

**Report to the Members' Services Board
of the
Yukon Legislative Assembly
respecting
MLA Salaries and Benefits**

October 2007

MLA Salaries and Benefits Commission – Patrick L. Michael

October 29, 2007

Hon. Ted Staffen, M.L.A.
Speaker of the Legislative Assembly
and Chair of the Members' Services Board
Yukon Legislative Assembly
Box 2703
Whitehorse, Yukon

Dear Mr. Speaker:

As per the direction of the Members' Services Board of the Yukon Legislative Assembly, I have the honour to present a report on the salaries and benefits of the Members of the Yukon Legislative Assembly.

Yours truly,

A handwritten signature in black ink, appearing to read "Patrick L. Michael". The signature is written in a cursive style with a large initial "P" and "M".

Patrick L. Michael
MLA Salaries and Benefits Commission

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Introduction

This review of the salaries and benefits of the Members of the Yukon Legislative Assembly has been prepared pursuant to the direction of the Members' Services Board given at its meeting of June 14, 2007. An extract of the Minutes of that meeting follows:

Non-Partisan Commission – Review of MLA Salaries and Benefits

The Board was advised that on May 23, 2007 the Assembly adopted the following motion:

THAT this House establish an independent, non-partisan commission of Yukon citizens to conduct a review of MLA salaries and benefits in relation to those in other Canadian jurisdictions, and to report its findings and recommendations to the Yukon Legislative Assembly during the Fall 2007 sitting.

AGREED THAT, the Chair of the Members' Services Board approach Patrick Michael to confirm he would accept the position as Chair of a Commission to review MLA salaries and benefits.

FURTHER AGREED, THAT Mr. Michael will be responsible for finding two other members to serve on the MLA Salaries and Benefits Commission and that Mr. Michael will report back to the Members' Services Board with the Commission's recommendations.

FURTHER AGREED, THAT the Legislative Assembly Office liaise with Mr. Michael for changes to the *Legislative Assembly Act*. For clarification, amendments to the *Legislative Assembly Act* must consider what process should be in place for any future review of MLA salaries and benefits.

In my meeting with the Chair of the Members' Services Board I indicated that, rather than recruit two other people to sit on this Commission, I would prefer to take sole responsibility for the preparation of a report to the Board. I suggested that the Board would then be able to make its own determinations as to whether it should consult further on the matters covered in the report and, if so, the manner in which that consultation should take place. The Chair stated that the approach I wished to take would meet the intent of the Members' Services Board.

The Legislative Assembly stated, in its resolution of May 23, 2007, that the "review of MLA salaries and benefits [be] in relation to those in other Canadian jurisdictions". That direction has been followed in the preparation of this report and comparative information is provided in the attached appendices.

Members of the Legislative Assembly were invited to provide input to the Commission and those who did are thanked for their information and advice. I also wish to thank former colleagues from Clerks' Tables across Canada for their prompt and informative responses to my numerous queries.

FINDINGS

Indemnities, expense allowances and salaries

- (1) Yukon, in comparison with all Canadian provinces and territories, ranks last in the indemnities paid to members of the Legislative Assembly and in the salaries of the Premier, Ministers, the Leader of the Official Opposition, the leader of a third party, the Speaker and the Deputy Speaker.

- (2) The history of remuneration of members of the Yukon Legislative Assembly from 1978 to the present (see Appendix A) demonstrates that the pay of members of the Yukon Legislative Assembly has been subject to very little review during the past quarter century and that the most significant decisions have tended to result in reductions rather than increases.

- (3) The policy that has had the greatest impact was that made to apply the cost of living index only to indemnities and expense allowances and not to salaries. That policy, in combination with some cuts made along the way, has resulted in the following:
 - (a) salaries paid to Ministers are less in 2007 (\$21,147) than in November 1979 (\$24,000);
 - (b) the salary of the Premier is less in 2007 (\$28,971) than in November 1979 (\$29,000);
 - (c) the salary of the Leader of the Official Opposition is less in 2007 (\$21,147) than in March 1993 (\$22,260);
 - (d) the salary of the Speaker of the Assembly is less in 2007 (\$7,049) than in March 1993 (\$7,420); and
 - (e) the salary of the Deputy Speaker of the Assembly is less in 2007 (\$5,287) than in March 1993 (\$5,565).

- (4) The salaries of leaders (Premier, Leader of the Official Opposition, leader of a third party), Ministers and presiding officers are all less than half the national average for persons in their positions. The Speaker of the Legislative Assembly and the leader of a third party in the Assembly are paid less than 20% of the national average.

- (5) Eight other jurisdictions no longer provide members with an expense allowance that qualifies as being non-taxable pursuant to s.81(2) of the *Income Tax Act* [R.S.C. 1985 (5th Supp.), c. 1]. Pay review commissions have been consistent in recommending that the non-taxable expense allowance be done away with and legislative assemblies have made a practice of acting on that advice. It is not found, however, that Yukon should follow this lead. Yukon MLAs are not provided with resources comparable to those of MLAs in other jurisdictions (e.g. constituency offices

and staff) and, as a consequence, there remains justification for the continued payment of an expense allowance to members of the Yukon Legislative Assembly. That payment can be argued to be both necessary and in full compliance with the requirement of the *Income Tax Act* [R.S.C. 1985 (5th Supp.), c. 1, s.81(2)] that the allowance be provided to a member “for expenses incident to the discharge of the member’s duties in that capacity”. The point being made in the reports from other jurisdictions, however, does have some application in that a number of the expenses originally envisioned to be paid for by Yukon MLAs from their expense allowances are now being covered through other means (see “Expenses” below and the information provided in the Members’ Administrative Handbook of the Yukon Legislative Assembly). Future pay review commissions in Yukon will be required to return to this issue and, in particular, to make recommendation on the appropriate amount of the expense allowance.

(6) The concept of making an annual adjustment to members’ pay is common throughout Canada. Appendix D shows that the most usual process is to make pay adjustments on April 1 based on the change in the Consumer Price Index. Another method utilized in three other jurisdictions is to tie members’ pay, in some fashion, to changes in the remuneration of the public service. This approach is not recommended because it can leave the appearance of a conflict of interest when decisions on public service remuneration are being made by the Cabinet and, in some cases, the Legislative Assembly. It is found that, for Yukon purposes, the continued use of the Consumer Price Index for Canada is the best option available.

(7) There has been difficulty experienced during times of transition following a general election due to the absence of rules respecting the pay of a Premier-elect. An option would be to provide legislative sanction for such a person to be paid the equivalent of the Premier’s salary from polling day until the date of being sworn in as Premier.

Expenses

(8) Members of the Yukon Legislative Assembly receive adequate compensation pursuant to s.45(1) of the *Legislative Assembly Act* for expenses incurred to attend sittings of the Legislative Assembly and its committees.

(9) The maximum amounts (\$8,800 and 48 trips) payable pursuant to s.45(2)-(5) of the *Legislative Assembly Act* to members for travel when absent from their normal place of residence in order to attend a meeting of the caucus of a party or to attend any meeting or event in their capacity as a member during a period when the Legislative Assembly is not sitting has not been increased in over 20 years. Had the maximum amount set in

s.45(3) been indexed by the change in the Consumer Price Index for Canada from 1988 to the present, it would now be \$14,662 per annum.

(10) The maximum amounts (\$4,400 and 24 trips) payable pursuant to s.47 of the *Legislative Assembly Act* to members of the Executive Council (i.e. Ministers) for travel when visiting their electoral districts in the capacity of a member has not been increased in over 20 years. Had the maximum amount set in s.47(2) been indexed by the change in the Consumer Price Index for Canada from 1988 to the present, it would now be \$7,331 per annum.

(11) The maximum amounts (\$2,200 and 12 trips) payable pursuant to s.51 of the *Legislative Assembly Act* to recognized leaders (Premier, Leader of the Official Opposition, leader of a third party) for travel within Yukon in the performance of their parliamentary duties has not been increased in over 20 years. Had the maximum amount set in s.51(2) been indexed by the change in the Consumer Price Index for Canada from 1988 to the present, it would now be \$3,656 per annum.

(12) The provisions in s.51 of the *Legislative Assembly Act* respecting reimbursement "for renting or leasing accommodation in the City of Whitehorse" have been in place for over 20 years and need review. This has led to some question as to whether the monthly amount being provided for rent (\$864 per month in 2007-08) is sufficient to cover all the costs for which it is intended. Those costs include not only rent but other items such as furniture rental, utilities, telephone, internet and cable. There have also been issues consistently raised over the years about how to fairly treat members representing electoral districts outside the City of Whitehorse who purchase housing within Whitehorse and are not then eligible for reimbursement of their accommodation costs. [It is noted, in this regard, that Bill 36, An Act to Amend the Legislative Assembly Act, which was introduced and given first reading by the Yukon Legislative Assembly on October 25, 2007, addresses the situation of a member who represents an electoral district outside of the City of Whitehorse and who owns a house in Whitehorse while renting accommodation in his own electoral district.]

(13) It has proven difficult, as the above findings demonstrate, to have the detail of expense reimbursement set out in legislation. Most other jurisdictions have dealt with this by providing their equivalent of the Members' Services Board authorization to establish policies and to make orders respecting the payment of expenses to members. An example of an issue that would be appropriate for the Members' Services Board to address, within the context of s.42(2)-(5) of the *Legislative Assembly Act*, is that of members who represent geographically large electoral districts such as Mayo-Tatchun, Kluane and Pelly-Nisutlin. Another issue, in the same context, has to do with the

question of how provisions with an annual maximum of dollars and trips are to be administered during a year in which an election takes place.

Pension Plan

(14) The defined benefit pension plan available to members of the Yukon Legislative Assembly compares very well to that in most jurisdictions and has served to balance, in some measure, the very low pay that has been received. It has not been found advisable to take any drastic actions in this regard as other jurisdictions, including British Columbia and Manitoba, that have eliminated their defined benefit plans in the past have taken action recently to reinstate those plans. Their experience in retracing past steps is worthy of serious consideration by any jurisdiction contemplating "reform".

(15) It is not common in other defined benefit plans for members of legislative assemblies to have the non-taxable expense allowance used as a factor in the calculation of the pension.

(16) It is noted that Bill 37, Legislative Assembly Retirement Allowances Act, 2007, was introduced and given first reading by the Yukon Legislative Assembly on October 25, 2007. The Commission understands that the intent of this bill is to:

- (a) bring the provisions of the MLA pension plan in line with changes to the *Income Tax Act (Canada)*;
- (b) add provisions to reflect the establishment of the MLA Trust Fund to hold assets of Part 2 of the plan;
- (c) add new provisions to bring the Act in line with standard pension practice including provisions in respect of
 - creditor protection,
 - marriage breakdown,
 - shortened life expectancy, and
 - disability,

and

- (d) update provisions to clarify current administrative practices.

It is further understood that none of the provisions in Bill 37 result in a change, either positive or negative, in the amount of benefits payable under the Act.

The Commission recognizes that its recommendation respecting the elimination of the expense allowance from the calculation of a defined benefit will, if accepted by the Legislative Assembly, necessitate amendment to clause 35 in Bill 37.

Severance Allowance

(17) The severance allowances provided in other jurisdictions tend to be more generous than those provided to members of the Yukon Legislative Assembly pursuant to s.28 of the *Legislative Assembly Retirement Allowances Act*. [Note: If the consequential amendment found in clause 42 of Bill 37, *Legislative Assembly Retirement Allowances Act*, 2007, is passed the section reference for the severance allowance will be changed to s.51.1 of the *Legislative Assembly Act*.]

(18) Further to the findings above on the expense allowance, the calculation of the severance allowance should be restricted to the indemnities and salaries payable to members of the Legislative Assembly.

Group Insurance Benefits Plan

(19) Members of the Yukon Legislative Assembly have access to the Group Insurance Benefits Plan of employees of the Government of Yukon. There has been a concern raised about the taxation implications of having the employer pay the premiums for long term disability insurance under that benefit plan. This may be unfortunate from some perspectives but the plan does come as a package and the access to it has been improved in recent times. One of the aspects those "improvements" is a 90-10 sharing ratio of the premiums for long term disability by the employer and employee. It would not be in members' overall interests to return to the previous cost share arrangements.

(20) A question has been raised as to whether it would be possible for former members who receive a pension under the *Legislative Assembly Retirement Allowances Act* to have access to the Group Insurance Benefits Plan. This issue needs further study as it appears that the only opportunity to do that would be in the case of members who are of pensionable age at the point that they cease being members.

Future Considerations

(21) There may be some need to give consideration in the future to whether salaries should be paid to other positions including those of house leader, caucus chair and caucus whip. Also, if there is consistent growth in the appointment and activities of committees of the Legislative Assembly, it may be necessary to set stipends for the chairs and/or members of those committees.

(22) As noted above, the Legislative Assembly now has before it Bill 36, An Act to Amend the Legislative Assembly Act, that addresses the situation of a member who represents an electoral district outside of the City of Whitehorse and who owns a house in Whitehorse while renting accommodation in his own electoral district. This bill was brought forward on the initiative of the Members' Services Board and it is assumed

addresses the issues respecting Whitehorse residence costs in the manner desired by the Board. A further issue that the Members' Services Board may find it necessary to revisit in the future is whether members who own housing in both Whitehorse and in their electoral districts should be allowed to make claims under s.46 of the *Legislative Assembly Act*. This option was considered by the Board in the past and it was determined that the Act should not be amended to allow such a claim to be made.

(23) Members who do not become vested in the pension plan (six years of service is required) are returned only their contributions with interest. The combination of this provision with the significance of the pension plan in the overall remuneration package of members raises an important matter for consideration by the Assembly. That is, are the consequences of not becoming vested having too great an influence on the decisions of members as to whether they should continue to run for election? If that is believed to be the case, it may be worthwhile to contemplate an action such as doubling the return of members' contributions when they are not vested. The advantage for the members affected would be a reduction in the financial penalty for not running a second time and the advantage for our political system would be to lessen the impact of pension considerations on the decision making of members about their political careers. Before such an action is taken, however, full consultation must be had with the actuary for the pension plan to determine its viability in terms of the laws governing the pension plan and the impact on the liabilities of the plan.

RECOMMENDATIONS

Indemnities and expense allowances

1. THAT the indemnity of a member of the Legislative Assembly be \$65,000 per annum.
2. THAT there be no differentiation between the expense allowances of members based on the nature of the electoral district that is represented.
3. THAT the expense allowance of a member of the Legislative Assembly be \$12,500 per annum.

Salaries

4. THAT the per annum salaries of office holders be as follows:

(a) Minister	\$35,000.00
(b) Premier	\$50,000.00
(c) Leader of Official Opposition	\$35,000.00
(d) Leader of Third Party	\$15,000.00
(e) Speaker	\$25,000.00
(f) Deputy Speaker	\$10,000.00
5. THAT a Premier-elect be paid the equivalent of the salary of the Premier from the polling day of a general election until such time as that person is sworn in as Premier and that such salary be considered pensionable service as Premier for the purposes of the *Legislative Assembly Retirement Allowances Act*.

Annual adjustment of indemnities, expense allowances and salaries

6. THAT the indemnities, expense allowances and salaries of members of the Legislative Assembly be adjusted on April 1 of each year by the average change in the Consumer Price Index for Canada over the previous two calendar years.

Authority of Members' Services Board of Yukon Legislative Assembly respecting payment of expenses

7. THAT the *Legislative Assembly Act* be amended to
 - (a) give the Commissioner in Executive Council authority, upon the recommendation of the Members' Services Board, to set the maximums for reimbursement of accommodation and travel costs and for the number of trips pursuant to sections 45, 46, 47 and 51 of the *Legislative Assembly Act*, and

(b) give the Members' Services Board of the Legislative Assembly authority, within the capacity and intent of the *Legislative Assembly Act*, to establish policies and make orders respecting the payment of allowances, benefits or expenses to or on behalf of members or former members of the Legislative Assembly.

8. THAT, prior to the Members' Services Board receiving authority under the above recommendation, the maximum amounts set in sections 45(3), 47(2) and 51(2) of the *Legislative Assembly Act* be amended to be \$14,600, \$7,300 and \$3,600 respectively.

Severance allowance

9. THAT the severance allowance of a former member of the Yukon Legislative Assembly be based on the aggregate of the indemnity and salary, if any, received by that former member during the preceding year under the *Legislative Assembly Act* and that the amount payable be as follows:

- (a) to a former member who was a member for five years or less, 25% of the aggregate,
- (b) to a former member who was a member for more than five years and less than eight years, 50% of the aggregate, and
- (c) to a former member who was a member for more than eight years, 100% of the aggregate.

Pension plan

10. THAT the *Legislative Assembly Retirement Allowances Act* be amended to remove the expense allowance from the definition of "pensionable remuneration" in Part 3 of that Act.

Future review of MLA salaries and benefits

11. THAT the *Legislative Assembly Act* be amended to require the Members' Services Board, following each general election, to consider and reach a decision as to whether to appoint an MLA salaries and benefits commission and that, if it is decided to appoint such a commission, the Board must establish the mandate of the commission and make its appointment not later than six months from the time of making such a decision.

TIMING

It will be recognized that there is linkage between the recommendations respecting members' pay and the members' pension plan. If these recommendations are accepted, attention must be paid to the timing of the coming into force of required amendments to the *Legislative Assembly Act* and the *Legislative Assembly Retirement Allowances Act*.

A recommendation of this report is that the expense allowance should be removed from the definition of "pensionable remuneration" in Part 3 of the *Legislative Assembly Retirement Allowances Act*. The amendment will need to state that (1) the existing definition applies prior to the date on which new pay provisions resulting from this report are put in place, and (2) that the new definition applies from the date on which those new pay provisions take effect.

To ensure that there are no difficulties encountered in the implementation of these recommendations it is recommended that amendments made to the *Legislative Assembly Act* and to the *Legislative Assembly Retirement Allowances Act* come into force on January 1, 2008. If Bill 37, *Legislative Assembly Retirement Allowances Act*, 2007, is dealt with during the 2007 Fall Sitting, it is recommended that a coming into force provision be added which would have the effect of bringing the entire Act into force on January 1, 2008.

APPENDIX A

HISTORY OF REMUNERATION OF MEMBERS OF THE YUKON LEGISLATIVE ASSEMBLY 1978 - 2007

REMUNERATION OF YUKON MLAS 1978 - 2007

	April 1, 1978 to March 31, 1979	April 1, 1979 to Nov. 14, 1979	Nov. 15, 1979 to March 31, 1980	April 1, 1980 to March 31, 1981	April 1, 1981 to April 15, 1981	April 16, 1981 to March 31, 1982	April 1, 1982 to Nov. 10, 1982	Nov. 11, 1982 to March 30, 1983	March 31, 1983	April 1, 1983	April 1, 1983 to March 31, 1984
Indemnity			12,400	13,054	13,968						
Expense Allowance (Whitehorse)	12,088	12,608	10,400	10,948	11,714	18,750	20,625	18,750	20,625	20,974	21,766
Expense Allowance (out of town) (Cabinet)	2,747	2,865	5,200	5,474	5,857	7,250	7,975	7,250	7,975	8,110	8,551
Salaries:	5,495	5,731	6,200	6,527	6,984	9,250	10,175	9,250	10,175	10,347	10,883
Ministers	19,523	20,362	24,000	24,000	24,000	20,000	20,000	20,000	20,000	20,000	21,200
Government Leader			29,000	29,000	29,000	25,000	25,000	25,000	25,000	25,000	26,500
Speaker	5,495	5,731	6,200	6,200	6,200	6,000	6,000	6,000	6,000	6,000	6,360
Deputy Speaker	2,747	2,865	3,100	3,100	3,100	3,000	3,000	3,000	3,000	3,000	3,180
Leader of the Official Opposition			2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,650
Leader of the Third Party			1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,060
Chairman of Select Committee						2,000	2,000	2,000	2,000	2,000	2,120
Payment in Lieu of Superannuation:											
Ministers	1,269	1,323	1,560	1,560	1,560	1,300	1,300	1,300	1,300	1,300	1,378
Government Leader			325	325	325	325	325	325	325	325	345

REMUNERATION OF YUKON MLAS 1978 - 2007

	April 1, 1984 to March 31, 1985	April 1, 1985 to March 31, 1986	April 1, 1986 to March 31, 1987	April 1, 1987 to March 31, 1988	April 1, 1988 to March 31, 1989	April 1, 1989 to March 31, 1990	April 1, 1990 to March 31, 1991	April 1, 1991 to March 31, 1992
Indemnities	22,854	22,854	24,512	25,516	26,613	27,758	29,035	30,487
Expense Allowances								
a) Whitehorse Members	8,979	8,979	10,701	11,140	11,619	12,118	12,675	13,309
b) Rural Members	11,427	11,427	12,256	12,758	13,307	13,879	14,517	15,243
Salaries								
a) Ministers	22,260	22,260	22,260	22,260	22,260	22,260	22,260	22,260
b) Government Leader/Premier	27,825	27,825	27,825	30,496	30,496	30,496	30,496	30,496
c) Leader of Opposition	2,783	2,783	2,783	2,260	2,260	2,260	2,260	2,260
d) Leader of Third Party	1,113	1,113	1,113	4,452	4,452	4,452	4,452	4,452
e) Speaker	6,678	6,678	6,678	7,420	7,420	7,420	7,420	7,420
f) Deputy Speaker	3,339	3,339	3,339	5,565	5,565	5,565	5,565	5,565

	April 1, 1992 to March 31, 1993	April 1, 1993 to March 31, 1994	April 1, 1994 to March 31, 1995	April 1, 1995 to March 31, 1996	April 1, 1996 to March 31, 1997	April 1, 1997 to March 31, 1998	April 1, 1998 to March 31, 1999	April 1, 1999 to March 31, 2000
Indemnities	32,133	30,526	30,526	30,832	31,202	31,795	32,304	32,724
Expense Allowances								
a) Whitehorse Members	14,028	13,327	13,327	13,460	13,622	13,881	14,103	14,286
b) Rural Members	16,066	15,263	15,263	15,416	15,601	15,897	16,152	16,362
Salaries								
a) Ministers	22,260	21,147	21,147	21,147	21,147	21,147	21,147	21,147
b) Premier/Government Leader	30,496	28,971	28,971	28,971	28,971	28,971	28,971	28,971
c) Leader of Opposition	2,260	2,147	2,147	2,147	2,147	2,147	2,147	2,147
d) Leader of Third Party	4,452	4,229	4,229	4,229	4,229	4,229	4,229	4,229
e) Speaker	7,420	7,049	7,049	7,049	7,049	7,049	7,049	7,049
f) Deputy Speaker	5,565	5,287	5,287	5,287	5,287	5,287	5,287	5,287

	April 1, 2000 to March 31, 2001	April 1, 2001 to March 31, 2002	April 1, 2002 to March 31, 2003	April 1, 2003 to March 31, 2004	April 1, 2004 to March 31, 2005	April 1, 2005 to March 31, 2006	April 1, 2006 to March 31, 2007	April 1, 2007 to March 31, 2008
Indemnities	33,150	33,912	34,828	35,664	36,556	37,434	38,183	38,985
Expense Allowances								
a) Whitehorse Members	14,472	14,805	15,205	15,570	15,959	16,342	16,669	17,019
b) Rural Members	16,575	16,956	17,414	17,832	18,278	18,717	19,091	19,492
Salaries								
a) Ministers	21,147	21,147	21,147	21,147	21,147	21,147	21,147	21,147
b) Premier	28,971	28,971	28,971	28,971	28,971	28,971	28,971	28,971
c) Leader of Opposition	2,147	2,147	2,147	2,147	2,147	2,147	2,147	2,147
d) Leader of Third Party	4,229	4,229	4,229	4,229	4,229	4,229	4,229	4,229
e) Speaker	7,049	7,049	7,049	7,049	7,049	7,049	7,049	7,049
f) Deputy Speaker	5,287	5,287	5,287	5,287	5,287	5,287	5,287	5,287

APPENDIX B

- (1) Indemnities and Expense Allowances of Members of Canadian Legislative Assemblies**
- (2) Salaries of Ministers, Leaders and Presiding Officers in Canadian Legislative Assemblies**
- (3) Percentage Differences from Average in Salaries of Ministers, Leaders and Presiding Officers**

Indemnities and Expense Allowances of Members of Canadian Legislative Assemblies

Jurisdiction	Indemnity	Expense Allowance	Total indemnity and expense allowance	"Grossed up" expense allowance	Total indemnity and "grossed up" expense allowance
British Columbia	98,000.00	0.00	98,000.00	0.00	98,000.00
Alberta	49,836.00	24,918.00	74,754.00	37,277.32	87,113.32
Saskatchewan	80,500.00	0.00	80,500.00	0.00	80,500.00
Manitoba	74,982.00	0.00	74,982.00	0.00	74,982.00
Ontario	113,100.00	0.00	113,100.00	0.00	113,100.00
Québec	82,073.00	14,467.00	96,540.00	26,649.00	108,722.00
New Brunswick	45,347.29	22,673.64	68,020.93	36,678.31	82,025.60
Nova Scotia	81,805.50	0.00	81,805.50	0.00	81,805.50
Prince Edward Island	62,500.00	0.00	62,500.00	0.00	62,500.00
Newfoundland & Labrador	92,580.00	0.00	92,580.00	0.00	92,580.00
Northwest Territories	90,199.00	9,750.00	99,949.00	15,777.64	105,976.64
Nunavut	68,543.00	0.00	68,543.00	0.00	68,543.00
Yukon (current)	38,985.00	18,405.50	57,390.50	26,939.67	65,924.67
AVERAGE (overall)	75,265.45		82,204.99		86,290.21

AVERAGE OF INDEMNITIES FOR JURISDICTIONS WITHOUT EXPENSE ALLOWANCES IS \$84,001.25

AVERAGES FOR JURISDICTIONS WITH EXPENSE ALLOWANCES

Jurisdiction	Indemnity	Expense Allowance	Total indemnity and expense allowance	"Grossed up" expense allowance	Total indemnity and "grossed up" expense allowance
Alberta	49,836.00	24,918.00	74,754.00	37,277.32	87,113.32
Québec	82,073.00	14,467.00	96,540.00	26,649.00	108,722.00
New Brunswick	45,347.29	22,673.64	68,020.93	36,678.31	82,025.60
Northwest Territories	90,199.00	9,750.00	99,949.00	15,777.64	105,976.64
Yukon	38,985.00	18,405.50	57,390.50	26,939.67	65,924.67
AVERAGE	61,288.06	18,042.83	79,330.89	28,664.39	89,952.45

Salaries of Ministers, Leaders and Presiding Officers in Canadian Legislative Assemblies

Jurisdiction	Minister	Premier	Leader of Official Opposition	Leader of Third Party	Speaker	Deputy Speaker
British Columbia	49,000.00	88,200.00	49,000.00	24,500.00	49,000.00	34,300.00
Alberta	61,140.00	77,784.00	61,140.00	27,156.00	61,140.00	30,558.00
Saskatchewan	41,804.00	59,718.00	41,804.00	20,902.00	41,804.00	12,218.00
Manitoba	30,957.00	49,527.00	30,957.00	24,765.00	30,957.00	8,670.00
Ontario	47,841.30	89,688.30	62,431.20	40,376.70	35,287.20	16,738.80
Québec	61,555.00	86,177.00	61,555.00	28,726.00	61,555.00	28,726.00
New Brunswick	40,490.86	60,735.03	40,490.86	12,000.00	30,369.41	9,414.51
Nova Scotia	44,963.06	83,682.40	44,963.06	22,481.53	44,963.06	22,481.53
Prince Edward Island	43,700.00	68,000.00	43,700.00	16,034.00	36,800.00	18,400.00
Newfoundland & Labrador	52,497.00	72,409.00	52,497.00	18,367.00	52,497.00	26,246.00
Northwest Territories	48,275.00	68,602.00	0.00	0.00	39,260.00	6,352.00
Nunavut	59,005.00	70,097.00	0.00	0.00	59,005.00	6,877.00
Yukon	21,147.00	28,971.00	21,147.00	4,229.00	7,049.00	5,287.00
AVERAGE	46,336.56	69,506.98	46,335.01	21,776.11	42,283.59	17,405.30

Salaries of Ministers, Leaders and Presiding Officers in Territorial Legislative Assemblies

Jurisdiction	Minister	Premier	Leader of Official Opposition	Leader of Third Party	Speaker	Deputy Speaker
Northwest Territories	48,275.00	68,602.00	0.00	0.00	39,260.00	6,352.00
Nunavut	59,005.00	70,097.00	0.00	0.00	59,005.00	6,877.00
Yukon	21,147.00	28,971.00	21,147.00	4,229.00	7,049.00	5,287.00
AVERAGE	42,809.00	55,890.00			35,104.67	6,172.00

Percentage Differences from Average in Salaries of Ministers, Leaders and Presiding Officers

Jurisdiction	Minister	% over or under average		Premier	% over or under average		Leader of Official Opposition	% over or under average		Leader of Third Party	% over or under average		Speaker	% over or under average		Deputy Speaker	% over or under average	
		average			average			average			average			average			average	
B.C.	49,000.00	5.7%		88,200.00	26.9%		49,000.00	5.8%		24,500.00	12.5%		49,000.00	15.9%		34,300.00	97.1%	
Alberta	61,140.00	31.9%		77,784.00	11.9%		61,140.00	32.0%		27,156.00	24.7%		61,140.00	44.6%		30,558.00	75.6%	
Saskatchewan	41,804.00	-9.8%		59,718.00	-14.1%		41,804.00	-9.8%		20,902.00	-4.0%		41,804.00	-1.1%		12,218.00	-29.8%	
Manitoba	30,957.00	-33.2%		49,527.00	-28.7%		30,957.00	-33.2%		24,765.00	13.7%		30,957.00	-26.8%		8,670.00	-50.2%	
Ontario	47,841.30	3.2%		89,688.30	29.0%		62,431.20	34.7%		40,376.70	85.4%		35,287.20	-16.5%		16,738.80	-3.8%	
Québec	61,555.00	32.8%		86,177.00	24.0%		61,555.00	32.8%		28,726.00	31.9%		61,555.00	45.6%		28,726.00	65.0%	
New Brunswick	40,490.86	-12.6%		60,735.03	-12.6%		40,490.86	-12.6%		12,000.00	-44.9%		30,369.41	-28.2%		9,414.51	-45.9%	
Nova Scotia	44,963.06	-3.0%		83,682.40	20.4%		44,963.06	-3.0%		22,481.53	3.2%		44,963.06	6.3%		22,481.53	29.2%	
P.E.I.	43,700.00	-5.7%		68,000.00	-2.2%		43,700.00	-5.7%		16,034.00	-26.4%		36,800.00	-13.0%		18,400.00	5.7%	
Nfld. & Lab.	52,497.00	13.3%		72,409.00	4.2%		52,497.00	13.3%		18,367.00	-15.7%		52,497.00	24.2%		26,246.00	50.8%	
NWT	48,275.00	4.2%		68,602.00	-1.3%		0.00	N/A		0.00	N/A		39,260.00	-7.2%		6,352.00	-63.5%	
Nunavut	59,005.00	27.3%		70,097.00	0.8%		0.00	N/A		0.00	N/A		59,005.00	39.5%		6,877.00	-60.5%	
Yukon	21,147.00	-54.4%		28,971.00	-58.3%		21,147.00	-54.4%		4,229.00	-80.6%		7,049.00	-83.3%		5,287.00	-69.6%	
AVERAGE	46,336.56			69,506.98			46,335.01			21,776.11			42,283.59			17,405.30		

NOTES TO APPENDIX B

- (1) The expense allowances shown in this document are those subject to s.81(2) of the federal *Income Tax Act* [R.S.C. 1985 (5th Supp.), c. 1] that states:

Where an elected member of a provincial legislative assembly has, under an Act of the provincial legislature, been paid an allowance in a taxation year for expenses incident to the discharge of the member's duties in that capacity, the allowance shall not be included in computing the member's income for the year unless it exceeds 1/2 of the maximum fixed amount provided by law as payable to the member by way of salary, indemnity and other remuneration as a member in respect of attendance at a session of the legislature, in which event there shall be included in computing the member's income for the year only the amount by which the allowance exceeds 1/2 of that maximum fixed amount.

- (2) The manner in which the "grossed up" expense allowances have been calculated follows that set out in Chart 9.2 (found in Chapter 9) of the report of the Commission on Constituency Allowances and Related Matters in Newfoundland and Labrador. Footnotes to Chart 9.2 indicate that the Commission staff made its comparisons and calculations "based on material provided by provincial and territorial jurisdictions" and "on 2006 federal, provincial and territorial personal income tax rates."
- (3) The pay for Saskatchewan is that which comes into force following the general election on November 7, 2007.
- (4) The pay for Manitoba is that in place prior to the report of the Commissioner for MLA Pay, Allowances and Retirement Benefits that is expected to be submitted in December of 2007.
- (5) The pay for New Brunswick is that in place prior to the report of the MLA Compensation Review Commission that is expected to be submitted in late October or November of 2007.
- (6) The expense allowance for New Brunswick may be shown in some circumstances as being \$18,138.92. The practice of the Legislative Assembly of New Brunswick each year is to adjust the expense allowance to equal 50% of the indemnity.
- (7) Prince Edward Island is required to have a pay commission appointed following a general election and it is required to report by December 1, 2007.

- (8) The figure provided for the expense allowance for the Northwest Territories (\$9,750.00) is an average of the expense allowances provided to: (a) members who represent electoral districts in the capital city of Yellowknife (\$6,500.00 in 2007-08), and (b) members who represent electoral districts outside the capital city (\$13,000.00 in 2007-08)).
- (9) The figure provided for the expense allowance for Yukon (\$18,405.50) is an average of the expense allowances provided to: (a) members who represent electoral districts in the capital city of Whitehorse (\$17,019.00 in 2007-08), and (b) members who represent electoral districts outside the capital city (\$19,492.00 in 2007-08).

APPENDIX C

PAY REVIEWS PROVINCES AND TERRITORIES 2005 – 2007

PAY REVIEWS PROVINCES AND TERRITORIES 2005 - 2007

British Columbia

Independent Commission to Review MLA Compensation

- report presented to the Speaker on April 30, 2007 [<http://www.leg.bc.ca/bcmlacomp/>]
- a bill giving effect to the recommendations of the Commission was passed by the Legislative Assembly and received assent on May 31, 2007
- this legislation came into force (retroactively) on April 1, 2007

Alberta

No review done by a Commission during 2005 – 2007

[information on the pay and benefits of Members of the Legislative Assembly of Alberta is at <http://www.assembly.ab.ca/lao/hr/MLA/mem0.htm>]

Saskatchewan

Independent Review Committee on MLA Indemnity

- report presented to the Speaker on June 30, 2006 [www.legassembly.sk.ca/mlaindemnity]
- the Board of Internal Economy received the report on July 7, 2006
- the Board subsequently agreed to adopt the report's recommendations with the effective date being the polling day of the next general election (November 7, 2007)

Manitoba

Interim Commissioner for MLA Pay

- report released on May 5, 2005 [<http://www.reviewcommissioner.mb.ca/main.html>]
- the Act creating the Interim Commissioner gave that position the authority to determine the compensation of MLAs without need of further legislation
- some of the new pay provisions came into force on April 1, 2005 and others on April 1, 2006

Commissioner for MLA Pay, Allowances and Retirement Benefits

- appointed by the Legislative Assembly Management Commission in June of 2007 and expected to report in December of 2007

Ontario

Report of the Honourable Coulter A. Osborne, Integrity Commissioner

- report issued by the Integrity Commissioner on December 7, 2006
[<http://www.oico.on.ca/oic/oicweb2.nsf/ArchivesEn?OpenPage>]
- legislation addressing the issues raised by and the recommendations received from the Integrity Commissioner was passed by the Legislative Assembly on December 21, 2006; the Act came into force on the date of its passage

Québec

No review done by a Commission during 2005 – 2007

[information on the pay and benefits of Members of the National Assembly of Québec is at <http://www.assnat.qc.ca/eng/Membres/indemnites.html>]

New Brunswick

MLA Compensation Review Commission

- this commission is expected to report in October or November of 2007 [the website for the Commission is <http://www.gnb.ca/legis/Promos/CRC-CER/about-e.asp>]

Prince Edward Island

Indemnities and Allowances Commission

- report presented to the Speaker on April 30, 2007
[<http://www.assembly.pe.ca/index.php3?number=1015089>]
- the decisions of the Commission set out in its report came into effect on the first day of the commencement of the 63rd General Assembly (May 28, 2007)
- a new Indemnities and Allowances Commission is expected to be appointed in time for it to submit a report by December 1, 2007

Nova Scotia

Commission of Inquiry on the Remuneration of Elected Provincial Officials

- report presented to the Speaker on September 13, 2006
[http://www.gov.ns.ca/legislature/MLA_Commission/index.html]
- the legislation authorizing the appointment of this Commission specified that its decisions would have the force of law
- the report of the Commission included a provision that its decisions would come into force retroactively on July 1, 2006

Newfoundland and Labrador

Review Commission on Constituency Allowances and Related Matters

- report presented to the Premier on June 4, 2007 [<http://www.gov.nl.ca/publicat/greenreport/>]
- legislation assented to on June 14, 2007 adopting recommendations of Commission respecting pay of Members of House of Assembly came into force on July 1, 2007

Northwest Territories

Independent Commission to Review Members' Compensation and Benefits

- report dated December 30, 2005 presented to Speaker on January 4, 2006
- a bill implementing the recommendations of the Commission was given assent on June 8, 2006
- that bill came into force on the polling day of the general election of the Sixteenth Legislative Assembly (October 1, 2007)
- information on remuneration of Members of the NWT Legislative Assembly is available at <http://www.assembly.gov.nt.ca/live/pages/wpPages/membersremuneration.aspx>

Nunavut

No review done by a Commission during 2005 – 2007

Yukon

MLA Salaries and Benefits Commission

- this commission is directed to report during the Fall 2007 sitting of the Yukon Legislative Assembly

APPENDIX D

METHODS FOR PERIODIC ADJUSTMENT OF MLA PAY PROVINCES AND TERRITORIES

METHODS FOR PERIODIC ADJUSTMENT OF MLA PAY PROVINCES AND TERRITORIES

British Columbia

- remuneration of Members is adjusted on April 1 proportionately to the increase in the Consumer Price Index for British Columbia during the previous calendar year

Alberta

- remuneration of Members is adjusted on April 1 proportionately to the increase or decrease in the Average Weekly Earnings for Alberta as reported by Statistics Canada survey of employment payroll and hours for the immediately preceding calendar year

Saskatchewan

- remuneration of Members is adjusted on April 1 by the average annual change in the Consumer Price Index for Saskatchewan

Manitoba

- remuneration of Members is adjusted on April 1 proportionately to the previous five-year moving average increase in the Consumer Price Index for Manitoba
[Note: This may be subject to change resulting from the report of the Commissioner for MLA Pay, Allowances and Retirement Benefits that is expected in December of 2007.]

Ontario

- remuneration of Members is statutorily pegged at the rate of 75% of the base salary of a Member of the House of Commons of Canada

Québec

- annual indemnity of Members is increased by the percentage of increase applicable to the salary scales for executive officers in the public service as of the effective dates of the new salary scales
- expense allowance of Members is adjusted on January 1 by the increase in the Consumer Price Index for Canada

New Brunswick

- remuneration of Members is adjusted on January 1 each year based on the change in the average weekly earnings for all employees in New Brunswick
[Note: This may be subject to change resulting from the report of the MLA Compensation Review Commission that is expected in November of 2007.]

Prince Edward Island

- an indemnities and allowances commission is appointed by the Speaker following every general election
- this commission remains in place during the life of that legislative assembly
- it is required to report on an annual basis by December 1
- its decisions, which are final and binding, come into effect on a date decided by the commission; although its last report took effect on May 28, 2007 (polling day for the general election) the normal coming into force date is April 1

Nova Scotia

- remuneration of Members is adjusted proportionately to the increase in the Consumer Price Index for Canada on July 1

Newfoundland and Labrador

- the House of Assembly is required by the *House of Assembly Integrity, Accountability and Administration Act*, to appoint, at least once during every General Assembly, an independent members' compensation review committee to prepare a report respecting the salaries, allowances, severance payments and pensions to be paid to Members
- this committee must report to the Speaker and, through the Speaker, to the House of Assembly Management Commission, within 120 days of its appointment
- the Management Commission may accept or modify the recommendations of the committee; any changes, however, may not exceed the maximums found in the recommendations
- the decisions of the Management Commission are then brought forward as legislation by the Minister of Finance
- remuneration of Members is adjusted on an annual basis on July 1 by a percentage equivalent to the annual increase given in the previous year in the executive pay plan of the government

Northwest Territories

- remuneration of Members is adjusted on April 1 proportionately to the increase or decrease in the Consumer Price Index for Canada during the previous calendar year

Nunavut

- remuneration of Members may be adjusted by the Management and Services Board by the same percentage as increases or decreases in the rates of pay of employees of the Nunavut public service

Yukon

- Members' indemnities and expense allowances are adjusted on April 1 of each year by the average change in the Consumer Price Index for Canada over the previous two calendar years
- this method is not applied to the salaries paid to Ministers, leaders and presiding officers; their pay can only be adjusted through amendment to the *Legislative Assembly Act*

APPENDIX E

PENSION PLANS FOR MLAS IN PROVINCES AND TERRITORIES

PENSION PLANS FOR MLAS in PROVINCES AND TERRITORIES

British Columbia – has a defined benefit plan

B.C. had a defined benefit plan until 1996 when it was discontinued in favour of an RRSP arrangement. The Independent Commission to Review MLA Compensation that reported in April of 2007 recommended the reinstatement of a defined benefit plan. This was done through passage of the *Legislative Assembly (Members' Remuneration and Pensions) Statutes Amendment Act, 2007* in May of 2007.

[see *Legislative Assembly Allowances and Pension Act [RSBC 1996] Chapter 257*
http://www.qp.gov.bc.ca/statreg/stat/LJ96257_01.htm and *Legislative Assembly (Members' Remuneration and Pensions) Statutes Amendment Act, 2007* [3rd Session, 38th Parliament]
http://www.leg.bc.ca/38th3rd/3rd_read/gov37-3.htm]

Alberta – Members are paid an RRSP allowance equaling 50% of the maximum RRSP limit under the *Income Tax Act* (Canada).

Saskatchewan – Members belong to a money purchase plan. In general, they contribute 9% of their indemnity, expense allowance and any additional duty amounts. The government matches the amount contributed by each member. Pensions are paid to MLAs, as early as age 50, in the form of a guaranteed life annuity.

[see *Members of the Legislative Assembly Benefits Act* [Chapter M-11.12* of The Statutes of Saskatchewan, 2002 (effective September 1, 2002) as amended by the Statutes of Saskatchewan, 2005, c.L-11.2; and 2007, c.6.] <http://www.publications.gov.sk.ca/details.cfm?p=625>]

Manitoba – has a defined benefit plan

Manitoba had a defined benefit plan until 1994 when a commission recommended its abolition and the Assembly passed legislation to that effect.. The Assembly, at that time, adopted an RRSP plan to which MLAs contributed 7% of their total pay and this figure was matched from government coffers. The May 14, 2004 report of the Commissioner for MLA Pay, Allowances and Retirement Benefits recommended a return to the defined benefit plan. Although that report was initially rejected, the Legislative Assembly came around to accepting its recommendation on the MLA pension plan in June of 2005. The transition from the RRSP plan to the defined benefit plan was not an easy one as some very difficult issues had to be addressed when it came to the matter of past service buy back.

[see *Legislative Assembly Act* [C.C.S.M., Chapter L110]
<http://web2.gov.mb.ca/laws/statutes/ccsm/l110e.php>, and the May 14, 2004 and June 7, 2006 reports to the Legislative Assembly of Manitoba from the Commissioner for MLA Pay, Allowances and Retirement Benefits <http://www.reviewcommissioner.mb.ca/report.html>]

Ontario – Members have a defined contribution plan under which the Government of Ontario places 10% of a Member's salary in a designated RSP account each month. If such payments by the Government exceed the money purchase limit set under the *Income Tax Act* (Canada), the Government pays to the Member that excess amount.

The history leading to this plan is as follows:

Ontario had a defined benefit plan until 1996 when it was eliminated after being made an issue during the 1995 general election. It was replaced by a defined contribution plan which required the Government of Ontario to place 5% of a Member's salary in a designated RSP account each month. This contribution ceased at the point that the total exceeded the money purchase limit set under the *Income Tax Act* (Canada).

The Integrity Commissioner (Honourable Coulter A. Osborne), in his December 7, 2006 report, recommended that Members' pension arrangements be reviewed. He stated "At a minimum members should have no lesser pension rights than those accruing to members of the Ontario Public Service." The members of the Ontario Public Service have a defined benefit plan.

The response to Hon. Mr. Coulter's recommendation was prompt as legislation amending the *MPPs Pension Act, 1996* was passed and assented to on December 21, 2006. That legislation, however, did not reinstate a defined benefit plan. Rather, it made changes that had the effect of: (a) increasing the Government payment from 5% to 10%, and (b) requiring the Government to pay a Member any excess amount over the money purchase limit.

[see consolidation of *MPPs Pension Act, 1996* [S.O. 1996, c. 6] http://www.e-laws.gov.on.ca/html/statutes/english/elaws_statutes_96m06_e.htm which includes the amendments made by the *Legislative Assembly Statute Law Amendment Act, 2006* [S.O. 2006, c.36] <http://www.search.e-laws.gov.on.ca/en/isysquery/666bee8f-1f76-4889-975a-e1949b7f5c93/1/frame/?search=browseSource&context> and the Report of the Honourable Coulter A. Osborne, Integrity Commissioner issued on December 7, 2006 <http://www.oico.on.ca/oic/oicweb2.nsf/ArchivesEn?OpenPage>]

Québec – has a defined benefit plan

The defined benefit plan covering Members of the National Assembly has been in place since 1982. It is provided for in Chapters II and III of the *Act respecting the conditions of employment and the pension plan of the Members of the National Assembly*.

[see *Act respecting the conditions of employment and the pension plan of the Members of the National Assembly* [R.S.Q., c. C-52.1] <http://www2.publicationsduquebec.gouv.qc.ca/home.php#>]

New Brunswick – has a defined benefit plan

New Brunswick has had a defined benefit plan since 1968. The *Members' Pension Act*, which received assent on December 10, 1993, applies to all Members elected at and following the provincial general election in 1995. It also applies to Members who were Members in 1993 and elected to come under its scope. All former Members from the period prior to the *Members' Pension Act* are covered by the *Members' Superannuation Act*.

[see *Members' Pension Act* [R.S.N.B., c. M-7.1] and *Members' Superannuation Act* [R.S.N.B., c. M-8]; both at <http://www.gnb.ca/0062/acts/acts-e.asp>]

Prince Edward Island – has a defined benefit plan

Nova Scotia – has a defined benefit plan

Nova Scotia has had a defined benefit plan since 1954.

[see the *Members' Retiring Allowances Act* [R.S.N.S., c. 282] <http://www.gov.ns.ca/legislature/legc/>]

Newfoundland and Labrador – has a defined benefit plan

Hon. J. Derek Green, in the report of the Review Commission on Constituency Allowances and Related Matters (presented June 4, 2007), recommended that the defined benefit plan in place since the 1970s be subject to reconsideration leading to “the development of a new defined-contribution RRSP-type of arrangement.” The *Members' Handbook* that was transmitted to Members of the House of Assembly in October 2007 states: “The House of Assembly Management Commission, assisted by the Department of Finance, is developing a proposed new pension structure for Members. The new pension structure will be developed on the basis that it will apply only to Members who were elected to the House of Assembly on, or after, October 9, 2007. Until the new pension structure is in place, new Members will be subject to the provisions of the current Act...”

[see *Members of the House of Assembly Retiring Allowances Act* [S.N.L. 2005, c. M-6.1] <http://www.hoa.gov.nl.ca/hoa/statutes/m06-1.htm> and Review Commission on Constituency Allowances and Related Matters [June 4, 2007] <http://www.gov.nl.ca/publicat/greenreport/>]

Northwest Territories – has a defined benefit plan

[see *Legislative Assembly Retiring Allowances Act* [R.S.N.W.T. 1988, c. L-6] with amendments to 2007] <http://www.justice.gov.nt.ca/Legislation/SearchResults.asp?Option=Title&DBTable=Leg&Parameter=L&Page=1>

Nunavut – has a defined benefit plan

[see *Consolidation of Legislative Assembly Retiring Allowances Act* [R.S.N.W.T. 1988, c. L-6]; *An Act to Amend the Legislative Assembly Retiring Allowances Act* [S.Nu. 2002, c. 6]; *Supplementary Retiring Allowances Act* [S.Nu. 2002, c. 4]; and *An Act to Amend the Supplementary Retiring Allowances Act*, [S.Nu. 2003, c. 11] <http://www.justice.gov.nu.ca/english/leg/statreg.html>]

Yukon – has a defined benefit plan

Yukon has had a defined benefit plan since 1984. The current version came into effect in January of 1992.

[see *Legislative Assembly Retirement Allowances Act* [R.S.Y. 2002, c. 137] http://www.gov.yk.ca/legislation/pages/page_1.html]

APPENDIX F

SEVERANCE ALLOWANCES PROVINCES AND TERRITORIES

SEVERANCE ALLOWANCES PROVINCES AND TERRITORIES

British Columbia – The Independent Commission to Review MLA Compensation recommended the following changes to the B.C. transitional allowance:

- An MLA who chooses not to stand for re-election be eligible for transitional assistance on the same terms and conditions as an MLA who is defeated
- A former MLA receive basic salary for a minimum of four months up to the date he/she is re-employed, receives the pension recommended in this report, or 15 months elapse, whichever comes first
- Coverage for insured benefits and the Employee and Family Assistance Program to continue until the earliest of the expiry of transitional assistance, or the former MLA obtains reasonable alternative coverage
- An MLA would be reimbursed for any career counselling, education and training costs up to \$9,000, upon presentation of receipts. The Speaker has discretion, in exceptional circumstances and upon application by the former member, to extend this benefit

These recommendations have been addressed in the *Legislative Assembly (Members' Remuneration and Pensions) Statutes Amendment Act, 2007* (received assent on May 31, 2007) by an amendment adding a new paragraph 3(1)(f.1) to the *Legislative Assembly Management Committee Act* that gives the Legislative Assembly Management Committee the jurisdiction to deal with matters affecting "a severance allowance for persons when they cease to be members of the Legislative Assembly, and for this purpose may establish a severance plan that sets out the circumstances in which persons will be eligible for the allowance, the amounts of the severance payments, and any other matter related to severance".

The decisions of the Legislative Assembly Management Committee are expected in the near future on this matter.

Alberta – The transition allowance payable to a former member is calculated by multiplying the number of years of service times the average monthly salary times 3. The salary used in this calculation includes, in general, the MLA indemnity and expense allowance and any salary received in an office. If the former member served more than three calendar years, the average monthly salary is based on the three calendar years in which the member received the highest salary. If the former member served less than three calendar years, the average monthly salary is simply the average monthly salary for the member's term of service. A former member may elect to be paid this allowance over a period of up to four years.

Saskatchewan – A transition allowance is payable to former members. The allowance is equal to one month's indemnity for each period of 12 months service to a maximum of 12 months. The indemnity rate used for this calculation is that which is in force at dissolution or such earlier date as a member may resign due to personal illness. For the purposes of the calculation, one year of service includes any portion of a calendar year. Those eligible to receive the allowance include members who do not stand for re-election, who are not nominated to run, and who are defeated at the polls. Also eligible is a member who "resigns his or her seat prior to dissolution due to personal illness certified by a qualified medical practitioner." The allowance is paid monthly "to provide an income stream for the member until he or she is re-established in a sector outside of the Legislative Assembly." [This information and the quotations are from a document entitled "Dissolution Guidelines".]

Manitoba – Members elected on April 25, 1995 and in subsequent elections are entitled to receive transition allowance at the time they cease to be members. The allowance is based on the annual pay of a member and does not include any additional allowances such as pay received as a Minister or a presiding officer. It is calculated on the basis of one month's pay for each consecutive year served as a member to the following maximums:

- (1) 12 months for a member who is defeated at an election,
- (2) 6 months for a member who is defeated in the nomination process, and
- (3) 6 months for a member who chooses not to run in an election.

The transition allowance is not payable to a member who resigns voluntarily before an election unless that resignation is due to serious medical problems.

[Note: Members elected prior to April 25, 1995 are "grandfathered" with reference to a severance package that was in place prior to 1995.]

Ontario – A severance allowance is payable, pursuant to s.69 of the *Legislative Assembly Act*, to:

- (1) A person who is a member of the Assembly immediately before the Assembly is dissolved or is ended by the passage of time and who does not become a member of the following Assembly.
- (2) A member of the Assembly who resigns his or her seat.
- (3) A person who was a member of the Assembly on the day of his or her death or a person who was a member of the Assembly immediately before the Assembly was dissolved or ended by the passage of time and who died before the polling day in the general election that followed the dissolution or ending.

The allowance is calculated as follows:

- (1) For a person who was a member of the Assembly for a period of four years or less, the allowance is equal to one-half of his or her average annual remuneration.
- (2) For a person who was a member of the Assembly for a period of more than four years up to and including eight years, the allowance is equal to the amount of his or her average annual remuneration.
- (3) For a person who was a member of the Assembly for a period of more than eight years, the allowance is equal to one and one-half times his or her average annual remuneration.

The average annual remuneration is the average of the member's annual salary rate in each month of the period of 36 consecutive months of service as a member that produces the highest average. If the member does not have a period of 36 consecutive months of service the average annual remuneration is the average annual salary rate in each month of that member's longest period of consecutive months of service as a member. The annual salary includes the indemnity of a member and any additional salary received as a presiding officer, Minister or leader.

Québec – A transition allowance is provided for members of the National Assembly by sections 12 to 18 of an *Act respecting the conditions of employment and the pension plan of the Members of the National Assembly* [R.S.Q., c. C-52.1].

The details of this transition allowance are provided in Appendix 10.2 of the report of the Review Commission on Constituency Allowances and Related Matters that was presented in Newfoundland and Labrador on June of 2007 by Justice Derek Green:

Since 1 January 1983 a Member who resigns from the Assembly, is defeated in an election, or serves out his term as a Member but is not a candidate in the next election, is entitled to a Transition Allowance. The allowance is equal to twice the Member's monthly salary for each complete year during which he or she was a Member of the Assembly. He or she is also entitled, where such is the case, to twice the portion of the monthly salary equal to the fraction of a year during which he or she was a Member of the Assembly.

In no case may the allowance be less than four times the Member's monthly salary, or more than twelve times that monthly salary. The period over which the payment of the allowance is spread corresponds to the number of months' salary to which the Member is entitled.

The monthly salary contemplated above will equal to the higher of the following amounts:

- 1) one-twelfth of the sum of the indemnities contemplated in subdivision 1 of Division I of Chapter I and of those provided for in section 7 of the *Executive Power Act* (chapter E-18) received by the Member in the 12 months preceding the end of his term; if he has been a Member of the Assembly for less than 12 months, the sum of those indemnities divided by the number of months and parts of months during which he was a Member of the Assembly during that term;
- 2) one thirty-sixth of the sum of the indemnities contemplated in subparagraph 1 received by the Member for the last three highest paid years of service during his last term or all his terms provided they were continuous; if the beneficiary has less than three years of service but more than one during those successive terms, the sum of those indemnities divided by the number of months and parts of months he has accumulated during that period.

A year of service corresponds to a total of 365 days during which a person was a Member of the National Assembly, whether continuously or not; an annual indemnity is presumed to have been received uniformly during the entire period of service counted for that year.

New Brunswick – The *Legislative Assembly Act* provides, in s.32.2, for a “re-establishment allowance” as follows:

32.2(2.1) A person who is a member of the Legislative Assembly immediately before it is dissolved and who does not, for any reason, become a member of the next following Assembly shall be paid a re-establishment allowance equal to one-twelfth of the person’s annual indemnity as a member, at the rate in force immediately before the person ceased to be a member, for each session or portion of a session of pensionable service in the Assembly up to a maximum of eight sessions.

32.2(3.1) Subject to subsection (4.1), a person who is a member of the Legislative Assembly and resigns as a member or otherwise ceases to be a member for any reason, before the Legislative Assembly is dissolved, shall be paid a re-establishment allowance equal to one-twenty-fourth of the person’s annual indemnity as a member, at the rate in force immediately before the person ceased to be a member, for each session or portion of a session of pensionable service in the Assembly up to a maximum of eight sessions.

32.2(4.1) If a person who is a member of the Legislative Assembly dies or ceases to be a member by reason of any permanent illness or infirmity by which the person is, in the opinion of the Speaker after consulting with the Legislative Administration Committee and after considering the opinion of such medical practitioner or practitioners as the Speaker and the Committee consider appropriate, disabled from performing the person’s duties as a member, the person’s estate or the person, as the case may be, shall be paid a re-establishment allowance equal to one-twelfth of the person’s annual indemnity as a member, at the rate in force immediately before the person died or ceased to be a member, for each session or portion of a session of pensionable service in the Assembly up to a maximum of eight sessions.

32.2(5) Notwithstanding subsections (2.1), (3.1) and (4.1), a re-establishment allowance shall not be paid under those subsections

- (a) to or in relation to a person to or respecting whom a benefit is or will be payable under the *Members Superannuation Act* or the *Members’ Pension Act*, or
- (b) in relation to a period of time respecting which all or a portion of a re-establishment allowance has previously been paid.

Prince Edward Island – The *Legislative Assembly Act* provides, in s.47, for a severance allowance as follows:

47. (1) A person who is a member of the Legislative Assembly immediately before the Assembly is dissolved or is ended by the passage of time and who does not become a member of the next following Legislative Assembly shall be paid a severance allowance equal to one-twelfth of his remuneration, at the rate in force immediately before the member ceases to be a member, for each year of service.

(2) A member of the Legislative Assembly who resigns his seat shall be paid a severance allowance equal to one-twelfth of his remuneration at the rate in force on the day he ceases to be a member, for each year of service.

(3) Where a person who is a member of the Legislative Assembly dies, whether before the Assembly is dissolved or is ended by the passage of time or after dissolution or ending of the Assembly but before the polling day that follows the dissolution or ending, an amount equal to one-twelfth of his remuneration, at the rate in force on the day of his death or immediately before the dissolution or ending, as the case requires, shall be paid to his personal representative, for each year of service.

(4) A severance allowance under subsection (1), (2) or (3) shall not be more than the amount of the total of the annual indemnity and expense allowance payable to the member.

(5) In this section "remuneration" means the annual indemnity payable under section 40 and the expense allowance payable under section 41 and, where the member is also a member of the Executive Council, includes the salary payable to a member of the Executive Council, and also includes the salaries payable to the Leader of the Opposition, Speaker, Deputy Speaker and other salaries payable to members in respect of the performance of official functions in addition to their functions as members.

Nova Scotia – The House of Assembly Act provides, in s.40, for a transition allowance as follows:

40 (1) A person who

- (a) is a member of the House immediately before the House is dissolved or is ended by the passage of time and does not become a member of the next following House;
- (b) is a member of the House and resigns as a member of the House; or
- (ba) is a member of the House and dies,

shall be paid a transition allowance equal to the product of

- (c) the person's number of years of service as a member of the House;
- (d) 0.067; and
- (e) the annual indemnity and allowance for a member at the rate in force immediately before the person ceased to be a member,

but in any case not less than twenty-five per cent nor greater than one hundred per cent of the annual indemnity and allowance referred to in clause (e).

(1A) Where a person who is a member of the House of Assembly dies, the transitional allowance shall be paid to the person's estate.

(2) The transition allowance referred to in subsection (1) shall be paid in twelve equal installments commencing thirty days after the person ceases to be a member.

(3) Notwithstanding the provisions of the *Members' Retiring Allowances Act*, no Retiring Allowance shall be paid pursuant to that Act to or on behalf of a member until the Transition Allowance paid or to be paid in accordance with subsection (2) has been exhausted or unless the Transition Allowance or the balance remaining thereof is waived.

(4) Notwithstanding subsection (2), the transition allowance may be paid to a member in a lump sum payment within thirty days after ceasing to be a member, if the member so chooses.

(5) Subsection (3) does not apply to a member who ceases to be a member and who prior to ceasing to be a member, is in receipt of a retiring allowance.

(6) Where a member had been previously a member of the House and had received a severance allowance or a transition allowance upon ceasing to be a member, and subsequently is re-elected as a member of a House then the transition allowance shall be calculated by using as a calculator the total number of years the member served in the House in the formula of the transition allowance that is in force at the time that member last ceases to be a member and deducting from the dollar amount so determined the dollar amount that the member previously received as a severance allowance or a transition allowance. *Recommendation of Nova Scotia Commission of Inquiry on Remuneration of Elected Provincial Officials for 1999; recommendation of Nova Scotia Commission of Inquiry on Remuneration of Elected Provincial Officials for 2000.*

NOTE - The report dated November 30, 1998, made by the Nova Scotia Commission of Inquiry on Remuneration of Elected Provincial Officials has, pursuant to Section 45 of the House of Assembly Act, the same force and effect as if enacted by the Legislature and is in substitution for the provisions of the House of Assembly Act. In a letter dated December 3, 1998, which was supplementary to the report, it was recommended that the recommendation in the report should

be read to permit any member to receive the transition allowance in a lump sum payment within thirty days after ceasing to be a member, if the member so chooses.

Newfoundland and Labrador – The Members' Handbook that was transmitted to Members of the House of Assembly in October 2007 provides the following information on severance pay:

Members of the House of Assembly have traditionally been provided with severance pay when they leave office. The most recent severance pay policy, established by the former Internal Economy Commission, provided for one month pay for each year of MHA service, up to a maximum of 12 months.

Under the *House of Assembly Accountability, Integrity and Administration Act* [S. 11(3)(a)], a severance allowance will be determined by the House of Assembly Management Commission, following the receipt of advice from a Members' Compensation Review Committee [s.16(1)]. This committee will be established at some point during the 46th General Assembly.

In the interim, the existing severance pay policy will apply, with one notable exception. Effective July 1, 2007, a Member's salary no longer included a non-taxable allowance as a portion of overall salary. To compensate for this change, the gross salary was increased to \$92,580, such that net pay remained the same. However, the Review Commission on Constituency Allowances and Related Matters (the "Green Commission") recommended that "the amount of severance a retiring MHA will receive will not be greater, in absolute terms, as a result of implementation of a fully taxable salary for MHAs, than it would be under the existing payment arrangement of an indemnity plus a non-taxable allowance". Therefore, since July 1, 2007, severance pay for Members has been calculated based on the salary which would have existed without the change to a fully taxable salary. This practice will continue until a new severance plan is implemented.

Northwest Territories – The *Legislative Assembly and Executive Council Act* provides, in s.31, for a transitional allowance as follows:

31. (1) A member of the Legislative Assembly shall be paid a transition allowance equal to one-twelfth of the annual indemnity for each consecutive year of service, if he or she
 - (a) resigns his or her seat as a member of that Legislative Assembly; or
 - (b) is serving as a member immediately before that Legislative Assembly is dissolved or is ended by the passage of time, and does not become a member of the next following Legislative Assembly.
- (2) A transition allowance under subsection (1) shall be calculated pro rata for any period of service less than a year and without regard to any period of service before December 7, 1999.
- (3) A transition allowance under subsection (1) shall not exceed the annual indemnity.
- (3.1) For greater certainty, the limit established by subsection (3) is cumulative and may not be exceeded where a member receives a transition allowance under subsection (1) and subsequently, after a break in service, again becomes a member of the Legislative Assembly.
- (4) For the purposes of this section, the annual indemnity in respect of a person is the amount referred to in subsection 17(1) as of the day the person ceases to be a member.

Nunavut – The *Legislative Assembly and Executive Council Act* provides, in s.33, for a transitional allowance as follows:

33. (1) A person who is a member of the Legislative Assembly shall be paid a transitional allowance if he or she
 - (a) is not elected as a member of the subsequent Legislative Assembly; or
 - (b) does not continue as a member in the current Legislative Assembly.
- (2) The transitional allowance referred to in subsection (1) shall be calculated as an amount equal to the amount of the indemnity payable to the member for six weeks for each year served at the rate set out in section 1 of Schedule C (i.e. *member's indemnity*) plus the applicable allowances for six weeks for each year served at the rate for the capacity in which the member served set out in section 2 of Schedule C (i.e. *indemnities paid to Premier, Deputy Premier, Ministers, Speaker, Deputy Speaker, Deputy Chair of Committee of the Whole, Chair of a standing or special committee, and Chair of caucus and regular members' caucus*).

- (3) The maximum transitional allowance calculated under subsection (2) shall not exceed the amount set out in section 5 of Schedule C (\$77,638 as of October 2007).
- (4) Where a member serves in the Legislative Assembly for less than a year, the transitional allowance shall be prorated accordingly.

Yukon – The *Legislative Assembly Retirement Allowances Act* provides, in s.28, for a severance allowance as follows:

28(1) Subject to subsection (3), a severance allowance is payable to a member when that person ceases to be a member of the Legislative Assembly.

(2) The amount payable under this section shall be 25 per cent of the aggregate of the salary, indemnity, and expense allowances, received by the member during the preceding year under the *Legislative Assembly Act*.

(3) An employee of the Government of the Yukon who is granted a leave of absence pursuant to subsection 144(6) of the *Public Service Act* and who serves one term of office as a member of the Legislative Assembly shall not be paid the severance allowance provided for in subsection (1).