



POLICY

Interest on overdue levy payments

Introduction

When to use	<p>This policy sets out guidelines for the charging and waiving of interest on overdue levy payments.</p> <p>Apply this policy when a levy payer has not made payment by the due date.</p>												
Purpose	<p>The aim of this policy is to:</p> <ul style="list-style-type: none"> encourage levy payers to pay on time be equitable and transparent with levy payers when levy payments are overdue. 												
Who it applies to	<p>This policy applies to the following people:</p> <table border="1" data-bbox="411 954 1442 1429"> <thead> <tr> <th data-bbox="411 954 772 1016">Role</th> <th data-bbox="772 954 1442 1016">Key responsibilities</th> </tr> </thead> <tbody> <tr> <td data-bbox="411 1016 772 1079">Levy payers</td> <td data-bbox="772 1016 1442 1079">Calculate levy due and make payment by due date.</td> </tr> <tr> <td data-bbox="411 1079 772 1173">Levy analysts</td> <td data-bbox="772 1079 1442 1173">Initial review and assessment for any waiver of interest request.</td> </tr> <tr> <td data-bbox="411 1173 772 1267">Levy auditors</td> <td data-bbox="772 1173 1442 1267">Audit levy calculations and payments made by levy payers.</td> </tr> <tr> <td data-bbox="411 1267 772 1361">Revenue and Assurance Manager</td> <td data-bbox="772 1267 1442 1361">Make recommendation for any waiver of interest request.</td> </tr> <tr> <td data-bbox="411 1361 772 1429">Chief Financial Officer</td> <td data-bbox="772 1361 1442 1429">Make decision for any waiver of interest request.</td> </tr> </tbody> </table>	Role	Key responsibilities	Levy payers	Calculate levy due and make payment by due date.	Levy analysts	Initial review and assessment for any waiver of interest request.	Levy auditors	Audit levy calculations and payments made by levy payers.	Revenue and Assurance Manager	Make recommendation for any waiver of interest request.	Chief Financial Officer	Make decision for any waiver of interest request.
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Contents	<p>This policy contains the following content:</p> <ul style="list-style-type: none"> Levy obligations Related information 												

Levy obligations

Reminders	We will endeavour to remind levy payers, at appropriate times, of their levy obligations. The onus and ultimate responsibility for payment always remains with the levy payer. We can charge interest irrespective of whether a reminder is given.
Due date	All levy payments must be paid by the due date. This is the 15th day of the second month following the end of the month in which their contract of fire insurance or other arrangement was incepted.
Surcharge	A non-discretionary 10% penalty surcharge on late payments of the levy will be applied where any levy payment has not been made within six months of the due date.
Interest	<p>Interest is chargeable on overdue levy payments from the due date at a rate of 1.5% per month.</p> <p>We will generally not charge interest amounts of less than \$100, though the Chief Financial Officer has the discretion to so.</p>
Waivers	<p>The Chief Financial Officer has discretion to waive interest payable and will take into account any reasons given for the late payment of levy when exercising that discretion.</p> <p>The following reasons for late payment will not generally be regarded as justifying a waiver:</p> <ul style="list-style-type: none"> • Ignorance of the law surrounding the payment and calculation of the levy. • The levy payer's administrative oversight, such as: <ul style="list-style-type: none"> ○ computer errors ○ staff changes or shortages ○ lack of staff training ○ payment to the wrong account. • Bank error.
Estimated levy payments	<p>When it's difficult for the levy payer to calculate the exact amount of levy due, payment can be made based on an estimate. This estimate can be based on the previous year's sum insured or the indemnity value. It must be paid by the due date.</p> <p>When the exact amount of levy payable becomes known, the levy payer must inform the Fire Service of any difference between the amount due and the original payment. Note: Use forms 2 to 6, depending on insurance arrangements.</p> <p>In such cases:</p> <ul style="list-style-type: none"> • overpayments will be refunded. • underpayments must be paid by the due date. If this additional payment is made after the due date for the levy, then the following rules apply to the portion of the payment that was late: <ul style="list-style-type: none"> ○ A surcharge will be applied. ○ Interest may be charged.

Entities may be audited	Insurance companies, brokers and corporate entities may be audited in respect to their Fire Service levy obligations.
Who to contact	Contact us on +64 4 496 3656 or email Revenue.Analyst@fire.org.nz .

Related information

Legislation	We must comply with legislation, including the following: Sections 48, 50, 51 and 53 of the Fire Service Act 1975
Forms	The forms that will to help you comply with this policy can be found at: fire.org.nz > About us > NZFS levy > Downloads.

Document information

Owner	Chief Financial Officer
Last reviewed	14 July 2015
Review period	Yearly

Record of amendment

Date	Brief description of amendment
July 2015	Under the Corporate Information Framework project, the Charging Interest on Overdue Fire Service Levy Payments policy (POLFA 7.6) has been renamed and reformatted to make it easier for personnel to find and understand.