

7. No member of the Board shall be eligible for appointment as a chairman or member of an appeal tribunal.

NATIONAL INSURANCE (FINANCIAL AND ACCOUNTING) REGULATIONS

(SECTION 44 and 62)

[Commencement 7th October, 1974]

S.I. 69/1974
S.I. 90/1982
S.I. 58/1985
S.I. 83/1998
S.I. 36/2005
S.I. 41/2009
S.I. 99/2010

Citation.

1. These Regulations may be cited as the National Insurance (Financial and Accounting) Regulations.

Interpretation.

2. (1) In these Regulations, unless the context otherwise requires —

S.I. 36/2005.

“the Act” means the National Insurance Act;

“expenditure” means payment out of the Fund under the provisions of subsection (3) of section 41 of the Act;

“income” means payments into the Fund under the provisions of subsection (2) of section 44 of the Act;

S.I. 90/1982.
 Third Schedule.

“other securities” means investments made under the provisions of paragraph 4 of the Third Schedule to, or under section 44(6) of, the Act;

“paragraph” means a paragraph of a regulation;

“Part” means a Part of these Regulations;

“Reserve” means any one of the Reserves constituted under regulation 20;

“Schedule” means a Schedule to these Regulations;

Third Schedule.

“trustee securities” means investments made under the provisions of paragraph 3 of the Third Schedule to the Act.

(2) In these Regulations, unless a contrary intention appears, references to a regulation are references to a regulation of these Regulations.

PART I
FINANCIAL ORGANISATIONS

Benefit branches.
S.I. 58/1985.

3. The benefits and assistance to be provided by the Fund shall be grouped into four branches —

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- (a) *Short-term Benefits Branch*, comprising sickness benefit, maternity benefit, funeral benefit, unemployment benefit, maternity grant, and sickness assistance; S.I. 41/2009, r. 2.
 - (b) *Pensions Branch*, comprising retirement benefit, invalidity benefit, survivor's benefit, old age non-contributory pension, invalidity assistance and survivor's assistance;
 - (c) *Industrial Benefits Branch*, comprising medical care, injury benefit, disablement benefit, death benefit and funeral benefit payable on death due to employment injury;
 - (d) *Medical Benefits Branch*, providing funding for development of health infrastructure funding expenditure of the Prescription Drug Fund established under the National Insurance (Chronic Diseases Prescription Fund) Act and funding for studies relating to circumstances, manner and conditions under which medical care and attention can be provided to an insured person and his dependants. S.I. 99/2010, s. 2.
Ch. 350A.

4. (1) Each of the four benefit branches specified in regulation 3 of these Regulations shall, so far as the circumstances allow, be financially autonomous, that is to say, income allotted to one benefit branch shall not be used to cover expenditure relating to another branch: Financial
autonomy of
benefit branches.
S.I. 58/1985.

Provided that —

- (a) if there is a temporary insufficiency in any one branch, the Board may authorise the transfer of any amounts that may be necessary from another branch;
- (b) amounts transferred under subparagraph (a) shall be repaid to the lending branch by the borrowing branch as soon thereafter as possible with payment of interest at such rate as the Board may determine;
- (c) if the insufficiency mentioned in subparagraph (a) continues, the Board, acting in accordance with subparagraph (a) of the proviso to regulation 21, and subject to subsections (1) and (2) of section 45 of the Act, may authorise the transfer of any amounts that may be necessary from another branch: S.I. 36/2005.

Provided further, transfers among the Branches specified in regulation 3 of accumulated Reserve Funds may be authorised by the Board with the prior approval of the Minister, if recommended as a result of an actuarial review of the Fund.

(2) Separate income and expenditure accounts shall be established for each of the benefit branches, and shall be prepared in accordance with Part IV of these Regulations.

(3) Separate reserves shall be established and maintained in respect of each of the benefit branches in accordance with Part IV of these Regulations.

PART II BUDGET ESTIMATES

Financial year. **5.** The financial year for the purpose of the budget and accounts shall be the year ending on the 31st day of December, provided that the first financial year shall cover such period as the Minister may direct.

The annual budget. **6.** Before the 31st day of October of each financial year, the Director shall submit to the Board for its approval estimates of the income to be received and expenditure to be incurred in the following financial year.

Estimates. **7.** These estimates shall be made under the heads shown in the First Schedule, and shall be accompanied by a memorandum giving full explanations of any variation of the amounts expected to be received or spent as compared with the corresponding amounts included in the approved estimates of the current financial year, and of any expected receipts or expenditure of a type not included in the approved estimates of the current financial year.

Power of Board regarding Estimates. **8.** The Board may add to the heads under which the estimates are to be submitted to them, and may require information relating to the make-up, calculation or reason for inclusion of any items in the estimates as submitted.

Income and expenditure. **9.** The estimates submitted in accordance with the preceding regulations, when approved by the Board, shall show the income which is expected to be collected and shall set limits to the expenditure which may be incurred under each of the relevant heads. Expenditure shall not be incurred under any head in excess of the limit set for that head without the prior approval of the Board:

Provided that expenditure in excess of the limits set may be incurred in respect of benefits or assistance, subject to subsequent ratification by the Board as soon thereafter as possible.

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10. If the budget estimates have not been approved by the Board before the beginning of the financial year to which they relate, the Director shall be authorised by the Board to incur expenditure under the various heads subject to such conditions as it may deem fit to impose until such time as the budget is duly approved.

Expenditure before Estimates are approved.

PART III BUDGETARY CONTROL

11. The Director shall draw up a list which shall contain the names of such of the officers of the Board, as, from time to time, shall be authorised to approve payment vouchers, sign cheques, approve accounting transfers or exercise other similar functions, and the list shall state such limits, financial or otherwise, as the Board may approve, within which each officer whose name appears on the list shall be authorised to exercise the function or functions allotted to him.

Financial provisions relating to staff.

12. Insurance by way of fidelity bond or other similar security shall be arranged by the Board giving cover, up to such amounts as may be approved by the Board, against the risk of defalcation by the cashiers, storekeepers, or other custodians of the property of the Board.

Fidelity bonds.

13. The Board may authorise the writing off of any loss, deficiency or overpayment as irrecoverable if it is satisfied that adequate investigation has been made into the causes of, and responsibility for, the loss, deficiency, or overpayment and that steps have been taken as far as possible to prevent the recurrence of similar losses, deficiencies, or overpayments in the future.

Losses, deficiencies and overpayments.

14. (1) The Director shall make adequate arrangements for the internal audit of the financial procedures and accounts of the Fund.

Internal audit.

(2) The internal audit shall comprise the following functions —

- (a) examining and certifying every payment voucher, every accounting transfer authority, and every receipt;
- (b) testing awards of benefits and assistance for regularity and conformity in all respects with the Act and the relevant Regulations;

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- (c) checking that all income due to the Fund has been either received and brought to account or written off as irrecoverable with the authority of the Board;
 - (d) assisting in the exercise of budgetary control by maintaining a continuous review of the progress of income and expenditure, and reporting whenever it appears likely that the income under any head of the estimates as approved by the Board will fall short of, or the expenditure under any such head will exceed, the amount stated in the approved estimates;
 - (e) examining and certifying the correctness of the accounts submitted periodically by sub-accountants of local offices or other sub-accounting units as may be set up, and the periodical accounts of the Fund, including the annual accounts;
 - (f) checking on the continuous observance and intelligent carrying out of those directions contained in the code of instructions designed to facilitate accounting controls or provide safeguards against error or fraud;
 - (g) carrying out similar functions as may from time to time be required by the Director:

Provided that the Director, with the prior approval of the Board, may reduce the per cent audit of items (a) to (g) of this regulation to such percentage or percentages having due regard to the availability of the requisite technical staff and to the relative financial importance of the various items.

Periodical reports to the Board.

15. The Director shall submit to the Board reports on the latest financial situation of the Fund with reference to income and expenditure, at such intervals and in such form as the Board may direct, together with any comments or remarks that may be called for.

PART IV ACCOUNTS

Head of accounts and accounting instructions.

16. (1) Accounts shall be opened for each of the heads under which the estimates of income and expenditure have

been approved by the Board and for such other heads or subdivisions of heads as may be deemed necessary; and therein shall be recorded, by the double-entry system of book-keeping, the financial transactions of the Fund.

(2) Subject to the approval of the Board, the Director shall issue detailed instructions governing the methods and procedures to be followed in maintaining the accounts, and in particular the basis on which the various items of income and expenditure are to be recorded.

17. (1) At the end of each financial year the accounts as a whole shall be balanced and the following summary accounts shall be prepared in accordance with the models presented in the Second Schedule — Annual accounts.
S.I. 58/1985.
Second Schedule.

- (a) a consolidated Income and Expenditure Account for the Fund as a whole;
- (b) the Income and Expenditure Account in respect of each of the benefit branches;
- (c) a Balance Sheet for the Fund as a whole:

Provided that the Balance Sheet shall be supplemented by an account showing the current transactions of the Disablement and Death Benefits Reserve in accordance with the model presented in the Second Schedule:

Provided further the assets and liabilities of the Medical Benefit Branch shall be separately identified in the Balance Sheet.

(2) Subject to paragraph 3 of regulation 20, the Income and Expenditure Accounts shall show the income and expenditure recorded during the financial year and the Balance Sheet shall show the liabilities and assets of the Fund as at the end of the financial year.

(3) The Board may add to, or subdivide, the heads of the summary accounts as may be deemed necessary from time to time.

18. (1) The income from contributions shall be distributed among the benefit branches in the following proportions — Distribution of
Fund's income
among the
Income and
Expenditure
Accounts of the
benefit branches.
S.I. 58/1985.
S.I. 83/1998.
S.I. 41/2009 r. 3.

- | | | |
|---------------------------------|------|--|
| (a) Short-term Benefits Branch | 25% | |
| (b) Pensions Branch: | 67% | |
| (c) Industrial Benefits Branch: | 7.5% | |
| (d) Medical Benefits Branch: | .5% | |

Provided that if an actuarial report made under section 45 of the Act recommends a redistribution of the contribution income among the benefit branches, the Minister, acting on the recommendation of the Board, may, by Regulation, modify the proportions of income to be distributed among the benefit branches.

S.I. 36/2005.

(2) The income by way of grant out of the Consolidated Fund under subsection (3) of section 45 of the Act shall be fully credited to the Pensions Branch.

(3) The income from the investment of the Reserves shall be allocated as follows —

- (a) the income from the investment of the Short-term Benefits Reserve shall be allocated to the Short-term Benefits Branch;
- (b) the income from the investment of the Pensions Reserve shall be allocated to the Pensions Branch;
- (c) the income from the investment of the Industrial Benefits (Short-term) Reserve shall be allocated to the Industrial Benefits Branch;
- (d) the income from the investment of the Disablement and Death Benefits Reserve shall be allocated as provided in paragraph (3) of regulation 20;
- (e) the income from the assets of the Medical Benefits Branch shall be allocated to the Medical Benefits Branch.

(4) All other income to the Fund which cannot be identified with any specific branch shall be distributed among the four benefit branches in equal parts.

Distribution of Fund's expenditure among the Income and Expenditure Accounts of the benefit branches.
S.I. 58/1985.

19. (1) The expenditure on the benefits and assistance grouped under a specific branch in regulation 3 of these Regulations shall be ascribed to that branch.

(2) The administrative expenditure of the Medical Benefits Branch shall be ascribed to that Branch; otherwise the administrative expenditure of the Fund shall be distributed among the other three benefit branches in such a manner that the proportion allocated to a particular branch shall be equal to the proportion which the sum of the contribution income and benefit expenditure shown in the Income and Expenditure Account of that branch bears to the sum of the contribution income and benefit expenditure of the Fund as a whole.

(3) All other expenditure which is not attributable to any specific branch shall be distributed among the four benefit branches in equal parts. *S.I. 58/1985.*

20. (1) A Short-term Benefits Reserve shall be constituted by transferring thereto annually the excess of income over expenditure of the Short-term Benefits Branch. *Reserves to be constituted.*

(2) A Pensions Reserve shall be constituted by transferring thereto annually the excess of income over expenditure of the Pensions Branch.

(3) A disablement and Death Benefits Reserve shall be constituted in the following manner:

The capital values of periodically payable disablement and death benefits awarded in a year shall be charged against the year's income in the Income and Expenditure Account of the Industrial Benefits Branch and shall be credited to a current account which shall be further credited with the income from the investment of the said Reserve and debited with the actual payments of current periodical disablement and death benefits effected during the year, the balance thereof being transferred at the end of the year to the said Reserve.

(4) Subject to paragraph (3) above, an Industrial Benefits (Short-term) Reserve shall be constituted by transferring thereto annually the excess of income over expenditure of the Industrial Benefits Branch.

(5) A Medical Benefits Reserve shall be constituted by transferring thereto annually the excess of the income over the expenditure of the Medical Benefits Branch. *S.I. 58/1985, r. 7.*

21. (1) The Short-term Benefits Reserve and the Industrial Benefits (Short-term) Reserve shall be used to meet any unforeseen or abnormal expenditure which the current income of any other branch may not be sufficient to cover. *Circumstances under an interim actuarial review may be required.*

Provided that —

- (a) if the Short-term Benefits Reserve falls below the level of the average six months' expenditure of the branch concerned on benefits during the

preceding three financial years, or, if the Industrial Benefits (Short-term) Reserve falls below the level of the average six months' expenditure of the branch concerned on benefits other than periodically payable disablement and death benefits during the preceding three financial years, and if the trend of reduction continues, actuarial advice shall be sought as provided for in subsection (1) of section 48 of the Act, and necessary action taken so that the contribution income available to the branch concerned may be sufficient to cover the expenditure of that branch and to restore the Reserve concerned to the required level;

S.I. 36/2005.

- (b) where the branch concerned has been in operation for less than three financial years, the six-monthly average mentioned in subparagraph (a) of this proviso shall be computed with reference to the actual period of operation.

S.I. 36/2005.

(2) Where it is anticipated that the current income of the Pensions Branch will become insufficient to meet the current expenditure of that branch, actuarial advice shall be sought in accordance with subsection (1) of section 48 of the Act.

Investment of Reserves.

S.I. 90/1982.

S.I. 36/2005.

22. Having regard to its nature and purpose and to the probable periods at which it may be necessary to realise the investment, each of the Reserves specified in regulation 20 of these Regulations shall be invested only in accordance with the provisions of section 44 of the Act.

Table of capital values.

S.I. 83/1998.

23. The capital values of awards of periodically payable disablement and death benefits shall be calculated in accordance with Tables established on the advice of an actuary.

List of investment to supplement the Balance Sheet.

24. The Annual Balance Sheet shall be supplemented by a schedule, giving a complete list of the investments of the Fund as at the date of the Balance Sheet, classified by the Reserves to which the investments relate. This list shall show the following particulars:

- (a) the name or identification of the investment, the rate of interest and the maturity date;
- (b) the cost price of the investment;
- (c) the face value of the investment;
- (d) the market value of the investment.

25. Repealed.*S.I. 99/2010, s. 3.***FIRST SCHEDULE (Regulation 7)***S.I. 58/1985, r. 9.***HEADS UNDER WHICH BUDGETS, ESTIMATES OF IN-COME AND EXPENDITURE ARE TO BE SUBMITTED TO THE BOARD****INCOME.**

- (1) Contributions:
 - (a) by employers;
 - (b) by insured persons.
- (2) Income from investments:
 - (a) interest on investment in trustee securities;
 - (b) interest on investment in other securities.
- (3) Grant from the Consolidated Fund.
- (4) Income from property.
- (5) Other income.
- (6) Total income.

CURRENT EXPENDITURE.

- (1) Benefits:
 - (a) Short-term Benefits Branch,
 - sickness benefit;
 - maternity benefit;
 - funeral benefit;
 - sickness assistance;
 - maternity grant;
 - unemployment benefit.
 - (b) Pensions Benefits Branch,
 - retirement benefit;
 - invalidity benefit;
 - survivor's benefit;
 - old age non-contributory pensions;
 - invalidity assistance;
 - survivor's assistance.
 - (c) Industrial Benefits Branch:

S.I. 41/2009, r. 4.

- medical care;
- injury benefit;
- disablement benefit;
- death benefit;
- funeral benefit.

(2) Administration:

- (a) Salaries and allowances of administrative staff;
- (b) Allowances and expenses of the Board;
- (c) Other expenses of administration;
- (3) Other expenditure.
- (4) Administrative expenditure of Medical Benefits Branch.
- (5) Total expenditure.

CAPITAL EXPENDITURE.

(1) Investment:

- (a) trustee securities;
- (b) other securities;
- (c) other investments.

(2) Purchase or acquisition of:

- (a) premises;
- (b) furniture and equipment;
- (c) motor vehicles;
- (d) other items.

- (3) Utilisation of Medical Benefit Reserve for acquisition of assets.

SECOND SCHEDULE (Regulation 17(1))*S.I. 58/1985, r. 8.*

HEAD OF ANNUAL SUMMARY ACCOUNTS

1. CONSOLIDATED INCOME AND EXPENDITURE
ACCOUNT INCOME

INCOME

- (1) Contributions: ¹⁴
 - (a) by employers;
 - (b) by insured persons;
- (2) Grant from Consolidated Fund.
- (3) Income from investments:
 - (a) trustee securities;
 - (b) other securities.
- (4) Income from property.
- (5) Other income.
- (6) Total income.

EXPENDITURE

- (1) Benefit expenditure:
 - (a) Short-term Benefits Branch;
 - (b) Pensions Branch;
 - (c) Industrial Benefits Branch.
- (2) Administrative expenditure of the Medical Benefits Branch.
- (3) Administrative expenditure.
- (4) Other expenditure.
- (5) Total expenditure.
- (6) Excess of income over expenditure.

2. INCOME AND EXPENDITURE ACCOUNT OF THE
SHORT-TERM BENEFITS BRANCH

INCOME

- (1) Contributions.
- (2) Income from investments of the Short-term Benefits Reserve —
 - (a) trustee securities;
 - (b) other securities.

¹⁴ If the distribution of the total income from contributions between employers and insured persons cannot be evaluated accurately, estimates of such distribution may be provided to the extent possible.

- (3) Part of other income of Fund ascribed to the branch.
- (4) Total income.

EXPENDITURE

- (1) Benefit expenditure:
 - (a) Sickness benefit;
 - (b) Maternity benefit;
 - (c) Funeral benefit;
 - (d) Sickness assistance;
 - (e) Maternity Grant;
 - (f) unemployment benefit.
- (2) Part of administrative expenditure ascribed to the Branch.
- (3) Part of other expenditure ascribed to the Branch.
- (4) Total expenditure.
- (5) Excess of income over expenditure.¹⁵

S.I. 41/2009, r. 5.

3. INCOME AND EXPENDITURE ACCOUNT OF THE PENSIONS BRANCH

INCOME

- (1) Contributions.
- (2) Grant from Consolidated Fund.
- (3) Income from investment of the Pensions Reserve:
 - (a) trustee securities;
 - (b) other securities.
- (4) Income from property.
- (5) Part of other income of Fund ascribed to the Branch.
- (6) Total income.

EXPENDITURE

- (1) Benefit expenditure:
 - (a) Retirement benefit;
 - (b) Invalidity benefit;
 - (c) Survivor's benefit:
 - (i) Widows/widowers;
 - (ii) Orphans;
 - (iii) Other dependants;
 - (d) Old age non-contributory pensions;
 - (e) Invalidity assistance;
 - (f) Survivor's assistance.

¹⁵ Credited to the Short-term Benefits Reserve if positive; debited to the Short-term Benefits Reserve if negative.

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- (2) Part of administrative expenditure ascribed to the Branch.
 - (3) Part of other expenditure ascribed to the Branch.
 - (4) Total expenditure.
 - (5) Excess of income over expenditure.¹⁶

4. INCOME AND EXPENDITURE ACCOUNT OF THE INDUSTRIAL BENEFITS BRANCH

INCOME

- (1) Contributions.
- (2) Income from investments of the Industrial Benefits (Short-term) Reserve:
 - (a) trustee securities;
 - (b) other securities.
- (3) Part of other income of Fund ascribed to the branch.
- (4) Total income.

EXPENDITURE

- (1) Benefit expenditure:
 - (a) Medical care;
 - (b) Injury benefit;
 - (c) Disablement benefit:
 - (i) Grants;
 - (ii) Benefits payable periodically;
(Capital value)
 - (d) Death benefit:
 - (i) Lump-sum payments;
 - (ii) Benefits payable periodically;
(Capital value)
 - (e) Funeral benefit.
 - (2) Part of administrative expenditure ascribed to the Branch.
 - (3) Part of other expenditure ascribed to the Branch.
 - (4) Total expenditure.
 - (5) Excess of income over expenditure.¹⁷

¹⁶ Credited to the Pension Reserved if positive; debited to the Pension Reserved if negative.

¹⁷ Credited to Industrial Benefits (Short-term) Reserve if positive; debited to Industrial Benefits (Short-term) Reserve if negative.

4(a). ACCOUNT SHOWING THE CURRENT
TRANSACTIONS OF THE DISABLEMENT AND DEATH
BENEFITS RESERVE

(Subsidiary to the Balance Sheet.)

INCOME

(1) Capital value of awards of periodically payable disablement and death benefits transferred from Income and Expenditure Account of Industrial Benefits Branch:

- (a) Disablement benefit;
- (b) Death benefit.

(2) Income from investment of the Disablement and Death Benefits Reserve.

(3) Total Income.

EXPENDITURE

(1) Payments of current periodically payable disablement and death benefits effected during the year.

(2) Total Expenditure.

(3) Excess of income over expenditure.¹⁸

5. INCOME AND EXPENDITURE ACCOUNT OF THE
MEDICAL BENEFITS BRANCH

INCOME

(1) Contributions.

(2) Income from the assets of the Medical Benefits Branch.

(3) Total income.

EXPENDITURE

(1) Administrative Expenditure ascribed to the Branch.

(2) Total Expenditure.

(3) Excess of income over expenditure.¹⁹

6. ANNUAL BALANCE SHEET

ASSETS

(1) Cash in hand and in the Bank.

(2) Sundry debtors.

(3) Investments:

¹⁸ Credited to Disablement and Death Benefits if positive; debited to Disablement and Death Benefits Reserve if negative.

¹⁹ Credited to the Medical Benefit Reserve if positive; debited to the Medical Reserve if negative.

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- (a) Trustee securities;
 - (b) Other securities;
 - (c) Other investments.
 - (4) Premises.
 - (5) Stocks in hand.
 - (6) Office furniture and equipment.
 - (7) Motor vehicles.
 - (8) Assets of the Medical Benefits Branch.
 - (9) Other assets.
 - (10) Total assets.

LIABILITIES

- (1) Sundry creditors.
- (2) Reserves:
 - (a) Short-term Benefits Reserve;
 - (b) Pensions Reserve;
 - (c) Industrial Benefits (Short-term) Reserve;
 - (d) Disablement and Death Benefits Reserve;
 - (e) Medical Benefits Reserve.
- (3) Liabilities of the Medical Benefits Branch.
- (4) Other liabilities.
- (5) Total liabilities.

NATIONAL INSURANCE (APPEALS AND REFERENCES) RULES

(SECTION 49)

S.I. 70/1974

S.I. 36/2005

[Commencement 7th October, 1974]

1. These Rules may be cited as the National Insurance (Appeals and References) Rules. Citation.

2. In these Rules, unless the context otherwise admits — Interpretation.

“the Act” means the National Insurance Act;

“an appeal tribunal” means an appeal tribunal constituted under regulation 7 and the Schedule *S.I. 64/1974.*