



# Schoolteachers Friendly Society

(Authorised and regulated by the Financial Services Authority)

## Sickness Income Plan Application Form – Web version

**IMPORTANT NOTE:** Please take care to include any material fact in this application which could affect the payment of any claim, as failure to do so may result in any monies paid to the Society, together with any claims made on the funds thereof, being forfeited. A material fact is one that is likely to influence the acceptance of the application and if you are in any doubt as to whether a fact is material, you should disclose it. Copies of the completed application form and the full terms and conditions of membership are available on request.

### Applicant's details:

|           |  |  |
|-----------|--|--|
| <b>1</b>  | Surname  | Title  |
|           | First Name(s)  |  |
| <b>2</b>  | Address  |  |
|           | PostCode   |  |
|           | Tel. No. (Home):   | (Work):  |
| <b>3</b>  | Date of Birth  |  |
| <b>4</b>  | Occupation:  |  |
| <b>5</b>  | Please indicate the daily benefit for which you want to contribute<br>(insert any <i>even</i> amount from (£4.00 to £70.00)<br>Contributions together with a 50p Management charge are due monthly   | £  |
| <b>6</b>  | Are you now, or are you proposing to be, insured elsewhere for Permanent Health Insurance or any other insurance providing for the payment of benefit in respect of incapacity due to sickness and/or accident? If 'yes', please state:<br>Name of Company or Society:<br>Amount of insurance: £ _____ per annum <input type="checkbox"/> per month <input type="checkbox"/> per week<br>Whether to be continued? <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="button" value="YES"/> <input type="button" value="NO"/>   |
| <b>7</b>  | Has any proposal to this or any other company for life permanent health insurance or personal sickness and/or accident insurance been declined or accepted at other than normal terms? If 'yes' please give details:   | <input type="button" value="YES"/> <input type="button" value="NO"/>   |
| <b>8</b>  | Have you any prospect or intention of:<br>Flying other than as a fare-paying passenger?<br>Engaging in hazardous activities (e.g. racing on wheels, hang-gliding, etc.)?<br>Residing outside the British Isles? If 'yes', please give details:   | <input type="button" value="YES"/> <input type="button" value="NO"/><br><input type="button" value="YES"/> <input type="button" value="NO"/><br><input type="button" value="YES"/> <input type="button" value="NO"/> |
| <b>9</b>  | What is the name and address of your usual doctor? Dr.<br>Address:<br>Telephone: _____ How long has she/he been known you? _____ (yrs.)<br>N.B. We may need to obtain a report from your doctor. A copy of the questions will be supplied on request.  |  |
| <b>10</b> | What is your average consumption of alcohol and tobacco?<br>Alcohol: _____ Units per week (one unit = half pint beer/single short/one glass wine)<br>Tobacco: _____ cigarettes per day<br>Have you smoked during the last 12 months?   | <input type="button" value="YES"/> <input type="button" value="NO"/>   |
| <b>11</b> | Please state your height and weight (clothed without shoes)<br>Height: ft. ins. or cms<br>Weight: st. lbs. or kg.  |  |
| <b>12</b> | Are you at present:<br>Suffering from any disease, disorder or disability?<br>Receiving any treatment either regular or occasional (e.g. tablets or medicine)?   | <input type="button" value="YES"/> <input type="button" value="NO"/><br><input type="button" value="YES"/> <input type="button" value="NO"/>   |
| <b>13</b> | Have you received any medical advice or treatment in the last five years?  | <input type="button" value="YES"/> <input type="button" value="NO"/>   |
| <b>14</b> | Have you EVER:<br>been counselled or medically advised in connection with HIV/AIDS or any sexually transmitted disease?<br>had an AIDS blood test?   | <input type="button" value="YES"/> <input type="button" value="NO"/><br><input type="button" value="YES"/> <input type="button" value="NO"/>   |

|           |  |                              |                             |
|-----------|--|------------------------------|-----------------------------|
| <b>15</b> | <i>Have you EVER:</i>  |                              |                             |
|           | had any nervous breakdowns, neurosis or any form of nervous or mental trouble or consulted a psychiatrist? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|           | consulted a doctor for general debility arising from overwork or any other cause?                          | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

|           |   |                              |                             |
|-----------|---|------------------------------|-----------------------------|
| <b>16</b> | <i>Have you EVER:</i>                             |                              |                             |
|           | had lung disease, recurrent bronchitis or asthma? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

|           |   |                              |                             |
|-----------|---|------------------------------|-----------------------------|
| <b>17</b> | <i>Have you EVER:</i>   |                              |                             |
|           | had heart disease or high blood pressure?   | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|           | had colitis, liver or bowel disease or recurrent indigestion?                               | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|           | had blackouts, fits, paralysis or epilepsy?   | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|           | had disease of the ears or eyes or any impairment of hearing or vision?                     | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|           | had diabetes, kidney, bladder, prostate or gynaecological problems?                         | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|           | had gout, arthritis, or rheumatism of any kind?   | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|           | had lumbago, sciatica, 'prolapsed disc' or recurrent backache?                              | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|           | had skin disease?   | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|           | had any other illness or injury or condition requiring hospital treatment or investigation? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

|           |  |                              |                             |
|-----------|--|------------------------------|-----------------------------|
| <b>18</b> | <i>Are there any facts affecting your current state of health of which your Doctor is unaware?</i> | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|-----------|--|------------------------------|-----------------------------|

*If you have entered 'yes' to any of the questions 12 to 18 inclusive, please give full details below, including the names of the doctors consulted or hospital involved. Where applicable, please state dates and duration of illness. If necessary, continue on a separate sheet*

|           |   |                              |                             |
|-----------|---|------------------------------|-----------------------------|
| <b>19</b> | <i>Have you received a copy of the Key Features Document?</i> | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|-----------|---|------------------------------|-----------------------------|

**Declaration:** I hereby apply for membership of the Society and declare that I have read and understood the important note at the start of the Application Form. If admitted to the membership of the Society, I agree to abide by the rules, present and future and I declare that all the above statements are true and complete and that they shall be the basis of the contract between me and The Schoolteachers Friendly Society. I further agree that if I have knowingly made an incorrect statement in this, my application, the rules of the Society will be strictly applied and entitlement to all benefits will cease. I give consent for the Society to seek medical information from any doctor who has at any time attended me concerning anything which affects my health or any treatment I may have received, or may receive in the future, and I authorise the giving of such information.

**SIGNATURE:** \_\_\_\_\_ **Date:** \_\_\_\_/\_\_\_\_/\_\_\_\_

**Please note that the Society MUST be notified of the changes in your health and circumstances prior to assumption of risk.**

**Please now read and complete the Form of Consent on the next page and the Direct Debit Instruction on page 4.**

**Commencement of Policy**

Provided your application is acceptable to the Society, and you have submitted a Direct Debit Instruction, then, unless you have given instructions to the contrary, the Society will assume commencement on the 1<sup>st</sup> day of the month after receipt of the application and proceed with the preparation of your documents. If for any reason acceptance cannot be assumed the Society will write to you and await your agreement before the cover commences. In either situation it is essential that the Society is notified of any changes in your health and circumstances which occur between the dates of your completion of the Application Form and the date of acceptance by the Society.

### Access to Medical Reports Act 1988

Before we can apply for a medical report from a doctor who has cared for you, we need your consent by signing in the space below. Before doing so, you should know that you have certain rights under the Access to Medical Reports Act 1988. These are set out below, but the main points are as follows:

- A. You can withhold your consent
- B. You can see the report before it is sent to us, or during the six months after that.
- C. You can ask the doctor if he will amend any part of the report which you consider to be incorrect or misleading. If the doctor is not in agreement, you may append your comments.
- D. The doctor can withhold from you the report, or part of it, if he thinks you would be harmed by seeing it.

### Consent to apply for a Medical Report

I have been informed of my statutory rights under the Access to Medical Reports Act 1988, and in connection with the insurance currently applied for, hereby consent to The Schoolteachers Friendly Society being provided with medical information from any doctor who at any time has attended me concerning anything which affects my physical or mental health, and I agree that a copy of that consent shall have the validity of the original.

I wish to see the report before it is sent to the Society  (The doctor may charge you a reasonable fee for a copy)

I do not wish to see the report before it is sent to the Society

Name and initials:  
Signature

Date

### Data Protection Act

By returning this form to Schoolteachers Friendly Society you consent to our processing sensitive personal data about you where this is necessary for the purposes of underwriting and processing your request to join the Sickness Income Plan. This information will also be used for the administration of your membership and in conjunction with any future requests to increase your rate of contribution or claim benefit. This information may be disclosed to our advisers and reinsurers for the purpose of underwriting, processing and claims handling, and also to our representatives to keep them informed of your membership account and to enable them to assist you should you wish to contact them direct with any queries. Information other than medical and claims records may be used for marketing purposes and our representatives may contact you by mail and/or telephone with marketing material which we feel may be of interest to you. If you do not want to be contacted by Schoolteachers Friendly Society with their marketing literature please tick this box  You have the right to ask for a copy of the information we hold about you (for which we may charge a small fee) and to correct any inaccuracies in your information.

### New Anti-Money Laundering Regulations

Due to a change in the regulations which require insurers like us to positively confirm the identity and current address of all applicants for the Sickness Income Plan, we now require the following details before we can consider accepting an application:

1. An original recent utility bill in the applicant's name at the address stated on the application (this will be returned to you).
2. A cheque drawn on a UK bank account in the applicant's name in respect of the second month's contribution (your first month's contribution is free and the Direct Debit will therefore start with the third months' contribution).

Where someone other than the applicant is paying the contributions, then we will need to see Item 1 above for that person. Please do not hesitate to contact a member of staff at our office on 0151 724 1930 should you have any queries.

### Access to Medical Reports Act 1988

Before we can apply for a medical report from a doctor who has cared for you, we need your consent by signing in the space on page 3 of this document. Before doing so, however, you should read this note carefully, as it sets out your rights under the Access to Medical Reports Act 1988 and the procedures for dealing with reports. You do not need to give your consent but if you do, you can say whether you wish to see the report before it is sent to us. If you do not give your consent, we may be unable to proceed with your proposal for insurance. If you say you wish to see the report, we will tell you at the same time as we write to the doctor and we will tell him you wish to see the report, you will then have 21 days to contact the doctor about arrangements for you to see the report. Of course, the quicker you act, the quicker your proposal for insurance can be considered.

If you do not say you wish to see the report, we do not have to notify you if we apply for one. However, if, before such a report is sent to us, you write to the doctor saying you wish to see it, you will then have 21 days to contact the doctor about arrangements to see the report. Whether or not you say you wish to see the report before it is sent to us, the doctor must let you see a copy for up to six months after it is supplied, if you ask. If you do ask the doctor for a copy of the report, you can be charged a reasonable fee to cover costs.

Once you have seen a report before it is sent to us, the doctor cannot submit it until you give your consent. You can write to your doctor asking to amend any part of the report which you consider to be incorrect or misleading. You may also have attached to the report, a statement of your views on any part where you and the doctor are not in agreement and which the doctor is not prepared to alter.

The doctor is not obliged to let you see any part of the report if, in his opinion, that would be likely to cause serious harm to your physical or mental health or that of others; or would indicate the doctor's intentions towards you; or if disclosure would be likely to reveal information about – or the identity of – another person who has supplied information about you, unless that person has consented or the information relates to, or has been supplied by, a health professional involved in caring for you. In such cases, the doctor must notify you and you will be limited to seeing any remaining part of the report. If it is the whole report which is affected, he must not send it to us unless you give your consent.

|              |      |               |            |             |
|--------------|------|---------------|------------|-------------|
| Office Use   | U/w: |               |            |             |
| Accept date: |      | D.D. Yes / No | Classfn: A | Start date: |

**Payment of Contributions by Direct Debit**

Direct Debit is a simple method of payment and is recommended in all cases. For safeguards for Direct Debit payers, see the Direct Debit Guarantee below. **The payment due is requested from your Bank or Building Society on or about the 4<sup>th</sup> of each month.**

**Instruction to your Bank or Building Society to pay by Direct Debit**



Please fill in the form and send it to:  
Schoolteachers Friendly Society, FREEPOST (LV1640), 30 Mather Avenue, Liverpool L18 1BR

Name and full postal address of your Bank or Building Society  
The Manager Bank/Building Society  
Address  
PostCode

Originator's Identification Number  
9 4 1 2 4 4

FOR SFS OFFICIAL USE ONLY  
This is not part of the instructions to your Bank or Building Society

Name(s) of Account Holder(s)

**Instructions to your Bank or Building Society**  
Please pay Schoolteachers Friendly Society Direct Debits from the account detailed in this instruction subject to the safeguards assured by the Direct Debit Guarantee. I understand that this instruction may remain with Schoolteachers Friendly Society and, if so, details will be passed electronically to my Bank/Building Society

Bank/Building Society Account Number Branch Sort Code

Signature(s) \_\_\_\_\_  
Date \_\_\_\_\_

Reference Number

Bank/Building Societies may not accept Direct Debit instructions for some types of account



This guarantee should be detached from the Application Form and retained by the payer  
**The Direct Debit Guarantee**



- This Guarantee is offered by all Banks and Building Societies that take part in the Direct Debit Scheme. The efficiency and security of the scheme is monitored and protected by your own Bank or Building Society
- If the amounts to be paid or the payment date changes, Schoolteachers Friendly Society will notify you 10 working days in advance of your account being debited or as otherwise agreed.
- If an error is made by Schoolteachers Friendly Society or your Bank or Building Society, you are guaranteed a full and immediate refund from your branch of the amount paid.
- You can cancel a Direct Debit at any time by writing to your Bank or Building Society. Please also send a copy of your letter to us.

**When the Application Form and Direct Debit Mandate have been completed they should be sent to:**

**Schoolteachers Friendly Society  
FREEPOST, 30 Mather Avenue, Liverpool L18 1BR**

**Tel: 0151 724 1930 Fax: 0151 724 1971 Email: info@schoolteachers.org.uk**

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# Schoolteachers Friendly Society

## Key Features of the Sickness Income Benefit Plan

*(See separate Key Features for the ChildCare Plan for Children)*

### Its Aims

- ★ The Plan is designed to provide members with financial assistance during periods of illness.
- ★ Membership of the Plan is open to everyone aged 5 to 69.
- ★ The Plan provides a unique opportunity to protect yourself, and your family members, against the increased expenses of illness, and, at the same time provides you with your own savings account which attracts tax-exempt\* interest.

### Your Commitment

- ★ You agree to pay a regular monthly sum, chosen by yourself, for as long as you wish.
- ★ If you choose to leave the Plan before retirement, there will be a penalty, currently equal to one year's contributions.
- ★ In the event of you ceasing to make contributions whilst still remaining a member, then your contributions will be taken from your accumulated fund until this runs out and membership lapses.
- ★ You will need to provide an original medical certificate for all claims.

### Risk Factors

- ★ Your circumstances may change, forcing you to cease contributions.
- ★ The funds of the Society are invested, and the value of these funds may rise and fall. The interest rate and the proportion of the refund of contributions made annually to members could also vary.
- ★ The Management Charge may rise or fall during the period of your membership.
- ★ The members of the Society may vote at a general meeting to vary the terms of the contract.

## The Sickness Income Benefit Plan : Your Questions Answered

### How do I join?

Quite simply, by completing the Application Form. If you are in good health, there is no need even for a medical examination.

### How much does it cost?

You choose your own level of contribution, rising from a minimum of £4 per month, in £2 increments to the maximum (currently £70). A Management Charge (currently 50p per month) will be payable in addition, and both are normally payable monthly by Direct Debit. You may apply to increase or reduce your contributions at any time.

### Do I have to be hospitalised to receive benefit?

No! We will pay Sickness Benefit from the **first day** of illness stated on your original medical certificate, whether in hospital or at home. Weekends and holidays are also included, so as to provide cover **all year round**.

### How much Sickness Benefit would I receive?

The level of benefit depends upon your rate of contribution and the amount built up in the fund set up for you as a member, but £40 per month contribution will provide you with £280 of Sickness Benefit per week. Whatever contribution you pay in each month becomes your Sickness Benefit **per day**.

### What is this "Member's Fund"?

At the end of each year, the Society returns a proportion of contributions to members by crediting this to their fund. Currently this is 45%. This percentage could go down as well as up in future. In addition, interest on the balances in members' funds is currently tax-exempt\*.

### What happens to my fund if I am never or seldom ill?

The money in your fund is yours, and will continue to grow each year. The money is invested in a range of officially approved securities and earns interest. The amount in your fund can be paid to you as a lump sum, less any penalty, if applicable.

### Can I withdraw money from my Member's Fund?

Yes, subject to you leaving in a minimum amount equal to two year's contributions, thus ensuring that some funds are there should you fall ill.

### Is there an example to help me understand the Plan?

Yes, an example will be provided on a separate sheet. When looking at this, it is important to remember that the Sickness Income Plan is an insurance for benefit when ill, not just an investment plan. Nevertheless there is an investment element and the information given is intended to assist your understanding of this. We have had to make assumptions for the example that no withdrawals from your fund or sickness benefit have arisen.

### How much is taken from my Member's Fund when I am ill?

Only a proportion of Sickness Benefit comes from your fund, the balance coming from the Society's own funds. Currently, if you joined before age 35, then 25% of your Sickness Benefit would be taken from your fund, and 75% would be paid by the Society. If your fund becomes exhausted, sickness benefit ceases until the following January (but see the question later on the Deposit Account facility).

### **Can I change my contributions later?**

Yes. If your circumstances change, you can reduce (subject to the minimum) or apply to increase your contributions at any time. Acceptance of applications to increase contributions is dependent upon health record.

### **What if I retire?**

You can continue membership after retirement, whether at normal retirement age or earlier. Sickness benefits are payable up to age 70.

### **How does the Deposit Account work?**

Members of the Sickness Income Benefit Plan can invest money with us in a separate Deposit Account, very much like a Building Society, except that some of the money in this account can also be used to extend your entitlement period for sickness benefit. The maximum annual lodgement you can make is four times the annual contribution to the Sickness Income Benefit Plan, and tax-exempt\* interest is paid on these accounts.

### **Good advice to new members...**

New members are advised to place some money in a Deposit Account in addition to paying monthly contributions. This money will place you in benefit in the period between joining the Society and the following January when you would not otherwise get benefit.

## **Further Information**

**What is a Friendly Society?:** Through the ages, people of all trades and classes combined together to help themselves and each other in the best possible way - a truly *friendly* way. The committees of these societies were voluntary and enthusiastic and included among their purposes the provision of relief to members in times of hardship. The traditional value of mutual self help is still in fashion, and many people feel it is both right and prudent now to make provision against ill-health to supplement any other income.

**Who is the Schoolteachers Friendly Society? :** The Society is a Registered Friendly Society and was founded in Liverpool in 1922. Since then it has grown enormously, as evidenced by its current £32m. assets. Membership of the Sickness Income Plan is open to everyone now irrespective of their occupation. Broadly speaking, the Society is an improvement on a cross between an insurance company and a building society - an organisation where you can make provision for the unexpected (i.e. insure against illness), save tax-exempt\* for the future (unlike a building society where interest is subject to taxation at source), and at the same time share in the assets and profitability as a member.

We also offer Tax-exempt\* Investment Policies which combine life assurance with tax-exempt\* savings, also available to anybody, and Stakeholder Child Trust Fund Accounts.

**\*Tax-exempt status and Taxation:** Friendly Societies currently enjoy a special taxation status. Sickness Benefit is not currently liable for income tax, and money in Members' Funds and Deposit Accounts also benefits from special tax concessions available to tax-exempt funds. This means that no tax is paid by the Society on capital gains or income received from cash deposits and fixed interest securities. No tax is payable by members on the interest on funds received by them or on the withdrawal of those funds. It should be remembered that the levels and basis of taxation might change.

**Cancellation Rights:** After your proposal is accepted, we will send you a Cancellation Notice which will give you the right to cancel at any time during the 30 days after you receive it. If you do decide to cancel during this period you will receive your money back in full.

**Queries and Complaints:** For further information or if you wish to complain about any aspect of the service you have received please contact the Chief Executive of the Society. If your complaint is not dealt with to your satisfaction you can then complain to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR, telephone 020 7964 1000. Making a complaint will not prejudice your right to take legal proceedings.

**Compensation:** Information on compensation arrangements is available from Schoolteachers Friendly Society on request. The investment will have the security provided by the Financial Services Compensation Scheme.

**Further Information:** More detailed information about the Plan can be found in our colour brochure. If you would like a copy, please ask.

**The Schoolteachers Friendly Society, 30 Mather Avenue, Liverpool L18 5HS, UK.**

**Tel: 0151 724 1930 Fax: 0151 724 1971 Email: [info@schoolteachers.org.uk](mailto:info@schoolteachers.org.uk)**

**Web-site: [www.schoolteachers.org.uk](http://www.schoolteachers.org.uk)**

The Schoolteachers Friendly Society is a Member of the Association of Friendly Societies and is authorised and regulated by the Financial Services Authority

# Sickness Income Benefit Plan - An Example for You

|                          |                     |   |
|--------------------------|---------------------|---|
| Name                     | A Sample            |   |
| Age at entry             | 40                  |   |
| Monthly Contributions    | £20                 | (plus Monthly Management Charge of 50p) |
| Sickness benefit per day | £20                 |   |
| Normal retirement date   | On attaining age 65 |   |

|   |        |
|---|--------|
| If your Investment grew at 4% a year, then your fund at retirement would be | £2,868 |
| If your Investment grew at 6% a year, your fund at retirement would be      | £3,689 |
| If your Investment grew at 8% a year, your fund at retirement would be      | £4,813 |

These figures are examples and are not guaranteed - they are not minimum or maximum amounts. What you get back depends on how your investments grow, whether you withdraw money, and how much sickness benefit you receive.

You could get back more or less than this.

All Friendly Societies use the same rates of growth for illustration, but their charges vary.

Do not forget that inflation would reduce what you could buy in the future with the amounts shown.

## The Early Years

Warning - If you cash in during the early years you could get back less than you have paid in.

The last two columns assume that investments will grow at 6% a year

| Year | Total paid in to date | Deductions for Sickness Fund and Monthly Fee | Effect of Deductions and Expenses to Date | What you might get back |
|------|-----------------------|--|---|-------------------------|
|      | £                     | £  | £   | £                       |
| 1    | 246                   | 138  | 246                                       | 0                       |
| 2    | 492                   | 276  | 534                                       | -27                     |
| 3    | 738                   | 414  | 697                                       | 86                      |
| 4    | 984                   | 552  | 874                                       | 202                     |
| 5    | 1,230                 | 690  | 1,065                                     | 322                     |

## The Later Years

| Year | Total paid in to date | Deductions for Sickness Fund and Monthly Fee | Effect of Deductions and Expenses to Date | What you might get back |
|------|-----------------------|--|---|-------------------------|
|      | £                     | £  | £   | £                       |
| 10   | 2,460                 | 1,380  | 2,279                                     | 964                     |
| 15   | 3,690                 | 2,070  | 4,035                                     | 1,691                   |
| 20   | 4,920                 | 2,760  | 6,536                                     | 2,513                   |
| 25   | 6,150                 | 3,450  | 10,054                                    | 3,689                   |

### What are the deductions for ?

The deductions include the cost of sickness benefits, commissions, expenses, charges, any surrender penalties and other adjustments.

The last line in the table shows that over the full term, the effect of the total deductions for the Sickness Fund, monthly Fees and expenses could amount to : £10,054

Putting it another way, leaving out the cost of Sickness Benefits, this would have the same effect as bringing the investment growth rate used from 6% per annum down to 2.3%

### How much will the advice or introduction cost ?

The Schoolteachers Friendly Society will pay a Local Secretary, Local Representative or Introducer £75 should you proceed with this Plan after introduction by them. A Local Secretary (if you have one) will also receive annual payments equal to 3% of your contributions to the Plan. These payments are paid for out of the deductions, and are intended merely to defray their reasonable expenses.