

## REMUNERATION

### 1. FEES PAYABLE TO DHB BOARD MEMBERS

Board members are paid an annual fee for their service on the Board, which is determined by the Minister of Health. Currently this is set at \$23,171 per annum for Board members (paid on the 15<sup>th</sup> day of each month). The Board Chairman and Deputy Chairperson receive a higher fee for the extra workload they are required to undertake.

There is no minimum number of Board meetings that Board members must attend in order to earn these fees. However, the New Zealand Public Health and Disability Act allows the Minister to remove a Board member if "that ... member has, without permission from the Board or Minister and without any reasonable excuse, been absent from four consecutive meetings of the Board" (clause 9(d) of Schedule 3).

### 2. PAYMENT FOR REPRESENTATION ON STATUTORY ADVISORY COMMITTEES

Board members are also paid for representation on the Statutory Advisory Committees: the Community and Public Health Advisory Committee, the Hospital Advisory Committee, and the Disability Support Advisory Committee.

The Minister has also allowed DHBs to make additional fee payments to those Board members who serve on Board audit and finance committees.

The Minister of Health has set the fees for the Statutory Advisory Committees and audit and finance committees at \$2,500 per annum for members and \$3,125 for committee chairs. These are annual payments assuming attendance of at least ten meetings per year. If less than ten meetings are attended in a year, payments are required to be made on a pro-rata basis. If more than ten meetings are attended, no further payments are permitted above the specified annual rate.

### 3. PAYMENT FOR OTHER COMMITTEES, MEETINGS, WORKSHOPS OR FUNCTIONS

Board members may be required to attend other committees, meetings, workshops, training events, public consultation meetings or functions as part of their duties. This is allowed for in the existing fee that members receive for sitting on the Board and no extra payments are permitted for these.

#### **4. PAYMENT TO COVER TRAVEL AND EXPENSES FOR ATTENDANCE AT BOARD AND COMMITTEE MEETINGS**

Board members may claim reimbursement of actual and reasonable travel and accommodation expenses for attendance at Board and committee meetings. Any other costs are to be approved by the Chairman prior to expenditure and are subject to Cabinet Office Circular CO(19)1.

Expense claim forms will be available for members' completion at each meeting.

Members requiring accommodation should arrange this through the Executive Assistant, Governance: [kate.lilley@southerndhb.govt.nz](mailto:kate.lilley@southerndhb.govt.nz)

#### **5. TAXATION ON FEES FOR MEMBERS**

**The following advice has been obtained from the IRD website <https://www.ird.govt.nz/> and is intended as a general guide for members. As taxation matters depend on the personal circumstances of the individual, members are advised to clarify their taxation status by reference to professional advice or the Inland Revenue Department (IRD).**

Payments to Board members for work or services performed fall within the meaning of scheduler payments under the Income Tax Act 2007. Scheduler payments are subject to Withholding Tax, unless the recipient provides a valid Certificate of Exemption or Special Tax Code Certificate. Each member will receive an IR330C tax form to fill in and should use the standard tax rate of 33%, if no rate is selected 33% is the default rate. If an IR 330C has not been completed, the rate of withholding tax to be deducted is 45% (the non-declaration rate).

Scheduler payments will be exempt from withholding tax if that individual, partnership or trust holds a valid Certificate of Exemption or Special Tax Code Certificate, or is otherwise exempt from the withholding requirement (e.g. the individual is a company). An application for exemption can be made through IRD <https://www.ird.govt.nz/tasks/apply-for-a-certificate-of-exemption-from-scheduler-tax>. If a certificate of exemption is granted then no tax is taken and it is the responsibility of the individual to ensure that the appropriate tax is returned at the end of the year.

#### **GST**

All Board and committee fees set are GST inclusive (Section G, paragraph 173 of Cabinet Officer Circular CO(19)1). Therefore if members wish to have their fees paid through their trading or company account, they cannot claim the prescribed fee plus GST.