



**NZSTA**  
e tipu e rea

## Governance support resources

### Board member honorarium and tax

Board members are not entitled to payment for their services but can receive a particular type of payment, called an honorarium, for attending board meetings.

#### What this means

Payments of up to \$55.00 for a board member and \$75.00 for the presiding member to attend a board meeting are defined as “expenditure incurred in the production of the payment” and are exempt from withholding tax.

In addition, there is a limit on the number of payments for attending meetings in any one year that are exempt from withholding tax. Annual “allowed exemptions” are \$605 per board member (equivalent to 11 meetings per school year at \$55.00 a meeting) and \$825 for the presiding (equivalent to 11 meetings at \$75.00 a meeting).

#### To be clear...

- any amount paid that is more than \$55.00/\$75.00 per meeting is subject to withholding tax
- any amount paid that is more than 11 x \$55.00/\$75.00 in any one year is subject to withholding tax. So, if board members are paid \$55.00/\$75.00 per meeting for 15 meetings in any one year, there will be tax to pay
- if a board meets only eight times per year but pays its members more than \$55.00/\$75.00 per meeting, there will be tax to pay.

#### Also be aware...

If a board member receives any reimbursement (in addition to honoraria) for expenditure incurred to attend that meeting, the amount exempted (\$55 or \$75 for the presiding member) will be reduced by the amount of that additional reimbursement.

The board is responsible for ensuring that withholding tax due is deducted prior to payment. If in doubt, the person responsible for administering honoraria should seek advice from the [Inland Revenue Department](#).



nzsta.org.nz



facebook.com/NZSTA1



twitter.com/NZSchoolTrustee

For further advice please contact the  
**Advisory and Support Centre**  
0800 782 435, option 1 or  
govadvice@nzsta.org.nz