



# **Indemnities & Allowances Commission**

## **2021 Report**

*Legislative Assembly of Prince Edward Island*

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Ron Profit, Q.C., Chair  
Dennis Carver, C.P.A., C.A., Commissioner  
Karen Fraser, C.P.H.R., Commissioner



December 1, 2021

Hon. Colin LaVie, MLA  
Speaker of the Legislative Assembly  
197 Richmond Street  
PO Box 2000  
Charlottetown PE C1A 7N8

Dear Mister Speaker,

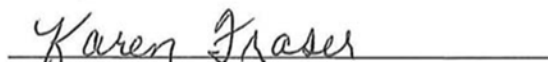
The Indemnities and Allowances Commission has completed its review of remuneration provided to the Members of the Legislative Assembly and to others as defined in sections 53 and 54 of the *Legislative Assembly Act*.

The Commission is pleased to submit its 2021 report.

Respectfully submitted,

  
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Ronald J. Profit, Q.C., Chair

  
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Dennis Carver, C.P.A., C.A., Commissioner

  
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Karen Fraser, C.P.H.R., Commissioner



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## ***I. Introduction***

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The Indemnities and Allowances Commission was established by legislation in 1994 as an independent body with the authority to review and assess remuneration provided to Members of the Legislative Assembly, and to present binding decisions on same to the Legislative Assembly. Prior to 1994, Commissions were established by motion in the Legislative Assembly and their reports were recommendations only. Despite this, the purpose of the Commissions has remained the same, as stated in *Report of the Commission Established to Examine and Recommend on Remuneration for Members of the Legislative Assembly* in 1980 (Commissioners Nicholson, Stewart, Monkley, and O'Brien):

The remuneration to Members must in some way compensate those who are willing to assume the burden of elective office...Fair and reasonable annual salaries must be paid to Members so that they will be free to devote the necessary time and attention to their work...We must see to it that no one is dissuaded from seeking public office because of financial risk or certain financial reversal. (pg.31)

The Commission is responsible for establishing employment benefits for the role of Member of the Legislative Assembly (MLA), to provide reasonable remuneration for the scope of work required, and to ensure it is accessible without financial hardship for anyone who chooses to run. The range of remuneration under the Commission's authority is listed in the *Legislative Assembly Act* and is defined by the Indemnities and Allowances Commission as follows:

- *indemnities*: the gross base salary paid to all Members of the Legislative Assembly to carry out the responsibilities of public office
- *salaries*: payments for positions of additional responsibility in executive or legislative roles (added to the indemnity)
- *allowances*: monies available on a claim basis for expenses incurred while carrying out the duties of a Member of the Legislative Assembly (ie. mileage, home internet service, meal allowance, etc.)
- *benefits*: access to employer-sponsored health care insurance and life insurance, and to transition allowance
- *pension*: supplementary pension plan for Members of the Legislative Assembly

Today, the Indemnities and Allowances Commission's authority arises from Sections 53 and 54 of the *Legislative Assembly Act RSPEI 1988, Cap. L-7.1*. In summary, it establishes an independent Commission to review the remuneration paid to the Members of the Legislative Assembly and to deliver a binding report to the Speaker.

## ***II. Commissioners***

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Following the provincial general election in 2019, the Honourable Colin LaVie, Speaker of the Legislative Assembly, appointed Ron Profit, Q.C.; Sharon O'Halloran, C.P.A., C.G.A.; and Dennis Carver, C.P.A., C.A., as Commissioners to the Indemnities and Allowances Commission.

In 2021, Sharon O'Halloran resigned as Commissioner. Ms. O'Halloran contributed her expertise to the Indemnities and Allowances Commission for seven years and her professionalism and service to the Commission have been greatly appreciated.

Karen Fraser, C.P.H.R., was appointed to the Commission by the Honourable Colin LaVie in 2021. Ms. Fraser's extensive experience and professional understanding of human resource matters has been a welcome addition to the knowledge base of the Commission.

### III. Indemnity & Salaries

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#### Review of previous Commissions' reports

Part of the task of determining adequate compensation for any form of employment is studying the requirements of the position and looking at the economic environment in which it operates. The role of an MLA is complex and varied. Previous Commissions have included context around job duties and expectations as part of their deliberations on remuneration. The 1993 Commission's *Report of the Commission of Enquiry* (Commissioners O'Brien and Roche) summarized it as follows:

*Many constituents...expect all kinds of things from the Member which include everything from finding a job and attending individual functions within the constituency, to listening to individual problems and concerns regardless of their nature. These items, along with the increasingly complex issues MLAs must confront in the process of becoming informed to participate in governmental matters, all require considerable time and effort. Members must prepare in advance to be able to debate issues in the legislature and become informed to make good decisions. It is also expected that the knowledge and understanding gained by MLAs be communicated to their constituents. (pg.4)*

The uncertainty of the term of legislative office and the interruption in the career path in an individual's private life are regular considerations by past Commissions. Political life is freely chosen by those who participate, but it has long-term effects on private life and career development.

#### Income data

In conducting its review of MLA remuneration the Commission reviewed income, consumer and historical data. This places the remuneration in context with other jurisdictions and with the current economy.

**Income of individuals, Canada and Atlantic provinces, 2019**

	Average income (\$)	PEI as a Percent (%) of Average	Median income (\$)	PEI as a Percent (%) of Median
<b>Prince Edward Island</b>	42,500		35,800	
<b>Canada</b>	49,000	87	37,800	95
<b>Newfoundland</b>	46,400	92	34,900	103
<b>New Brunswick</b>	43,400	98	35,800	100
<b>Nova Scotia</b>	43,400	98	35,300	101

Source: Statistics Canada. Table 11-10-0239-01 Income of individuals by age group, sex and income source, Canada, provinces and selected census metropolitan areas



**Income of economic families\*, Canada and Atlantic provinces, 2019**

	Average total income (\$)	PEI as a Percent (%) of Average	Median total income (\$)	PEI as a Percent (%) of Median
<b>Prince Edward Island</b>	100,500		92,300	
<b>Canada</b>	118,800	85	99,100	91
<b>Newfoundland</b>	105,800	95	86,400	107
<b>New Brunswick</b>	97,200	103	82,900	111
<b>Nova Scotia</b>	100,700	100	87,900	105

\*An economic family refers to a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law, adoption or a foster relationship.

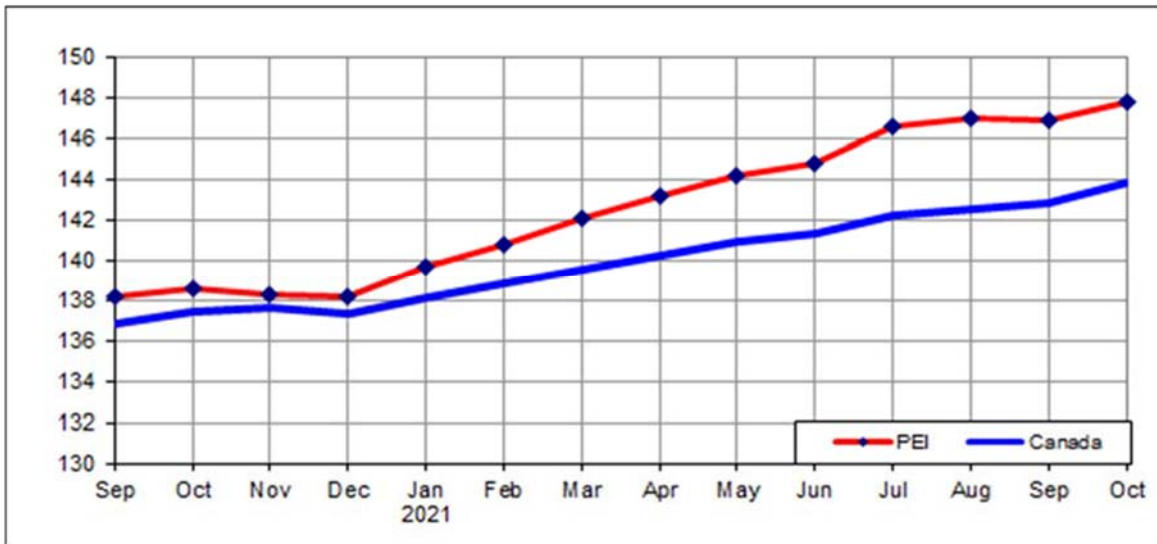
Source: Statistics Canada. Table 11-10-0190-01 Market income, government transfers, total income, income tax and after-tax income by economic family type

The Commission notes that the income data above illustrates that the PEI average income for individuals and for families, while lower than the national numbers, compares favourably with the rest of the Atlantic provinces. Median income numbers for individuals and for families are better than those in each of the other Atlantic provinces.

**Consumer Price Index (CPI) data**

While PEI is in a relatively stable position regarding the success of collective public health measures, the ongoing economic effects of the pandemic are felt in the rising cost of living. The year-over-year All Items Consumer Price Index for October 2021 for PEI is 6.6%.

**PEI and Canada Consumer Price Index**



**All-Items Consumer Price Index by Province, Year-Over-Year Change, October 2021**

PE	CA	AB	BC	MB	NB	NL	NS	ON	QC	SK
6.6%	4.7%	4.3%	3.8%	4.7%	5.5%	4.5%	5.4%	4.9%	5.3%	3.2%

Statistics Canada reported that the year-over-year change in the All-Items Consumer Price Index for P.E.I. was 6.6 per cent in October 2021. This was the highest year-over-year increase among provinces. The monthly change for P.E.I. was 0.6 per cent. This compares to 4.7 per cent year-over-year and 0.7 per cent monthly increases for Canada. Leading contributors to year-over-year price increases for P.E.I. were *gasoline* (44.3%), followed by *fuel oil and other fuels* (83.6%), *homeowners' replacement cost* (17.0%), *purchase and leasing of passenger vehicles* (6.3%), and *rent* (7.6%). These increases were partially offset by year-over-year declines for *telephone services* (-11.2%), *mortgage interest cost, video and audio subscription services* (-16.7%), *women's clothing* (-5.8%), and *fresh vegetables* (-6.8%).

*Source: Statistics Canada. Table 18-10-0004-01, Consumer Price Index, monthly, not seasonally adjusted. Courtesy of Colin Mosley, Economist, Statistics; Economics, Statistics and Federal Fiscal Relations, Department of Finance*

Though CPI is not the only metric the Commission considered in its deliberations, it is a reliable indication of the cost of living for the average consumer over time based on a set basket of items. It provides measured context in salary and contract negotiations by providing a metric for keeping compensation current with inflation so employees maintain economic security.

In addition to considering CPI increase for the past year (October to October), the Commission weighs CPI changes for ten years to account for market volatility in annual cost of living changes.

**All-items Consumer Price Index, year-over-year (October) for PEI, 2012-2020**

	<b>PEI Year-Over Year, October</b>	
2002=100	All-items Index	Annual Change (%)
Year		
2012	126.5	2.1
2013	129.0	2.0
2014	130.5	1.2
2015	129.4	-0.8
2016	131.9	1.9
2017	133.5	1.2
2018	136.9	2.5
2019	138.4	1.1
2020	138.6	0.1
2021	147.8	6.6
Total annual changes (%)		17.90

*Source: Statistics Canada. Table 18-10-0005-01 Consumer Price Index, annual average, not seasonally adjusted*

The indemnity paid to MLAs over the past ten years, including the adjustment received April 1 in each year, is outlined in the following chart:

<b>Year (as of April 1)</b>	<b>Adjustment (%) to indemnity &amp; salaries</b>	<b>Indemnity (\$) as at April 1 of year noted</b>
2012	0	65,344
2013	2 (Jan-Mar)	66,700
	1 (Apr-Mar)	67,400
2014	0.75	67,906
2015	1.2	68,721
2016	2	70,095
2017	2	71,497
2018	1.5	72,569
2019	1.0	73,295
2020	1.5	74,394
2021	0	74,394
Total annual changes (%)	12.95	

In comparing changes to CPI and to the MLA indemnity over the same ten-year period, the Commission notes a disparity - the indemnity for PEI MLAs is 4.95% less than the cost-of-living increases.

### **Gross Domestic Product (GDP) for PEI**

Serving as a Member of the Legislative Assembly, elected representatives are both economic consumers and, to a limited extent as legislative representatives, economic custodians who have some influence and responsibility for the creation of provincial laws. Gross domestic product (GDP) is a standard measure of the value added to the economy through the production of goods and services in a jurisdiction and is considered a measure of economic performance. While the economy is a free market model and not under the control of legislatures or governments, the laws and policies created function in that free market and can bring about change. Therefore, the Commission reviewed the 2020 Statistics Canada preliminary data on provincial gross domestic product (GDP) by income and expenditure, which indicated

*Economic activity dropped in Canada in 2020, as the impact of the Covid-19 pandemic was widespread across the country and the rest of the world... The general downturn was somewhat mitigated by fewer imports and by increases in general government investments and investments in housing... The statistics show that the Prince Edward Island economy contracted by 1.7 per cent in chained 2012 dollars. This was the lowest decline among provinces, ahead of Nova Scotia at -2.5 per cent. Prior to the pandemic, PEI was the only jurisdiction in the country to have continuous GDP growth since 2007.*

*Source: Statistics Canada Releases 2020 GDP Data: Department of Finance, Government of Prince Edward Island. Accessed November 18, 2021. Full report available online at: <https://www.princeedwardisland.ca/en/information/finance/gross-domestic-product-gdp-by-income-and-expenditure>*

The pandemic had an effect on economies the world over making GDP a problematic metric to review for 2020 (the most recent year for data). But the Commission notes that prior to 2020, PEI had the strongest GDP growth in the country; and in 2020, PEI had the smallest reduction in GDP in the face of the pandemic.

### **PEI public sector negotiated salary increases**

The Commission reviewed salaries in the public sector collective agreements and observed that each received wage adjustments every year in the past ten-year period.

### **Written submissions to the Commission**

The Commission invited written submissions from the public on the topic of MLA remuneration. Advertisements were placed in local newspapers and notice was posted on the Legislative Assembly's website and its social media channels. The Commission received 13 submissions related to remunerations, summarized as follows:

- is adequate at its current level
- is excessive at its current level
- should be on par with other jurisdictions
- should be increased as current levels may be a barrier to some candidates
- adjustments should be linked to an Island-specific metric, such as median income
- should be increased to mitigate the current high inflation rates and to keep up with annual inflation.

Some of the submissions received by the Commission provided additional feedback on matters of severance pay and on the process of providing input to the Commission. The Commission will take this additional feedback into consideration and gratefully acknowledges and appreciates everyone who submitted their views.

### Consideration of MLA indemnity

Remuneration is provided to MLAs according to their responsibilities in the Legislative Assembly. An indemnity is received by all MLAs, and positions of additional responsibility receive an additional salary. The role of an MLA is unique within society as part of our democratic system of government. There is no simple way to categorize the duties of an elected public servant whom the electorate can remove from office, if desired, at the next election. Between jurisdictions there are differences in how that role is exercised according to the rules that govern each legislature, and according to regional differences in population size, resources, and culture. However, fundamental similarities exist in that every MLA is elected to serve the interests of their constituents, both in the Legislative Assembly and in the public life of the riding, including participating in debates on the disposition of public money and the deliberation of legislation. With these core responsibilities in mind, the Commission conducted a survey of indemnities in other Canadian jurisdictions.

### Current PEI MLA indemnity

Currently, the indemnity provided to all MLAs is \$74,394. In addition to the data above, the Commission reviewed the indemnities paid to other provincial and territorial legislative representatives:

Jurisdiction	Indemnity (\$) as of April 1, 2021
Prince Edward Island	74,394
Alberta	120,936
British Columbia	111,912
Manitoba	97,753
New Brunswick	85,000
Newfoundland	95,357
Northwest Territories®	110,761
Nova Scotia	89,235
Nunavut*®	103,323
Ontario	116,500
Quebec*	95,704
Saskatchewan	100,668
Yukon*	82,130

\*These jurisdictions provide Members with an additional taxable allowance (not included in the indemnity amount in this table.)

®These jurisdictions provide Members with an additional non-taxable allowance (not included in the indemnity amount in this table).

Similarly, to gain regional perspective with more comparable regional resources, culture, and population, the Commission compared MLA indemnities in the Atlantic provinces.

	PEI	NL	NS	NB	Atlantic Canada Average (excl. PEI)
<b>Indemnity:</b>	\$74,394	\$95,357	\$89,235	\$85,000	\$89,864
<b>PEI indemnity as a % of :</b>		78%	83%	88%	83%
<b>\$ difference:</b>		\$20,963	\$14,841	\$10,606	\$15,470

The Commission also compared PEI MLA indemnities to the Canadian average. The PEI MLA indemnity is 74% of the Canadian average.

The Commission recognizes that whether the national or regional scale is used, PEI MLAs continue to be the lowest paid legislators. This is despite the same core responsibilities as provincial legislators in other jurisdictions.

**DECISION 1**

**Upon analyzing the Consumer Price Index, Gross Domestic Product, salary adjustments for PEI public service sectors, indemnities in other jurisdictions, historical data, and written submissions from the public, the Commission adjusts the indemnity for the role of Member of the Legislative Assembly by 2.75%, effective January 1, 2022.**

### Consideration of Additional Salaries

Parliamentary roles with additional duties and responsibilities are provided an additional salary which is added to the MLA indemnity. The following chart summarizes the current additional salaries paid for specific roles in the Legislative Assembly of Prince Edward Island:

Position	Salary* (\$)	Indemnity (\$)	Total (\$)
Premier	80,797		155,191
Speaker, Minister, Leader of the Opposition	51,986		126,380
Deputy Speaker, Leader of a Third Party	25,993		100,387
Government House Leader	14,018	74,394	88,412
Opposition House Leader	7,009		81,403
Third Party House Leader	4,626		79,020
Government, Opposition, and Third Party Whips	4,084		78,478

*\*each elected official can receive only one additional salary.*

The Commission reviewed the salaries paid for positions of additional responsibility in other Canadian jurisdictions to compare with PEI, as follows:

### Premier

	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
Remuneration	155,191	160,525	202,026	152,150	171,567
PEI Premier's remuneration as a % of :		97	77	102	90
\$ difference:		5,334	46,835	(3,041)	16,376



### Minister, Speaker, Leader of the Opposition

	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
<b>Minister</b>	126,380	144,022	137,282	132,353	138,219
<b>Speaker</b>				137,614	139,972
<b>Leader of the Opposition</b>				140,300	140,867
<b>PEI Minister's remuneration as a % of :</b>		88	92	95	91
<b>PEI Speaker's remuneration as a % of</b>				92	90
<b>PEI Leader of the Opposition's remuneration as a % of</b>				90	90
<b>\$ difference:</b>		17,642	10,902	5,973	11,506
				11,234	11,234
				13,920	13,920

### Deputy Speaker

	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
<b>Remuneration</b>	100,387	107,523	113,758	111,307	110,862
<b>PEI Deputy Speaker's remuneration as a % of :</b>		93	88	90	91
<b>\$ difference:</b>		7,136	13,371	10,920	10,475

### Leader of a Third Party

	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
<b>Remuneration</b>	100,387	119,687	113,758	104,750	112,731
<b>PEI Leader of a Third Party's remuneration as a % of :</b>		84	88	96	89
<b>\$ difference:</b>		19,300	13,371	4,363	12,344

### House Leaders

	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
<b>Government</b>	88,412	95,357	99,741	111,307	102,135
<b>Opposition</b>	81,403	119,687		104,730	108,052
<b>Third Party</b>	79,020	107,523		87,500	98,254
<b>PEI Government House Leader's remuneration as a % of :</b>		93	89	79	87
<b>PEI Opposition House Leader's remuneration as a % of:</b>		68	82	78	75
<b>PEI Third Party House Leader's remuneration as a % of:</b>		73	79	90	80
<b>\$ difference:</b>		6,945	11,329	22,895	13,723
		38,284	18,338	17,230	26,649
		28,503	20,721	8,480	19,234

## Whips

	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
<b>Government</b>	78,478	95,357	94,488	111,307	100,384
<b>Opposition</b>				104,730	98,191
<b>Third Party</b>				87,500	92,448
<b>PEI Government Whip's remuneration as a % of :</b>		82	83	71	78
<b>PEI Opposition Whip's remuneration as a % of</b>				75	80
<b>PEI Third Party's remuneration as a % of</b>				90	85
<b>\$ difference:</b>				16,879	16,010
				26,252	19,713
				9,022	13,970

As the data illustrates, remuneration provided in PEI for each of the above-stated positions of additional responsibility is lower than the Atlantic Canadian average.

### DECISION 2

Upon analyzing the Consumer Price Index, Gross Domestic Product, salary adjustments for PEI public service sectors, additional salaries in other jurisdictions, historical data, and written submissions from the public, the Commission adjusts the salaries for roles of additional responsibility identified in the tables above by 2.75%, effective January 1, 2022.

## ***IV. Allowances and Benefits***

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### **Transition Allowance**

In 2020, the Commission accepted the transfer of responsibility for determining the severance allowance received by MLAs upon ceasing to be an elected member. The Commission adopted the previous severance calculation to maintain the benefit until the Commission's further review in 2021.

During 2021, the Commission studied the severance allowance. Over the past several months the Commission consulted best practices in the public and private sectors and surveyed legislatures in other Canadian jurisdictions to gather information on current severance policies.

### **DECISION 3**

**Based on the Commission's research, the following Transition Allowance Policy for Members of the Legislative Assembly replaces the current Severance Allowance, effective for Members elected after December 1, 2021:**

The Transition Allowance is provided to Members of the Legislative Assembly who meet certain conditions when they leave their public role in the Legislative Assembly of Prince Edward Island. The work of a Member of the Legislative Assembly is not considered insurable employment by the Canada Revenue Agency, meaning Members are not allowed to contribute to nor receive from the federal Employment Insurance Program. Neither are Members eligible for employer-sponsored long-term disability insurance. The Transition Allowance is provided to help Members bridge the employment gap following the end of their time in public office.

#### **Definitions**

The following terms are defined as follows for use within this policy:

**public sector:** includes any ministry, crown corporation, agency, board, commission, or other body, whether incorporated or unincorporated, where the employment is a full-time paid position of the government

**career average salary:** calculated over the period of continuous service from the time a Member is first elected to the time they cease to be a Member and includes indemnity and additional salaries. If the Member ceases to be a Member and is re-elected to office, the period of continuous service used for the career average salary in the Transition Allowance calculation begins from the date of the re-election.

**service year(s):** includes whole years in office, with partial years in office pro-rated for the purpose of determining the Transition Allowance period and

allowance. If the Member ceases to be a Member and is re-elected to office, the period of continuous service used for the service year(s) in calculating the Transition Allowance period and allowance begins from the date of the re-election.

### **Eligibility**

Every duly elected Member of the Legislative Assembly is eligible for the Transition Allowance when they cease to be a Member for any reason except the following:

- if, during the transition period, a Member is
  - employed in the federal or provincial public sector,
  - appointed as a judge, senator, Lieutenant Governor or Governor General,
  - elected as a Member of Parliament,
  - re-elected to the Legislative Assembly, or
  - employed by an Office of the Legislative Assembly,the Transition Allowance ceases.
- if removed permanently from service according to applicable legislation, or by the Speaker of the Legislative Assembly, the Member is not eligible for a Transition Allowance.

### **Transition Period**

The transition period is determined by the number of service years, where one month of allowance (as calculated below) is paid for each service year, up to a maximum of twelve months.

### **Calculation**

An eligible Member is entitled to a Transition Allowance equal to:

[one month of the individual's career average salary] X [total number of service years]

to a maximum of the MLA indemnity in force at the time the MLA ceases to be an MLA. The MLA indemnity excludes all additional salaries and allowances.

### **Payment**

The Transition Allowance is paid biweekly. The biweekly payment amounts are equal to the total Transition Allowance, as calculated above, divided by the number of pay periods in the transition period.

### **Service Maximum**

In no case shall a Member receive a Transition Allowance and/or Severance Allowance that exceeds the gross MLA base salary in force at the time the MLA ceases to be an MLA.

In the event that a Member ceases to be a Member (subject to eligibility conditions above) and receives a Transition Allowance and/or Severance Allowance, and the Member is re-elected, the total Transition Allowance and/or Severance Allowance they receive in their lifetime will be no more than the indemnity in force at the time they cease to be an MLA.

### **Upon Death**

Should a Member die while serving as an elected representative in the Legislative Assembly, the Transition Allowance is paid as a lump sum to their personal representative.

### **Other allowances and benefits**

The Commission continues any other allowances and benefits unchanged from the previous report. The Commission intends to study the full range of other allowances and benefits provided for MLAs from all offices and report its findings in 2022.

## **V. Pension Plan**

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For the past several years the Commission has been working on modernizing the MLA Pension Plan to ensure the long-term stability of the benefit and to improve the efficiency of administration without significantly altering the benefit.

In 2020 the Indemnities and Allowances Commission recommended that the Province wind-up the basic portion of the MLA Pension Plan and transfer its assets and liabilities to the much larger Public Sector Pension Plan (PSPP) to gain access to the PSPP's modern pension administration systems and economies of scale, thereby reducing future administration costs to the Province.

The Province has acted on this recommendation and the *Pension Plan Transfer Act* was passed in the fall 2021 sitting of the Legislative Assembly and is effective December 26, 2021.

### **DECISION 4**

**The Commission adopted changes to the Supplemental Pension Plan Text to align with the PSPP rules. The Commission adopts the attached amended *Supplementary Pension Plan for Members of the Legislative Assembly of the Province of Prince Edward Island (Appendix A)* as the supplementary pension benefit effective December 26, 2021.**

## ***VI. Conclusion***

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The Commission shall determine any dispute, difference or question arising with respect to any remuneration described in this report. Such decisions of the Commission are final and binding.

The Commissioners respectfully acknowledge Honourable Colin LaVie, Speaker of the Legislative Assembly, for the trust he has shown in appointing them to serve on this Commission.



APPENDIX A

***SUPPLEMENTARY PENSION PLAN FOR MEMBERS OF THE LEGISLATIVE ASSEMBLY OF THE PROVINCE OF PRINCE EDWARD ISLAND***

**SUPPLEMENTAL PLAN  
FOR  
MEMBERS OF THE LEGISLATIVE ASSEMBLY OF THE  
PROVINCE OF PRINCE EDWARD ISLAND**

(Effective for the 2022 Plan Year)

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## FOREWORD

Current and former Members of the Legislative Assembly (“MLAs”) are entitled to the Supplemental Benefits described herein.

Effective December 26, 2021, Participants of this Supplemental Plan will also participate in the pension plan governed by the *Public Sector Pension Plan Act* (herein referred to as the "Base Plan").

This document, in conjunction with the *Public Sector Pension Plan Act* and the *Legislative Assembly Act* shall constitute the complete plan documents for the description of the benefits provided to MLAs. The authority of the *Public Sector Pension Plan Act* or the *Legislative Assembly Act* is not altered by anything contained herein.

If a conflict arises within any portion of this Supplemental Plan text, the Indemnities and Allowances Commission shall have the power to decide all matters concerning the interpretation of the Supplemental Plan text.

## **ARTICLE 1**

### **DEFINITIONS**

The following words and phrases, when used in the Supplemental Plan, shall have the following meanings unless the context clearly indicates otherwise.

- 1.1 "Administrator" means the Minister of Finance of the Province of Prince Edward Island.
- 1.2 "Average Pensionable Earnings" means the average of the Participant's Pensionable Earnings calculated in the same manner as average salary under the Base Plan.
- 1.3 "Base Plan" means the Public Sector Pension Plan as described in the *Public Sector Pension Plan Act* of the Province of Prince Edward Island.
- 1.4 "Commission" means the Indemnities and Allowances Commission as appointed by the Speaker of the Legislative Assembly.
- 1.5 "Deferred Participant" means an individual who has ceased to be a Participant but who retains an entitlement to a Deferred Supplemental Pension.
- 1.6 "Deferred Supplemental Pension" means the Supplemental Benefit, calculated in accordance with the terms of this Supplemental Plan, to which a Participant becomes entitled at Termination after meeting the vesting provisions of Article 3.
- 1.7 "Dependent Child(ren)" shall have the same meaning as such term is defined in the Base Plan.

- 1.8 “Early Retirement Date” means the date a Participant or Deferred Participant retires prior to the Participant's or Deferred Participant's Normal Retirement Date.
- 1.9 “Legislative Assembly” means the Legislative Assembly of the Province of Prince Edward Island.
- 1.10 “Limited Participant” means a Spouse or former Spouse of a Participant, a Deferred Participant or a Pensioner to whom Supplemental Benefits have been transferred as a Separate Pension pursuant to Article 8.
- 1.11 “Member of the Legislative Assembly” (or “MLA”) means a person who is receiving remuneration as a member of the Legislative Assembly pursuant to the *Legislative Assembly Act* of the Province of Prince Edward Island.
- 1.12 “Normal Retirement Date” means the date described in Article 4.
- 1.13 “Operating Fund” shall have the same meaning as such term is defined in the *Financial Administration Act* of the Province of Prince Edward Island.
- 1.14 “Participant” means a MLA who has joined the Supplemental Plan and whose membership in the Supplemental Plan has not ceased by reason of death, Termination, or Retirement.
- 1.15 “Pensionable Earnings” means the remuneration paid to a Participant pursuant to the *Legislative Assembly Act* of the Province of Prince Edward Island which the Commission has determined to be eligible remuneration for purposes of the Supplemental Plan.
- 1.16 “Pension Plan Transfer Agreement” means the agreement between the Speaker of the Legislative Assembly, on behalf of the Pension Plan for Members of the Legislative Assembly of Prince Edward Island (hereinafter the MLA Plan), and

the Minister of Finance of the Government of Prince Edward Island, in her supervisory capacity with respect to the Prince Edward Island Public Sector Pension Plan (hereinafter the PSPP), which provides for the transfer of the assets and liabilities associated with the benefits under the former registered part of the MLA Plan to the PSPP.

- 1.17 "Pensionable Service" means the period of service rendered as a MLA while a Participant of the Supplemental Plan. Pensionable Service shall cease to accrue upon the earlier of the Participant's date of Termination, death or Retirement.
- 1.18 "Pensioner" means an individual who has commenced to receive a Supplemental Pension.
- 1.19 "Personal Representative" means the executor, original or by representation, or administrator for the time being of a deceased person, appointed by letters under the seal of the Supreme Court.
- 1.20 "Plan Sponsor" means the Government of the Province of Prince Edward Island as represented by Treasury Board.
- 1.21 "Plan Year" means the period which coincides with the Base Plan year.
- 1.22 "Postponed Retirement Date" means the date a Participant or Deferred Participant retires after the Participant's or Deferred Participant's Normal Retirement Date. In no event shall such date be later than December 31<sup>st</sup> of the year in which the Participant or Deferred Participant attains age 71.
- 1.23 "Retirement" means retirement under the Supplemental Plan.
- 1.24 "Retirement Date" means the date on which a Participant, a Deferred Participant or a Limited Participant has opted for pension payments to commence under the Supplemental Plan. For greater certainty pension

payments under the Supplemental Plan must commence at the same time as pension payments under the Base Plan, except as provided under subsection 5.06 or, as applicable, under subsection 8.07.

- 1.25 "Separate Pension" means the share of the Supplemental Benefits of a Participant, a Deferred Participant or a Pensioner to which the Spouse or former Spouse of the Participant, the Deferred Participant or the Pensioner is entitled in accordance with the Supplemental Plan.
- 1.26 "Spouse" in respect of a Participant, a Deferred Participant, or a Pensioner, shall have the same meaning as that term is defined in the Base Plan.
- 1.27 "Supplemental Benefit" means any pension, allowance, annuity, return of contributions or other benefits or amount payable under the Supplemental Plan and paid out of the Operating Fund.
- 1.28 "Supplemental Pension" means the annual pension determined under Article 5 and paid out of the Operating Fund to a Pensioner.
- 1.29 "Supplemental Plan" means this "Supplemental Plan for Members of the Legislative Assembly of Prince Edward Island" as set out herein and as amended from time to time.
- 1.30 "Termination" means termination of membership under the Supplemental Plan by any reason other than death or Retirement.



**ARTICLE 2**  
**ELIGIBILITY AND MEMBERSHIP**

- 2.1 An individual who is a sitting MLA on December 25, 2021, shall continue to be a Participant of the Supplemental Plan until Termination, death or Retirement. Such Participant will also commence participation in the Base Plan, on and after December 26, 2021, pursuant to the terms of such plan and the Pension Plan Transfer Agreement.
- 2.2 Subject to subsection 2.05, an individual who is elected as a MLA after December 25, 2021, shall become a Participant of the Supplemental Plan on the day of their election to the Legislative Assembly.
- 2.3 To enroll as a Participant of the Supplemental Plan, a MLA must complete and sign the form or forms prescribed for that purpose by the Administrator.
- 2.4 A Participant who terminates his or her office as a MLA and is subsequently re-elected but is not subject to subsection 7.01, or a Deferred Participant who is subsequently re-elected, shall be treated as a re-instated Participant for all purposes of the Supplemental Plan. A former Participant who becomes eligible to join the Supplemental Plan and for which subsection 7.01 applied prior to their re-election as a MLA, shall be treated as a new Participant for purposes of the Supplemental Plan with no prior Pensionable Service or Pensionable Earnings.

Where a Pensioner is re-elected and becomes eligible to join the Supplemental Plan, payment of their Supplemental Pension shall cease for the period of office as a MLA during which he or she is a Participant. The Participant's Pensionable Earnings over their entire period of Pensionable Service under the Supplemental Plan shall be used to recalculate the Participant's Average Pensionable Earnings at their subsequent Retirement Date. Pensionable Earnings pertaining to Pensionable Service prior to the re-election period shall be indexed at the same rate as applicable to Deferred Supplemental Pension pursuant to subsection 7.03 until the Participant's subsequent Retirement Date.

- 2.5 Notwithstanding anything to the contrary stated herein, an individual elected after December 30<sup>th</sup> of the year of attainment of age 71 shall not become a Participant of the Supplemental Plan.
- 2.6 An individual who is a Spouse or former Spouse of a Participant, a Deferred Participant or a Pensioner may become a Limited Participant entitled to a Separate Pension on the date a division of the Supplemental Benefits of the Participant, the Deferred Participant or the Pensioner is effected under Article 8.

**ARTICLE 3**  
**VESTING PROVISIONS**

- 3.1 For purposes of subsection 5.01:
- (a) Participants elected before the 67<sup>th</sup> General Assembly of Prince Edward Island, are immediately vested at Termination, death, Retirement or Supplemental Plan termination.
  - (b) Participants elected after the 66<sup>th</sup> General Assembly of Prince Edward Island, will vest at Termination, death, Retirement or Supplemental Plan termination, following completion of two years of Pensionable Service.
- 3.2 For purposes of subsection 5.02, a Participant will vest at Termination, death, Retirement or Supplemental Plan termination, following completion of five years of Pensionable Service and after being elected for a second time as a MLA.
- 3.3 Notwithstanding anything to the contrary stated herein, a Participant shall be vested on December 30<sup>th</sup> of the year in which the Participant attains age 71 regardless of the years of Pensionable Service or number of elections, provided that the Participant is, at that time, a sitting MLA.

**ARTICLE 4**  
**RETIREMENT DATES**

4.1 Normal Retirement Date

A Participant or Deferred Participant may receive a Supplemental Pension without reduction on or after their Normal Retirement Date, which shall occur on:

- (a) for Participants or Deferred Participants elected for the first time before the 65<sup>th</sup> General Assembly of Prince Edward Island, the earlier of:
  - (i) the Participant's or Deferred Participants' 55th birthday; or
  - (ii) the date on which the Participant's or Deferred Participant's age plus Pensionable Service equals 70, to the extent the Participant or Deferred Participant has attained the age of 50.

The Participant's or Deferred Participant's age will be the age at the Retirement Date and not the age at the date of Termination;

- (b) for Participants or Deferred Participants elected for the first time after the 64<sup>th</sup> General Assembly of Prince Edward Island and before the 67<sup>th</sup> General Assembly of Prince Edward Island, the earlier of:
  - (i) the Participant's 57th birthday; or
  - (ii) the date on which the Participant's age plus Pensionable Service equals 74, to the extent the Participant or Deferred Participant has attained the age of 50.

The Participant's or Deferred Participant's age will be the age at the Retirement Date and not the age at the date of Termination;

- (c) for Participants or Deferred Participants elected for the first time after the 66<sup>th</sup> General Assembly of Prince Edward Island, the Participant's or Deferred Participant's 57th birthday;

#### 4.2 Early Retirement

A Participant or Deferred Participant may elect to retire early and receive a reduced Supplemental Pension on the date the Participant or Deferred Participant has attained age 50. The date on which the Participant or Deferred Participant retires prior to their Normal Retirement Date shall be the Participant's or Deferred Participant's Early Retirement Date.

#### 4.3 Postponed Retirement

A Participant who continues to be a MLA beyond the Normal Retirement Date shall remain a Participant under the Supplemental Plan until Termination, death or Retirement.

A Participant, or a Deferred Participant, must elect to retire no later than on December 31<sup>st</sup> of the calendar year in which the Participant or Deferred Participant attains age 71. The date on which the Participant or Deferred Participant retires after the Normal Retirement Date shall be the Participant's or Deferred Participant's Postponed Retirement Date.

**ARTICLE 5**  
**RETIREMENT PENSION**

5.1 Minimum Supplemental Pension

A Participant or a Deferred Participant who meets the vesting requirements of paragraph 3.01 is entitled, upon Retirement, to an annual Supplemental Pension equal to:

- (a) 2.0% of the Participant's or Deferred Participant's Average Pensionable Earnings multiplied by the Participant's or Deferred Participant's years of Pensionable Service;

LESS

- (b) the amount payable from the Base Plan for the same corresponding period of MLA service in the Base Plan while a Participant in the Supplemental Plan.

5.2 Full Supplemental Pension

A Participant or a Deferred Participant who meets the vesting requirements of subsection 3.02 or subsection 3.03, is no longer entitled to the Supplemental Benefits under subsection 5.01, and shall instead be entitled, upon Retirement, to an annual Supplemental Pension equal to:

- (a) 3.5% of the Participant's or Deferred Participant's Average Pensionable Earnings multiplied by the Participant's or Deferred Participant's years of Pensionable Service;

LESS

- (b) the amount payable from the Base Plan for the same corresponding period of MLA service in the Base Plan while a Participant in the Supplemental Plan.

### 5.3 Supplemental Benefit for Non-Vested Participant

Subject to subsection 3.03, a Participant who does not meet the vesting requirements of paragraph 3.01(b) upon Termination is only entitled to the Supplemental Benefit described under subsection 7.01.

No further Supplemental Benefits will be payable under the Supplemental Plan for the period of Pensionable Service which is subject to this subsection 5.03.

### 5.4 Early Retirement

A Participant or Deferred Participant who qualifies for a Supplemental Pension under subsection 5.01 or subsection 5.02 and who retires on their Early Retirement Date, will receive the annual Supplemental Pension calculated under subsection 5.01 or subsection 5.02, as applicable, but reduced by one half of one percent (1/2%) for each month between the Participant's or Deferred Participant's actual Retirement Date and the Participant's or Deferred Participant's Normal Retirement Date.

### 5.5 Coordination of Benefits

The payment of the Supplemental Benefits and the benefits under the Base Plan shall commence at the same time except in the case of Retirement prior to age 55, where subsection 5.06 shall apply.

Any action instigated by any person that diminishes the Base Plan pension

amount shall not result in a larger payment from the Supplemental Plan. For greater certainty, if a Participant or a Deferred Participant elects a refund of their contributions made to the Base Plan in respect of the period of MLA service while he or she is a Participant, or elects to retire under the Base Plan at a different time than under the Supplemental Plan, the Supplemental Plan will only be accountable to pay such Supplemental Benefit as the Supplemental Plan would have been required to pay should the Participant or Deferred Participant had elected to retire at the same time under the Base Plan, or had not elected a refund of their contributions under the Base Plan.

#### 5.6 Retirement before Age 55

Notwithstanding anything to the contrary stated herein, where a Participant or a Deferred Participant elects to retire under the Supplemental Plan prior to age 55, the amount of annual Supplemental Pension payable shall be equal to the amount calculated under paragraph 5.01(a) or paragraph 5.02(a), as applicable, until the first of the month following the Participant's or Deferred Participant's 55<sup>th</sup> birthday. On the first of the month following the Participant's or Deferred Participant's 55<sup>th</sup> birthday, the Supplemental Pension payable under this subsection 5.06 shall be reduced by the amount available from the Base Plan, or by the amount which would have been available from the Base Plan if the Participant elected to receive a pension from the Base Plan at age 55.

#### 5.7 Indexation for Participants

The annual pension payable shall be increased each January 1 by a percentage equal to the indexing provided to active members under the Base Plan.

Where the last day of office as a MLA for which a Participant has accrued Pensionable Service is a date other than January 1 of a calendar year, the indexation percentage shall be prorated so as to be proportionate to the part of the calendar year from January 1 to the last day of that year for which the



Participant has accrued Pensionable Service.

#### 5.8 Indexation of Supplemental Pension

The amount of Supplemental Pension payable to a Pensioner shall be increased by the same percentage and in the same manner as the indexation provided to pensioners under the Base Plan.

#### 5.9 Payment of Supplemental Pension

The Supplemental Pension shall be paid in the form which provides a pension for the lifetime of the Pensioner.

The Supplemental Pension shall commence on the Participant's or Deferred Participant's Retirement Date, and shall be paid in monthly installments.

The Supplemental Pension is payable for the whole month in which a Pensioner dies.

**ARTICLE 6**  
**DEATH BENEFITS**

6.1 In the event of a Participant who has not met the vesting requirements of paragraph 3.01(b) at the date of death, the Spouse of the Participant, or the Participant's Personal Representative if the Participant did not have a Spouse at the date of death, will only be entitled to receive a Supplemental Benefit equal to the benefit described under subsection 7.01.

6.2 Pre-Retirement Death

(a) Surviving Spouse

In the event that a Participant who has met the vesting requirements of Article 3, or a Deferred Participant, dies prior to Retirement, and at the date of death the Participant or Deferred Participant had a Spouse, the Spouse shall be entitled to a Supplemental Benefit in the form of a lifetime pension in an amount equal to 60% of the Supplemental Pension that the Participant or Deferred Participant would have received if the Participant had retired on their date of death and calculated pursuant to subsection 5.01 or 5.02, as applicable, before any reduction for early payment.

(b) Pension to Dependent Child

In addition to the Supplemental Benefit payable to the Spouse under paragraph 6.02(a), a dependent child allowance will be paid to a Dependent Child, or the guardian of that child, in an amount equal to 10% of the Supplemental Pension that the Participant or Deferred Participant would have received if the Participant or Deferred Participant had retired on the date of death and calculated pursuant to subsection 5.01 or 5.02, as applicable, before any reduction for early payment.

The maximum number of Dependent Children who may receive Supplemental Benefits under this paragraph 6.02(b) is, at one time, four, commencing with the oldest Dependent Child.

(c) No Surviving Spouse but Surviving Dependent Child(ren)

In the event that a Participant who has met the vesting requirements of Article 3, or a Deferred Participant, dies prior to Retirement, and such Participant or Deferred Participant did not have a Spouse at the date of death, or the Spouse who was receiving a Supplemental Benefit pursuant to paragraph 6.02(a) dies, and there is a surviving Dependent Child or Dependent Children, a Supplemental Benefit equal to the Supplemental Benefit described in paragraph 6.02(a) will be payable to:

- (i) the Dependent Child, or guardian of that child, if there is only one Dependent Child; or
- (ii) the oldest Dependent Child, or guardian of that child.

(d) No Surviving Spouse or Surviving Dependent Child

In the event that there is no surviving Spouse or surviving Dependent Child at the date of death prior to Retirement of a Participant who has met the vesting requirements of Article 3, or a Deferred Participant, a Supplemental Benefit, equal to 0.5 times the Participant's or Deferred Participant's Base Plan contributions for the same corresponding period of MLA service while a Participant, plus interest, will be payable to the Participant's or Deferred Participant's Personal Representative in the form of a cash lump sum.

### 6.3 Post Retirement Death

(a) Surviving Spouse

In the event of the death of a Pensioner where the Pensioner has a Spouse at the date of death, the Spouse shall be entitled to a Supplemental Benefit in the form of a pension in an amount equal to 60% of the Supplemental Pension being paid to the Pensioner on their date of death.

(b) Pension to Dependent Child

In addition to the Supplemental Benefit payable to the Spouse under paragraph 6.03(a), a dependent child allowance will be paid to a Dependent Child, or the guardian of that child, in an amount equal to 10% of the Supplemental Pension being paid to the Pensioner on their date of death.

The maximum number of Dependent Children who may receive Supplemental Benefits under this paragraph 6.03(b) is, at one time, four, commencing with the oldest Dependent Child.

(c) No Surviving Spouse but Surviving Dependent Child(ren)

In the event that a Pensioner dies without a Spouse, or the Spouse who was receiving a Supplemental Benefit pursuant to paragraph 6.03(a) dies, and there is a surviving Dependent Child or Dependent Children, a Supplemental Benefit equal to the Supplemental Benefit described in paragraph 6.03(a) will be payable to:

- (i) the Dependent Child, or guardian of that child, if there is only one Dependent Child; or
- (ii) the oldest Dependent Child, or guardian of that child.

(d) No Surviving Spouse or Surviving Dependent Child

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Where a Pensioner, or eligible survivor of a Pensioner dies, and the total of the Supplemental Benefit payments to the Pensioner and their eligible survivors is less than the total calculated under paragraph 6.02(d), then the difference shall be paid to the Pensioner's Personal Representative in a lump sum.

#### 6.4 Indexation of Survivor Benefit

A Supplemental Benefit payable in accordance with paragraphs 6.02(a), 6.02(b), 6.02(c), 6.03(a), 6.03(b) or 6.03(c) shall be increased by the same percentage and in the same manner as the indexation provided to pensioners under the Base Plan.

#### 6.5 Payment of Survivor Benefit

A Supplemental Benefit payable in accordance with paragraphs 6.02(a), 6.02(b), 6.02(c), 6.03(a), 6.03(b) or 6.03(c) is payable for the whole month in which a recipient dies or, in the case of a Dependent Child, when they cease to qualify as a Dependent Child.

**ARTICLE 7**  
**TERMINATION OF MEMBERSHIP**

**7.1 Non-Vested Termination**

Upon Termination of a Participant who has not met the vesting requirements of paragraph 3.01(b), such Participant will only be eligible for a Supplemental Benefit equal to the amount of contributions made by the Participant under the Base Plan for the period of office as a MLA during which he or she is a Participant.

No further Supplemental Benefits will be payable under the Supplemental Plan for the period of Pensionable Service which is subject to this subsection 7.01.

**7.2 Vested Termination**

Upon Termination, other than Retirement or death, a Participant who has met the vesting requirements under Article 3, shall receive a Deferred Supplemental Pension payable in accordance with one of the following options:

- (a) the Participant may elect to receive a Supplemental Pension payable commencing at the Deferred Participant's Normal Retirement Date; or
- (b) the Participant may elect to receive their Early Retirement Date in accordance with the terms of the Supplemental Plan.

**7.3 Indexation of Deferred Supplemental Pension**

The Deferred Supplemental Pension of a Deferred Participant shall be increased each January 1 by the same percentage and in the same manner as the indexation provided to vested former members under the Base Plan.

Where the last day of office as a MLA is a date other than January 1 of a year, indexation in respect of the year shall be prorated so as to be proportionate to the part of the year from the last day of office as a MLA to January 1.

**ARTICLE 8**  
**RELATIONSHIP BREAKDOWN**

- 8.1 A Participant, Deferred Participant or Pensioner or a Spouse or former Spouse of any such person may apply to receive the information required to have the Supplemental Benefit earned during the spousal relationship valued for purposes of determining family assets upon spousal relationship breakdown.
- 8.2 The value of the Supplemental Benefit available for division will be determined in the same manner as the value of the benefits available for division under the Base Plan.
- 8.3 A division of the Supplemental Benefit may be effected in the same manner as that of the benefits under the Base Plan.
- 8.4 A Spouse or former Spouse of a Participant or a Deferred Participant who has elected to receive their share of the Supplemental Benefit as a Separate Pension, or the Spouse or former Spouse of a Pensioner who is entitled to receive their share of the Supplemental Benefit as a Separate Pension, is a Limited Participant who has no further right under the Supplemental Plan to any Supplemental Benefit described under Article 6.
- 8.5 Subsection 5.09 applies with the necessary modifications to a Separate Pension.
- 8.6 A Limited Participant may elect to receive an unreduced Separate Pension on or after the date the Participant, the Deferred Participant or the Pensioner has attained, or would have attained if he or she was alive, their Normal Retirement Date.
- 8.7 A Limited Participant may elect to receive a reduced Separate Pension on or after the date the Participant or the Deferred Participant has attained, or would



have attained if he or she was alive, the age of fifty years.

The Separate Pension will be reduced in the same manner as a Supplemental Pension would be reduced on an Early Retirement Date pursuant to subsection 5.04.

Subsection 5.05 and subsection 5.06 apply, with the necessary modifications, to a Separate Pension.

- 8.8 Where a Limited Participant dies prior to commencing receipt of a Separate Pension, the Personal Representative of the Limited Participant is entitled to receive 0.5 times the share of contributions, plus interest, made by the Participant, Deferred Participant or Pensioner to the Base Plan which are attributed to the Spouse or former Spouse upon division of benefits under the Base Plan in respect of the same period of MLA service during which the individual was a Participant.
- 8.9 Where a Limited Participant dies after commencing receipt of a Separate Pension, the Personal Representative of the Limited Participant is entitled to receive the Supplemental Benefit calculated under subsection 8.07, reduced by the amount of Separate Pension payments received by the Limited Participant prior to their death.

**ARTICLE 9**  
**ADMINISTRATION**

- 9.1 The Administrator shall be responsible for the overall day-to-day operation and administration of the Supplemental Plan and shall have the power to decide all matters concerning the operation, administration and interpretation of the Supplemental Plan except as specified in Article 10.
- 9.2 The Administrator shall keep or cause to be kept any and all such records as it may deem necessary for the performance of its functions.
- 9.3 The Administrator, in addition to the powers otherwise conferred on it in this Supplemental Plan, shall have the authority to:
- (a) give written directions to make payments out of the Operating Fund for such purposes as the Administrator may certify;
  - (b) determine any dispute, difference or question of any kind arising with respect to the administration of the Supplemental Plan;
  - (c) request such information and elections, in any prescribed form, from the Participants, Deferred Participants, Pensioners and individuals entitled to a Supplemental Benefit, as are deemed necessary to enable it to administer the Supplemental Plan;
  - (d) consult with and obtain opinions, advice and information from any lawyer, auditor, accountant, actuary or other expert;
  - (e) delegate any and all of its authorities to such agents or employees as it deems reasonable; and
  - (f) exercise any and all such powers, take such acts and employ such persons as the Administrator may deem necessary, desirable or proper to the performance of the Administrator's functions.
- 9.4 The Administrator shall report to the Commission on Supplemental Plan activity not less than once a year or as requested by the Commission.
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**ARTICLE 10**  
**COMMISSION**

- 10.1 The Commission shall be responsible for establishing and amending the benefits levels provided under the Supplemental Plan.
- 10.2 The Commission shall keep or cause to be kept any and all such records as it may deem necessary for the performance of its functions.
- 10.3 The Commission, in addition to the powers otherwise conferred on it in this Supplemental Plan, shall have the authority to:
- (a) determine any dispute, difference or question of any kind arising with respect to the benefit levels provided under the Supplemental Plan (such decisions of the Commission shall be final and binding on all persons);
  - (b) consult with and obtain opinions, advice and information from any lawyer, auditor, accountant, actuary or other expert;
  - (c) direct the Administrator to implement and administer any benefit level changes it may determine.
- 10.4 The Commission may make recommendations to the Administrator respecting the operation, administration and interpretation of any aspect of the Supplemental Plan.

**ARTICLE 11**  
**EXPLANATION AND DISCLOSURE**

11.1 The Administrator shall:

- (a) provide each MLA with an explanation of the terms of the Supplemental Plan and the MLA's rights and obligations thereunder within 60 days following to the date on which the MLA will become eligible for membership in the Supplemental Plan.
- (b) provide each Participant or other person affected by an amendment to the Supplemental Plan with a notice and explanation of the amendment within 60 days after the adoption of the amendment.
- (c) provide each Participant with a written annual statement outlining the Participant's status in a form acceptable to the Administrator. Such annual statement shall be provided within nine months of the end of the Plan Year.
- (d) upon Termination, Retirement or death, provide a statement in a form acceptable to the Administrator, to the Participant, to the Deferred Participant, to the Spouse or other persons as appropriate in the circumstances.

11.2 Any person who has an entitlement under the Supplemental Plan, or any agent of any such person, may attend the Administrator's office, or such other place agreed upon by the person and the Administrator, to examine or make extracts of copies of those documents constituting and supporting the Supplemental Plan, once during each plan year. Any request to release documents shall be made in writing to the Administrator.

The documents that constitute and support the Supplemental Plan include:

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- (a) plan documents that contains the provisions of the Supplemental Plan, including any amendments to it;
- (b) plan documents that contains the provisions of a previous plan, including amendments to it; and
- (c) any document that delegates the administration of the Supplemental Plan.

**ARTICLE 12**  
**AMENDMENT OR TERMINATION OF THE PLAN**

- 12.1 The Plan Sponsor intends to maintain the Supplemental Plan in force indefinitely but reserves the right to amend or terminate the Supplemental Plan unilaterally at any time, either in whole or in part, to reflect the recommendations in its report provided to the Government, reviewing and determining the benefits payable to the Participants and Deferred Participants under the Plan.
- 12.2 If the Supplemental Plan is amended or terminated, any Participant or other person's entitlement under the amended Supplemental Plan in respect of Pensionable Service prior to the date of amendment of the Supplemental Plan shall not be less than the person's entitlement at the date of amendment as provided under the Supplemental Plan. Replacement of the Supplemental Plan by another pension plan shall be considered an amendment to the Supplemental Plan.

**ARTICLE 13**  
**GENERAL**

- 13.1 Supplemental Benefits shall not be assigned, charged, anticipated, alienated, surrendered or given as security. Supplemental Benefits shall not be subject to execution, seizure or assignment except in regards to support of maintenance orders made under a provincial family property law.
- 13.2 The Administrator shall have the right to require satisfactory proof of age and spousal relationship status prior to the commencement of any pension and proof of survival on the due date of each payment, in respect of the life or lives upon which the pension depends. No payment or transfer shall be made until such proof of age or survival is submitted.

Where the age of any Participant, Deferred Participant, Pensioner, or that person's Spouse, or the status of a child, is found to have been incorrectly stated, the Administrator shall be empowered to make or cause to be made such adjustments respecting the Supplemental Benefits or amounts due or paid to such person under the Supplemental Plan as the Administrator deems equitable.

- 13.3 Where the records of the Administrator are required for use for the purposes of the Supplemental Plan, such records shall be presumed to be conclusive unless shown beyond reasonable doubt to be in error.
- 13.4 All payments under the Supplemental Plan shall be made in lawful currency of Canada.
- 13.5 Notwithstanding anything to the contrary herein, no language in the Supplemental Plan shall be construed to give rise to a double payment of entitlements.

- 13.6 Any Supplemental Benefit will be paid out of the Operating Fund.
- 13.7 The Supplemental Plan shall be governed by the laws of the Province of Prince Edward Island.