

From: [Julie Miller](#)
To: [Jane Fletcher](#)
Subject: FW: Cabinet Fees Framework - Ministerial Advisory Board members
Date: Friday, May 20, 2022 3:04:29 PM
Attachments: [image002.png](#)
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[image007.png](#)

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Ngā mihi

Julie Miller

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From: Dallas Welch <xxxxxx.xxxxx@xxxxxxxxxxxxxx.xxxx.xx>
Sent: Monday, 13 September 2021 2:01 pm
To: Julie Miller <xxxxxx.xxxxx@xx.xxxx.xx>
Subject: RE: Cabinet Fees Framework - Ministerial Advisory Board members

Kia ora Julie

Information relevant to your questions is below:

I suggest you look at the relevant sections in the Cabinet Fees Framework: [CO-19-1 Fees-Framework-for-members-appointed-to-bodies-in-which-the-Crown-has-an-interest.pdf](#) (publicservice.govt.nz)

Tax

These paragraphs are particularly pertinent.

Paragraph 166

A payment of fees is generally made to and derived by the member and is in most cases classified as 'payments of company directors' fees, examiners' fees, honoraria, and other payments' which is a form of schedular payment. The tax rate for these payments is 33 cents in the dollar unless Inland Revenue has issued an exemption certificate or a special tax rate certificate to the recipient, or the recipient has chosen their own rate (a minimum of 10 cents in the dollar).

Paragraph 170

A payment of fees to a member, in respect of their capacity as a board member, is not subject to GST. However, if a person is carrying on a taxable activity and accepts office as part of their taxable activity, any service supplied by that person as holder of that office is deemed to be supplied in the course or furtherance of that taxable activity. Accordingly, the member must return GST on fees they charge for services as a director.

IRD is the best place to go for specific advice. Denise Birdling, Team Lead, Significant Enterprises, Inland Revenue email: ..@.. or phone (04) 890 6295 is a useful contact.

Hours

Paras 48 and 49 of the Framework are relevant.

Paragraph 48

It is expected that a working day is about 8 hours, and the daily fee is calculated on this basis. Work for longer than 8 hours in one day must not attract an extra payment, unless the combination of travel and work is frequently longer than 8 hours. (see para 81).

Paragraph 49

Hourly pro-rata rates should be calculated by dividing the daily rate by 8 and multiplying by the number of hours worked

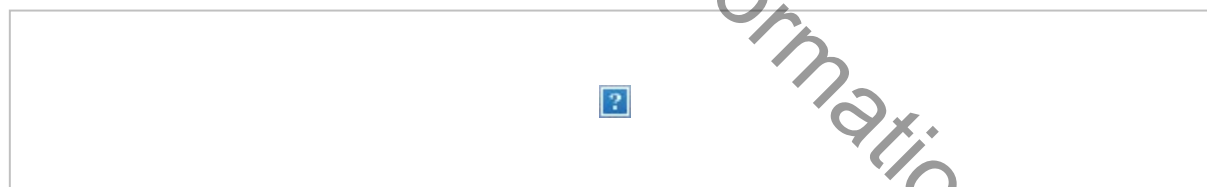
I hope these references are useful. Our Crown Entities team would be happy to answer further question if you have any .

Dallas Welch

Kaikōmihana Tautāwhi | Assistant Commissioner

Te Aromātai Whakatatutukitanga | System & Agency Performance

waea pūkoro: [s 9\(2\)\(a\) OIA | ĩmēra: ..@..](mailto:..@..)



Te Kawa Mataaho Public Service Commission

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From: Julie Miller <xxxxx.xxxxxx@xx.xxx.x>

Sent: Monday, 13 September 2021 10:57 am

To: Dallas Welch <xxxxxx.xxxxx@xxxxxxxxxxxxx.xxx.xx>

Subject: Cabinet Fees Framework - Ministerial Advisory Board members

Importance: High

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Kia ora Dallas

I hope you are well.

We have been reviewing the invoices from the members and Chair of the Ministerial Advisory Board and would like to check your understanding of the fees and seek some guidance.

The MAB Chair and members have been submitting invoices for their work with the Board relative to their daily rate fees agreed at their commencement on the Board in February 2021. The invoices include an amount for GST, it is my understanding that Board Fees are not subject to GST, can you confirm whether this is correct and provide some guidance? In addition, some members are claiming additional hours over and above the daily rate fee, the hourly rate being claimed is the daily rate divided by 7.5, it is my understanding that the daily rate should be divided by 8 to get the hourly rate. Again, can you confirm your understanding of this.

It would be great if you could provide me your thoughts as soon as possible please, I look forward to hearing from you.

Ngā mihi

Julie Miller

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