

ID:64-4-3845023

04 APR '00

16:49 No. 004 P. 03  
MAIL LEVEL 5: # 1 / 2

4

**Audit New Zealand**

AUDIT AND FINANCIAL SERVICES

**FACSIMILE**NATIONAL OFFICE  
Phone; (04) 496-3099  
Fax; (04) 496-3095Level 8, St Pauls Square  
45 Pipitea St  
Private Box 99  
WELLINGTON

DATE: 4 April 2000

TO: Greg Schollum - Chief Financial Officer

COMPANY: Wellington Regional Council

FAX NO: 04 384 5023

FROM: Jeff Eaton

Number of pages (including this one); 2

**NOTICE OF CONFIDENTIAL INFORMATION**  
 The information in this message is CONFIDENTIAL INFORMATION and may also be LEGALLY PRIVILEGED. It is intended for the individual named above. If you are not the intended recipient, you are hereby notified that any use, review, distribution, or copying of this document is strictly prohibited. If you have received this document in error, please do not collect, use, disseminate, or destroy the original message.

**REMUNERATION PAID TO COMMITTEE/BOARD MEMBERS**

Further to our discussion this morning, please find attached an extract from the Withholding Payments Regulations, which is the authority for taxing remuneration paid to elected representatives.

As you can see, the wording of the definition of "Honoraria" is very wide and includes payments to members of boards, committees and other like bodies. On the basis that members of community boards etc are not Council employees, payments to them will constitute "honoraria" and be subject to withholding tax at 33%. This can be overcome if the recipient applies for an annual certificate of exemption.

The treatment of board members should therefore be the same as that of Mayors and Councillors and follow the revised policy just released by IRD, ie all payments including reimbursements up to 31 March should have withholding tax deducted with true reimbursements being exempt from 1 April 2000.

I trust that this clarifies the point.

Regards

Jeff Eaton