

# POLICY

## 1.5 BOARD REMUNERATION



Supporting Procedure:		
Other Related Documents:	Superannuation Guarantee (Administration) Act 1992 PAYG Withholding Tax System	
Category:	Board	
Type:	Strategic	Dates:
1 <sup>st</sup> Review By:	Jane O'Malley and Patricia Sutton	13/04/2017
2 <sup>nd</sup> Review By:	Jane O'Malley and Patricia Sutton	12/04/2018
3 <sup>rd</sup> Review By:	Jane O'Malley and Patricia Sutton	16/04/2019
4 <sup>th</sup> Review By:	Jane O'Malley and Patricia Sutton	14/05/2020
Approved By:	Board of Management	18/06/2020
Issued By:	Chief Executive Officer	16/06/2020

### Introduction

This Policy stipulates who, on the Board of Management, is eligible to receive remuneration, and the value and nature of that remuneration.

The Policy applies to Board Members.

### Definitions

For the purposes of this Policy:

**'Board Member'** means a member of the PHCC Board of Management

**'Board of Management'** means the Association Members of PHCC

**'Honorarium'** is either an honorary reward for voluntary services, or a fee for professional services voluntarily performed. An honorarium may be paid in money or as property.

### Policy Statement

#### 1. Eligibility for Honorariums

- 1.1 The Chairperson, Deputy Chairperson, Treasurer and Secretary are eligible to receive an Honorarium
- 1.2 An Honorarium is paid for undertaking roles, duties and responsibilities rather than for a set number of meetings or hours worked
- 1.3 Honorariums commence from the acceptance by an individual of an eligible position and end on the resignation or suspension of an individual from an eligible position
- 1.4 Honorariums will be suspended for any and all of an approved leave of absence of an individual from a position.

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### 2. Payment of Honorariums

- 2.1 Honorariums are calculated and paid six monthly in arrears, in December and June of each financial year, unless by other arrangements as agreed by the CEO, direct to the bank account nominated by the payee
- 2.2 Honorariums may be paid on invoice or as a salary, and:
  - 2.2.1 Where Honorariums are invoiced by the payee, the Honorarium rate in Clause 2.3 is exclusive of GST where applicable
  - 2.2.2 Where Honorariums are paid as salary:
    - i. the Honorarium rate in Clause 2.3 is inclusive of superannuation, which is paid at the rate stipulated by the *Superannuation Guarantee (Administration) Act 1992*, and
    - ii. is subject to tax in accordance with the requirements of the PAYG Withholding Tax system
- 2.3 The Annual Honorarium rate for each position is:
  - 2.3.1 Chairperson - \$15,000
  - 2.3.2 Deputy Chairperson - \$5,000
  - 2.3.3 Treasurer - \$5,000
  - 2.3.4 Secretary - \$3,000
- 2.4 Honorarium rates may only be changed with the approval of the Board of Management through the Board meeting decision making processes
- 2.5 Honorarium Rates indicated in this policy may be updated from time to time to reflect decisions made by the Board of Management to alter them.

### 3. Legal Requirements for Payment

- 3.1 If Honorariums are paid on invoice then:
  - 3.1.1 The payee must supply a legal tax invoice for the payment
  - 3.1.2 Payment of the invoice will be made in accordance with PHCC's accounts payable procedures
- 3.2 If Honorariums are paid as a salary then:
  - 3.2.1 The person receiving the payment must supply all information required by PHCC as part of their employment systems
  - 3.2.2 A pay slip will be issued by email at the time of payment
  - 3.2.3 A payment summary will be issued annually for tax purposes.