

By Messrs. Walsh of Boston and Adams of Westfield, petition of the Savings Banks Association of Massachusetts, Joseph B. Walsh and James A. Adams relative to the computation of dividends by savings banks. Banks and Banking.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy.

AN ACT RELATIVE TO THE COMPUTATION OF DIVIDENDS BY SAVINGS BANKS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 60 of chapter 168 of the General Laws
2 is hereby amended by striking out paragraph 2, as appearing
3 in chapter 283 of the acts of 1967, and inserting in place there-
4 of the following paragraph:—

5 2. *Rate and Computation.*—Ordinary dividends shall be at
6 such rate as the trustees shall determine and, if not with-
7 drawn, shall be treated as deposits in computing any divi-
8 dends thereafter paid. If the by-laws or regulations so provide,
9 such dividends may be declared: (a) upon deposits of one,
10 two, three, four or five months' standing at the end of each
11 dividend period; provided, however, that in such case, if the
12 by-laws or regulations of the corporation so provide, a deposit
13 made on or before the ninth day after the day on which deposits
14 begin to draw dividends or interest, or if such ninth day be a
15 Saturday, Sunday or legal holiday, on or before the next busi-
16 ness day succeeding such ninth day, and remaining on deposit
17 through the balance of the monthly period may be construed
18 as having been on deposit one full month within the meaning
19 of this section, or

20 (b) from the date of deposit to the end of the dividend pe-
21 riod on sums which are on deposit at the end of the dividend
22 period, or

23 (c) from the date of deposit to the date of withdrawal on
24 sums withdrawn before the end of the dividend period, so

25 long as the account in which such sums were on deposit shall
26 remain open until the end of the dividend period with a balance
27 of at least ten dollars, and from the date of deposit to the end
28 of the dividend period on all sums remaining on deposit at
29 the end of each dividend period.

30 If the by-laws and regulations so provide, and if ordinary
31 dividends are declared on deposits as provided in either of
32 subparagraphs (a) and (b) of this paragraph two, any of the
33 deposits authorized by sections twenty-one and twenty-two
34 may be received in a separate class of account on which divi-
35 dends shall be declared at the time when and for the same
36 dividend period as that for which any ordinary dividend is
37 declared, and at a rate which shall be at least one eighth of
38 one per cent per annum less than that declared for any ordinary
39 dividend. Dividends on any such class of account shall be pay-
40 able at the end of the dividend period on deposits as provided
41 in subparagraph (c) of this paragraph two. Such dividends
42 shall be treated as ordinary dividends for all other purposes
43 of this chapter.

44 If the by-laws and regulations so provide, dividends declared
45 as provided in this section and in sections sixty A and sixty-
46 one of this chapter may be computed as if such dividends had
47 been declared and paid at uniform intervals, daily or other-
48 wise, within the dividend period and the amount so paid for
49 each such interval had been added to deposits for the succeed-
50 ing interval.

1 SECTION 2. Section 60A of chapter 168 of the General Laws,
2 as most recently amended by section 4 of chapter 224 of the
3 acts of 1968, is hereby further amended by adding to para-
4 graph two the following two sentences:—If the by-laws and
5 regulations so provide, additional dividends may be declared
6 on special notice account deposits as provided with respect
7 to ordinary dividends in any of subparagraphs (a), (b), and
8 (c) of paragraph two of section sixty. Bonus dividends on
9 systematic savings account deposits shall be computed as
10 specified in the applicable systematic savings account agree-
11 ment.