without prejudice to the generality of the foregoing and in particular the regulations may provide for all or any of the following matters —

- (a) the terms and conditions of appointment of the chairman and other members of the Committee;
- (b) the procedure of the Committee, including the intervals at which the meetings of the Committee shall be held and the quorum for its meetings;
- (c) any other matter that is required to be, or may be, prescribed by the Minister by regulations made under this Act.

PART V

AMENDMENT OF THE INCOME TAX ACT

Amendment
of the
Income Tax
Act.
Cap. 81:01

23. The Income Tax Act is hereby amended in the following respects —

- (a) by the substitution in section 20, for the words “and 26”, of the words “, 26 and 35A”;
- (b) by the substitution in section 26, for the words “and 25 B”, wherever they occur, of the words “, 25 B and 35 A”;
- (c) by the insertion under the heading “Ascertainment of Chargeable Income”, after section 35, of the following section as section 35A —

‘Deductions,
exemptions
and addi-
tions in
relation to
approved
Savings
Schemes.

35A. (1) Subject to the other provisions of this section, in ascertaining the chargeable income, for any year of assessment, of any individual, being a person eligible to be a subscriber to the relevant approved Savings Scheme, in whose name account is maintained in the year preceding the year of assessment in one or more approved Savings Schemes, there shall be allowed a deduction of the aggregate of the sums deposited during the year preceding the year of assessment in each such account by that individual or, if he is an employee, by his employer pursuant to an authorisation by him.

(2) Where any person, engaged in any trade, business, profession or vocation has opened an account in the name of any of his employees in an approved Savings Scheme and has in the year preceding any year of assessment deposited any sums in such account, —

- (a) in ascertaining the chargeable income of that person from the trade, business, profession or

vocation for that year of assessment there shall be allowed a deduction of the aggregate of the sums deposited by him in the aforesaid account in the year preceding that year of assessment;

- (b) subject to the other provisions of this section, the employee shall not be liable to pay the tax, in respect of the sums so deposited, either in the year of assessment following the year in which such sums were deposited or in the year of assessment following the year in which he received the whole or part of the sums so deposited on the maturity of the approved Savings Scheme or in any other year of assessment.

(3) The interest which accrued due to any individual during any year on the amount to his credit in any approved Savings Scheme shall be exempt from the tax.

(4) Where the whole or part of the amount to the credit of any individual in the account in his name in any approved Savings Scheme is withdrawn by that individual during the continuance of the Scheme and before the expiry of the period for which he was required by the Scheme to maintain the account for receiving full benefits thereunder, the amount so withdrawn shall, for the purposes of this Act, be deemed to be the income of that individual in the year in which the amount is withdrawn.

(5) In this section "approved Savings Scheme" has the same meaning as in the Savings Schemes Act 1983.;

- (d) by the substitution in the first proviso to section 75(3), for the words "and 26", of the words ", 26 and 35A".

Passed by the National Assembly on 1983-08-31.

F. A. Narain,

Clerk of the National Assembly.

(Bill No. 17/1983)
(EcD 24/3 11)