

BOARD HONORARIUM POLICY

v3 July 2025



PNZ recognises the value and commitment Board Members make to the organisation. While the position is voluntary, an honorarium is based on the respective workload and time commitment for each position and bound by the principle of Board members not incurring personal costs to provide governance to PNZ. An example of a personal cost is where a Board member is required to take annual leave or foregoing chargeable hours to attend a meeting.

THE PURPOSE OF THIS POLICY IS TO:

Outline the criteria and level of honorarium that PNZ will provide to PNZ Board Members.

1. BOARD HONORARIUM:

The Board honorarium (gross pre-tax*) listed below, are based upon the following principles:

- Eligibility criteria is met (see explanation below);
- Acceptance of honorarium payments will be treated as voluntary;
- If a Board member chooses not to drawdown on the honorarium, the budget allocation will remain in the PNZ consolidated fund;
- An honorarium will be paid quarterly**;
- Board honorarium will be reviewed on a 3-yearly basis; and
- The PNZ Annual Budget will include the Board Honorarium allocation.

* According to IRD, whether a fee is called a payment or an 'honorarium', it is taxable. The only exception is where there is a reimbursement of expenses which are tax exempt. PNZ will be required to apply a 33% withholding tax on payments, except for self-employed Board members. Where a Board Member or entity which is invoicing PNZ for honorarium is GST registered, GST is charged on the honorarium payment.

** A quarterly payment schedule is based on the following two points:

1. The financial cashflow implications of the full fee for both Board Members and PNZ if paid at the end of the financial year; and
2. Ease of tracking changes in Committee responsibilities. If a Board member resigns from the PNZ Board, any Board or Committee honorarium outstanding will be paid on a pro-rata basis.

Eligibility criteria:

1. Only current PNZ Board members are eligible for the Board honorarium.
2. If a Board member misses 2 consecutive meetings, their Board or Committee honorarium may be reduced on a pro-rata basis.
3. If a Board member resigns from the PNZ Board, any Board or Committee honorarium outstanding will be paid on a pro-rata basis.

The PNZ Committees for which an honorarium applies are:

- Governance.
- Audit and Risk.
- People and Performance.

PNZ recognises the following Advisory Groups, with composition including PNZ Board representation, together with non-PNZ Board Members, and such Advisory Groups are voluntary and do not receive an honorarium:

- Cyril Smith Legacy Fund.
- Awards and Honours.

2. PROFESSIONAL DEVELOPMENT:

An allocation will be set aside in the PNZ budget, as determined by the PNZ Board, to support professional development activity that will benefit the PNZ Board and/or PNZ Staff Team. The allocation will be determined annually, taking into consideration wider budget elements. Any allocation identified by the PNZ Board and approved in the annual budget that remains unspent at the end of a financial year, will not be accrued.

A plan for identified whole of Board development will be included as a section within the annual Board Workplan.

3. BOARD HONORARIUM ALLOCATION:

The inaugural honorarium levels are based on the Strategic Pay 2022 survey Sport and Recreation sector results. The following honorarium are identified as the annual budget allocation:

	\$ Per Member	Budget Provision
Chair (1 position)	\$30,000	\$35,000***
Deputy Chair (1 position)	\$7,000	\$7,000
Board Member (up to 7 positions)	\$5,000	\$35,000
Committee Chair (3 positions)	\$3,500	\$10,500
Committee Member (up to 10 positions)	\$1,500	\$15,000
		\$105,500

*** Current fee payable is \$30,000 as previously agreed by PNZ Board based upon 60 days. Any additional days will be \$500/day up to a maximum \$35,000k gross per year if requested. It is noted that the Chair does not receive any extra payments for Committee attendance/inclusion. Effective from 1 May 2022.

4. PROCESS FOR HONORARIUM PAYMENT:

A schedule of honorarium payments will be developed by the PNZ Finance Manager, based on the Board and Committee composition advised by the PNZ Chair.

This will be shared with each Board member, identifying the proposed quarterly honorarium payments schedule (which will be subject to approval on a quarterly basis). By exception, honorarium payments to the PNZ Chair will be permitted on a monthly basis, where requested (based on the higher value of honorarium).

Each Board member must advise PNZ in writing of the preferred payment method, from one of the following two ways:

- (a) **Schedular Payment:** PNZ will make payment of the identified honorarium, less withholding tax in line with relevant taxation requirements. No invoice will be required.
- (b) **Self-Employment:** Board member to submit a quarterly invoice for Board and Committee roles, based on the schedule of honorarium payments, to the PNZ Finance Manager no later than 1 week into each new quarter (e.g., April, July, October, January). No withholding tax will be retained for Self-Employed Board members, who will remain responsible for managing their own taxation implications.

Within the first 2 weeks of each new quarter (e.g., April, July, October, January), the PNZ Finance Manager will send a quarterly honorarium payment schedule (including the value of any invoices received from Self-Employed Board members) to both the PNZ Chair and the Chair of the PNZ Governance Committee, who will review and confirm allocation based on Board and Committee attendance.

Once the quarterly schedule is approved, honorarium payments will be made by the PNZ Finance Manager, within one week of approval, by the identified method for each Board member.

KEY RELEVANT LEGISLATION:

- Income Tax Act 2007

KEY RELEVANT PNZ DOCUMENTS WHICH RELATE TO THIS POLICY:

- Annual Budget
- Board Charter and Governance Manual
- Finance Policy
- Finance Manual

VERSION CONTROL:

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