



Indemnities & Allowances Commission

2022 Report

Legislative Assembly of Prince Edward Island

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

January 11, 2023

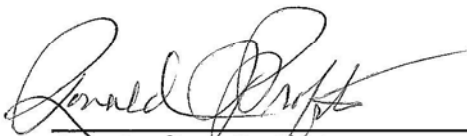
Hon. Colin LaVie, MLA
Speaker of the Legislative Assembly
197 Richmond Street
PO Box 2000
Charlottetown PE C1A 7N8

Dear Mister Speaker,

The previous *Legislative Assembly Act* required the Indemnities and Allowances Commission to review remuneration and report annually to the Speaker by December 1st. In 2020, the legislature passed a new *Legislative Assembly Act, sections 53 and 54*, which outline the scope, membership, and powers of the Commission. The reporting requirement was adjusted and the Commission now reports on remuneration for Members of the Legislative Assembly (MLAs) within 90 days of its appointment following a general election. Beyond this requirement, under *section 53(10)*, the Commission also has the authority to review remuneration at any time it deems necessary.

In keeping with *section 53(10)* of the *Legislative Assembly Act*, the Indemnities and Allowances Commission is pleased to present its 2022 review of remuneration for the position of an MLA, and for positions with additional responsibility.

Respectfully submitted,



Ron Profit, K.C., Chair



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


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

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I. Introduction

In 1994 the Indemnities and Allowances Commission was established in the *Legislative Assembly Act* as an independent body with authority to set remuneration provided to Members of the Legislative Assembly (MLAs) through binding decisions presented to the legislature. Prior to 1994, Commissions were established by motion in the Legislative Assembly and reports contained recommendations rather than binding decisions. A core purpose of the various Commissions, 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), has always been to reduce barriers to elected office by ensuring fair compensation:

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)

Fair compensation must be protected in order to ensure civic-minded candidates seek the role of elected representative in our province. At the same time, compensation should not be an inducement for seeking elected office. This Commission and its predecessors seek to balance these two facets of compensation in their decisions. The Commission does this by utilizing quantitative economic and regional information, and qualitative considerations such as Islanders' valuation of their representative democracy and MLAs' ability and aptitude for constituency representation and legislative scrutiny.

The Commission establishes employment benefits for the role of MLA with the aim of providing reasonable remuneration for the scope of work required and ensuring the position is accessible without financial hardship for anyone choosing 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:

- *indemnity*: the base salary paid to all MLAs to carry out the responsibilities of public office
- *salary*: payments added to the indemnity for positions of additional responsibility in executive or legislative roles
- *allowances*: monies available on a claim basis for expenses incurred while carrying out the duties of an MLA (mileage, home internet service, meal allowance, etc.)
- *benefits*: employer-sponsored health care insurance, life insurance, and transition

- allowance
- *pension*: pension benefits for MLAs

The Indemnities and Allowances Commission's authority arises from Sections 53 and 54 of the *Legislative Assembly Act RSPEI 1988, Cap. L-7.1*.

II. Commissioners

Appointments to the Commission are made by the Speaker of the Legislative Assembly within 60 days of a provincial general election and commissioners serve until the Assembly is dissolved for the next general election.

Ron Profit, K.C., was first appointed to an Indemnities and Allowances Commission in 2012. He has been appointed to each Commission until his reappointment by Hon. Colin LaVie in 2019. Mr. Profit brings legal experience as a partner in the law firm of Cox & Palmer. His fellow Commissioners elected him chair of the Commission in 2019.

Dennis Carver, C.P.A., C.A., was appointed to the Commission by Hon. Colin LaVie in 2019 and brings a wealth of knowledge as a partner and leader in auditing, accounting, and business advisory services for Grant Thornton's construction, real estate, and hospitality clients.

Karen Fraser, C.P.H.R., was appointed to the Commission by the Hon. Colin LaVie in 2021. Ms. Fraser has extensive public sector human resource management experience.

III. Indemnity & Salaries

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, varied and often contradictory, as MLAs balance the expectations of their individual constituencies with consideration of financial and legislative issues that affecting the province as a whole. 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 Commissions. Political life is freely chosen by those who participate, but has long-term effects on private life and on career development. Elected officials wield significant decision-making power as representatives of their constituents, making it imperative that fair compensation is provided to draw good candidates to public office.

Income Data

In conducting its review of MLA remuneration the Commission reviewed income, consumer and historical data to place the remuneration in context with other jurisdictions and with the current economy. The Commission notes the PEI average and median incomes for individuals and for families compare favourably with the rest of the Atlantic provinces.

Income of individuals, Canada and Atlantic provinces, 2020

	Average income (\$)	PEI as a Percent (%) of Average	Median income (\$)	PEI as a Percent (%) of Median
Prince Edward Island	44,700		38,000	
Canada	51,300	87	39,500	96
Newfoundland	47,100	95	37,600	101
New Brunswick	45,500	98	37,100	102
Nova Scotia	45,900	97	37,100	102

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, 2020

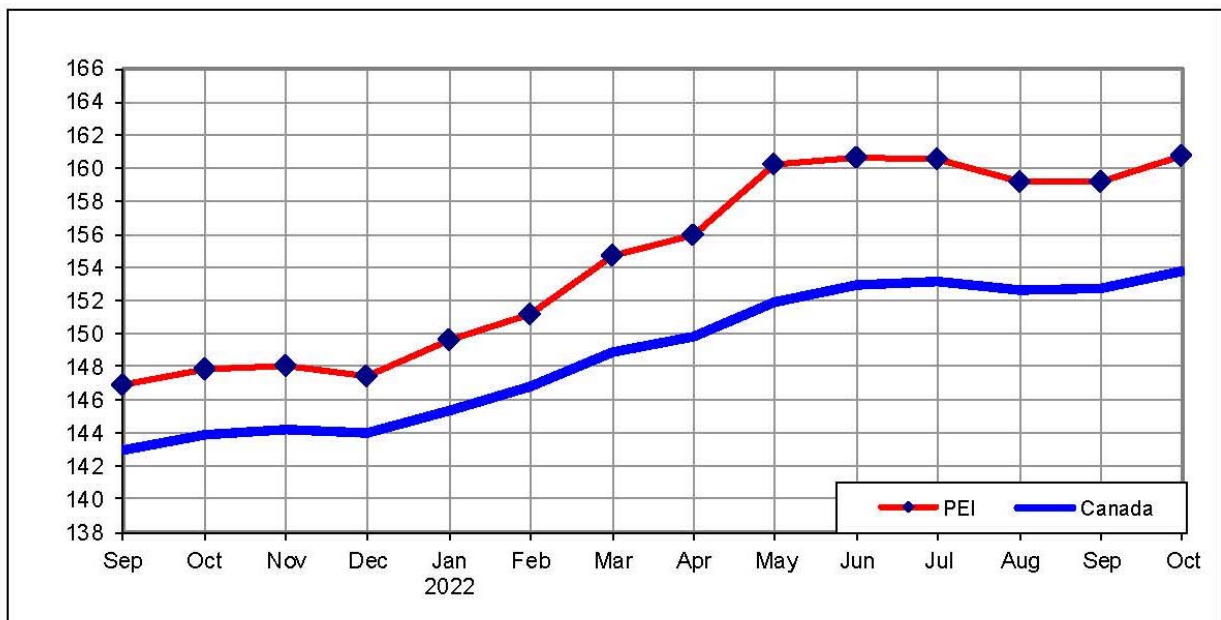
	Average total income (\$)	PEI as a Percent (%) of Average	Median total income (\$)	PEI as a Percent (%) of Median
Prince Edward Island	104,900		91,800	
Canada	126,100	83	106,300	86
Newfoundland	109,300	96	95,200	96
New Brunswick	106,000	99	90,400	102
Nova Scotia	107,500	98	94,100	98
*An economic family 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

Consumer Price Index (CPI) Data

The year-over-year All Items Consumer Price Index for October 2022 for PEI is 8.7%. 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 for salary by providing a metric for keeping compensation current with inflation so employees maintain economic security. The information on the following page is excerpted from the October 2022 Consumer Price Index report:

PEI and Canada Consumer Price Index



All-Items Consumer Price Index by Province, Year-Over-Year Change, October 2022

PE	CA	AB	BC	MB	NB	NL	NS	ON	QC	SK
8.7%	6.9%	6.9%	7.8%	8.4%	6.9%	6.5%	7.7%	6.5%	6.4%	8.0%

Statistics Canada reported that the year-over-year change in the All-Items Consumer Price Index (CPI) for P.E.I. was 8.7 per cent in October 2022. This was the highest year-over-year increase among provinces and was also at a faster pace than the 8.4 per cent increase in September 2022. Year-over-year prices rose at a faster pace in October than in September in 8 provinces. The change to the All-items index for P.E.I. as compared to September 2022 was 0.9 per cent. This compares to 6.9 per cent year-over-year and 0.7 per cent monthly changes for Canada.

Leading contributors to year-over-year price increases for P.E.I. were fuel oil and other fuels (54.9%), followed by gasoline (23.0%), purchase and leasing of passenger vehicles (8.2%), rent (9.0%), and food purchased from restaurants (9.0%). These increases were partially offset by year-over-year declines for home entertainment equipment, parts and services (-7.3%), internet access services (-2.8%), telephone services (-2.4%), child care and housekeeping services (-3.7%), and recreational equipment and services excluding recreational vehicles (-1.1%).

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

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

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

2002=100	PEI Year-Over Year, October	
Year	Annual Change (%)	All-items Index
2013	2.0	129.0
2014	1.2	130.5
2015	-0.8	129.4
2016	1.9	131.9
2017	1.2	133.5
2018	2.5	136.9
2019	1.1	138.4
2020	0.1	138.6
2021	6.6	147.8
2022	8.7	160.7
Total of annual changes (%)	22.5	
Total cumulative change (%)		24.6

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

The adjustment (as of April 1 of each corresponding year) and the indemnity paid to MLAs in each of the past ten years is outlined in the following chart:

Year (as of April 1)	Adjustment (%) to indemnity & salaries	Indemnity (\$) as at April 1 of year noted
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
2022	2.75	76,439.84
Total cumulative change (%)		14.60
Total of adjustments to indemnity & salaries (%)	15.7	

As illustrated by the previous two charts, over the last ten years CPI has cumulatively increased by 24.6% and MLA indemnity has cumulatively increased by 14.6%. The indemnity for PEI MLAs is thus 10% less than the CPI increases. For illustration, had MLAs received a wage adjustment based on cumulative CPI increases over the past 10 years the indemnity today would be \$83,108 instead of \$78,541.94 decided in this report.

In the two-year period of October 2020 to October 2022, the cumulative CPI increased 15.9% while the cumulative MLA increased 5.6% (including the percentage increase in this report).

Gross Domestic Product (GDP) for PEI

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 the legislature, the laws and policies created by those institutions function within that market and can affect GDP. The Commission expanded its review of real GDP change in Canada to include a five-year overview:

	Real GDP Change (%)				
	(Chained \$ 2012)				
Province/Territory	2017	2018	2019	2020	2021
Prince Edward Island	4.7	1.7	4.5	-1.6	7.9
Canada	3.0	2.8	1.9	-5.1	5.0
Newfoundland and Labrador	1.5	-2.6	4.0	-4.6	0.6
Nova Scotia	1.8	1.9	3.4	-3.5	6.2
New Brunswick	2.5	1.2	1.3	-2.7	5.9

Source: Government of PEI. Department of Finance. Economics, Statistics and Federal Fiscal Relations. Gross Domestic Product (GDP) by Income and Expenditure. Accessed November 15, 2022.

<https://www.princeedwardisland.ca/en/information/finance/gross-domestic-product-gdp-by-income-and-expenditure>

The Commission also reviewed the 2021 Statistics Canada data on provincial gross domestic product (GDP), by income and expenditure, for a snapshot of how PEI’s economy is faring coming out of the initial economic crisis of the pandemic. Statistics Canada states:

Economic activity rebounded in Canada in 2021, as the reopening of the economy, combined with low interest rates and continued pandemic-related government support, resulted in substantial upturns in household spending, housing investment, and business investment.... The statistics show that the Prince Edward Island economy expanded by 7.9 per cent in chained 2012 dollars. This was the largest increase among provinces, ahead of Nova Scotia at 6.2 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 2021 GDP Data: Department of Finance, Government of Prince Edward Island. Accessed November 15, 2021. Full report available online at: <https://www.princeedwardisland.ca/en/information/finance/gross-domestic-product-gdp-by-income-and-expenditure>

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. Notices were posted on the Legislative Assembly's website and its social media channels. The Commission appreciates and considered the feedback received.

Consideration of MLA Indemnity

The role of an MLA is unique in society as part of our democratic system of government - an elected public servant who can be removed from that same office, if desired, at the next election. Every MLA is elected to serve the interests of their constituents and all PEI residents, both in the Legislative Assembly and in the public life. Every MLA participates in debates on public expenditures and deliberates on legislation. With these responsibilities in mind, the Commission conducted a survey of indemnities in other Canadian jurisdictions.

There are multiple roles in the Legislative Assembly – for example, an MLA can also serve as Speaker, Premier, Leader of the Opposition, House Leader, or Whip – and remuneration is provided according to the responsibilities of each role. In all Canadian jurisdictions, an indemnity is the wage received by all MLAs and an additional salary is received for roles with additional responsibility.

Current PEI MLA Indemnity

The current indemnity provided to all MLAs is \$76,439.84. The Commission reviewed the following indemnities paid to other provincial and territorial legislative representatives:

Jurisdiction	Indemnity (\$) as of April 1, 2022
Prince Edward Island	76,439.84
Alberta	120,936
British Columbia	115,045.93
Manitoba	99,708
New Brunswick	85,000
Newfoundland	95,357
Northwest Territories [Ⓢ]	114,527
Nova Scotia	89,234.90
Nunavut* [Ⓢ]	103,323
Ontario	116,550
Quebec*	95,704
Saskatchewan	103,285
Yukon*	83,855

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

[Ⓢ]These jurisdictions provide their elected members with an additional non-taxable allowance (not included in the indemnity amount in this table).

The PEI MLA indemnity is 75% of the Canadian average. To gain regional perspective with more comparable regional resources, culture, and population, the Commission compared MLA indemnities in the Atlantic provinces. The following chart shows that the PEI MLA indemnity is 85% of the Atlantic Canada average.

	PEI	NL	NS	NB	Atlantic Canada Average (excl. PEI)
Indemnity (\$):	76,439.84	95,357	89,234.90	\$85,000	\$89,863.97
PEI indemnity as a % of :		80	86	90	85
\$ difference:		18,917	12,795	8,560.16	13,424.13

The Commission recognizes that whether the national or regional scale is used, PEI MLAs continue to be the lowest paid legislators while performing the same duties as other provincial and territorial legislators.

DECISION 1

Upon analyzing the Consumer Price Index, Gross Domestic Product, indemnities in other jurisdictions, historical data, and written submissions from the public, the Commission adjusts the indemnity for the role of MLA by 2.75%, effective January 1, 2023.

Consideration of Additional Salaries

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

Position	Indemnity (\$)	Salary (\$)	Total (\$)
Premier	76,439.84	83,018.91	159,458.75
Speaker, Minister, Leader of the Opposition	76,439.84	53,415.61	129,855.45
Deputy Speaker, Leader of a Third Party	76,439.84	26,707.80	103,147.64
Government House Leader	76,439.84	14,403.49	90,843.33
Opposition House Leader	76,439.84	7,201.74	83,641.58
Third Party House Leader	76,439.84	4,753.21	81,193.05
Whips	76,439.84	4,196.31	80,636.15

**each MLA can receive only one additional salary.*

The Commission reviewed the total of indemnity and salaries paid for positions of additional responsibility in other Canadian jurisdictions to compare with PEI, which totals are as follows as of April 1, 2022:

Premier					
	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
Remuneration (\$):	159,458.75	160,525	202,026.10	164,000	175,517.03
PEI Premier's remuneration as a % of :		99	79	97	91
\$ difference:		1,066.25	42,567.35	4,541.25	16,058.28

Minister, Speaker, Leader of the Opposition					
	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
Minister (\$):	129,855.45	144,022	138,281.41	137,614	139,972.47
Speaker (\$):				140,300	140,867.80
Leader of the Opposition (\$):				94	93
PEI Minister's remuneration as a % of :		90	94	94	93
PEI Speaker's remuneration as a % of :				93	92
PEI Leader of the Opposition's remuneration as a % of :					
\$ difference:		14,166.55	8,425.96	7,758.55	10,117.02
				10,444.55	11,012.35

Deputy Speaker					
	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
Remuneration (\$):	100,387	107,523	113,758.15	111,307	110,862.71
PEI Deputy Speaker's remuneration as a % of :		93	88	90	91
\$ difference:		7,136	13,371.15	10,920	10,475.71

Leader of a Third Party					
	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
Remuneration (\$):	103,147.64	119,687	113,758.15	104,750	112,731.71
PEI Leader of a Third Party's remuneration as a % of :		86	91	98	91
\$ difference:		16,539.36	10,610.51	1,602.36	9,584.07

House Leaders					
	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
Government (\$):	90,843.33	95,357	99,740.90	111,307	102,134.96
Opposition (\$):	83,641.58	119,687		104,730.25	108,052.71
Third Party (\$):	81,193.05	107,523		87,500	98,254.63
PEI Government House Leader's remuneration as a % of:		95	91	82	89
PEI Opposition House Leader's remuneration as a % of:		70	84	80	77
PEI Third Party House Leader's remuneration as a % of:		76	81	93	83
\$ difference:		4,513.67	8,897.57	20,463.67	11,291.63
		36,045.42	16,099.32	21,088.67	24,411.13
		26,329.95	18,547.85	6,306.95	17,061.58

Whips					
	PEI	NL	NS	NB	Atlantic Canada average (excl. PEI)
Government (\$)				111,307	100,383.96
Opposition (\$)	80,636.15	95,357	94,487.90	104,730.25	98,191.72
Third Party (\$)				87,500	92,448.30
PEI Government Whip's remuneration as a % of:				72	80
PEI Opposition Whip's remuneration as a % of:		85	85	77	82
PEI Third Party's remuneration as a % of:				92	87
\$ difference:		14,720.85	13,851.75	30,670.85	19,747.81
				24,094.10	17,555.57
				6,863.85	11,812.15

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

DECISION 2

Upon analyzing the Consumer Price Index, Gross Domestic Product, 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, 2023.

IV. Mileage Allowance for Electric Vehicles

Vehicle ownership includes costs such as registration, licensing, tires, and fuel. Mileage allowances provide fair compensation for increases in these costs when a private vehicle is used for employment-related travel and, also, provides for vehicle depreciation.

The 1994 Report of the Indemnities and Allowances Commission, the first issued by an independent Commission, determined that the prevailing Civil Service rates would be the mileage policy used for MLAs. Decision #33 states:

That Members receiving mileage allowance...shall receive such allowance at the prevailing Civil Service mileage rates and only for those days they attend the sittings of the House or the Committees thereof. (pp.29)

Current civil service mileage rates are established by Section 17: Travel Regulations and Policies in the *Treasury Board Policy and Procedures Manual*. The introduction to the policy includes the following statement of purpose:

The underlying principle of Government's travel policy is that neither the employee nor the Government should subsidize the other. (17.01,(1))

The Commission's consideration of a mileage allowance for MLAs is summarized as follows: the mileage allowance is available on a supported claim basis; and is not an employee benefit, but a cost balance between employee and employer.

The Commission examined mileage reimbursement rates for electric vehicles (EVs). Energy cost per kilometer based on current electricity prices is significantly less than the energy cost per kilometer based on petroleum prices. However as EVs are still an emerging technology, long term fixed-cost information on EV depreciation, maintenance, and operation could not be reliably obtained.

DECISION 3

The Commission has determined there is no change to the mileage reimbursement policy for MLAs using EVs.

V. Allowances Provided to MLAs by Caucus Offices

The Caucus Offices provide financial supports to MLAs as they engage in the business of the House and service to their constituents. The Commission reviewed the history of Caucus Office allowances provided to MLAs for district and legislative expenses.

DECISION 4

An MLA is eligible for a maximum monthly reimbursement of \$500 for district and/or legislative expenses, directly reimbursed by their respective Caucus Office, in the categories identified in the *Guidelines for the Operation and Expenditures in Caucus Offices*, which are not already reimbursed by the Office of the Legislative Assembly. These include but are not limited to:

- Accommodations
- Advertising
- Community Support
- Mileage
- Meals

Should an MLA be reimbursed for a cost incurred for a fundraiser or a lottery, the MLA is ineligible to collect any winnings or receive any benefit from the fundraiser or lottery.

Reimbursement is administered in accordance with policies developed by the Office of the Legislative Assembly and the *Guidelines for the Operation and Expenditures in Caucus Offices* as approved by the Standing Committee on Legislative Assembly Management.

VI. Continuation of Severance Allowance for Current MLAs (66th General Assembly)

DECISION 5

The following Severance Allowance Policy applies to MLAs elected to the 66th General Assembly, who continue service thereafter:

Severance Allowance Policy

The Severance Allowance is provided to Members of the Legislative Assembly (MLAs) when they leave their public role in the Legislative Assembly of Prince Edward Island. The work of an MLA is not considered insurable employment by the Canada Revenue Agency, meaning MLAs are not allowed to contribute nor receive income from the federal Employment Insurance Program. Neither are MLAs eligible for employer-sponsored long-term disability insurance.

The Severance Allowance is provided to help MLAs bridge the employment gap following the end of their time in public office.

Definitions

indemnity: the base salary paid to all MLAs to carry out the responsibilities of public office

allowances: monies available on a claim basis for expenses incurred while carrying out the duties of an MLA (ie. mileage, home internet service, meal allowance, etc.)

salary: payments added to the indemnity for positions of additional responsibility in executive or legislative roles

personal representative: means the executor, original or by representation, or administrator appointed by letters under the seal of the Supreme Court.

Eligibility

Every MLA elected to, and with continuous service from, the 66th General Assembly, is eligible for the Severance Allowance when they cease to be an MLA for any reason.

Calculation

An eligible MLA is entitled to a lump sum Severance Allowance equal to:

[one month of the individual's total indemnity and salary]

X [total number of years of service]

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

Upon Death

Should an MLA die while serving as an elected representative in the Legislative Assembly, and who is eligible to receive the Severance Allowance as calculated above, a lump sum shall be disbursed to their personal representative.

Maximum Allowance

In no case shall an MLA receive a Severance Allowance that exceeds the MLA indemnity in force at the time the MLA ceases to be an MLA.

Policy Expiration

Once an MLA eligible under this policy ceases to be a MLA for any reason, this Severance Allowance Policy no longer applies to their service.

Should an MLA who was eligible under this policy be re-elected, the Transition Allowance Policy applies to their future service in office.

When all MLAs eligible under this policy have ceased continuous service from the 66th General Assembly, this policy is void.

VII. Update to Transition Allowance Policy

The Commission reviewed the Transition Allowance Policy, newly in place December 1, 2021, to clarify administration of the policy.

DECISION 6

The following Transition Allowance Policy is in effect for MLAs elected on or after December 1, 2021, who were not elected to the 66th General Assembly:

Transition Allowance Policy

The Transition Allowance is provided to Members of the Legislative Assembly (MLAs) who meet certain conditions when they leave their public role in the Legislative Assembly of Prince Edward Island. The work of an MLA is not considered insurable employment by the Canada Revenue Agency, meaning MLAs are not allowed to contribute nor receive income from the federal Employment Insurance Program. Neither are MLAs eligible for employer-sponsored long-term disability insurance.

The Transition Allowance is provided to help MLAs 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:

indemnity: the base salary paid to all MLAs to carry out the responsibilities of public office

salary: payments added to the indemnity for positions of additional responsibility in executive or legislative roles

allowances: monies available on a claim basis for expenses incurred while carrying out the duties of an MLA (ie. mileage, home internet service, meal allowance, etc.)

personal representative: means the executor, original or by representation, or administrator appointed by letters under the seal of the Supreme Court.

career average salary calculation: the period of continuous service from the time an MLA is first elected to the time they cease to be an MLA and includes indemnities and salaries. If the MLA ceases to be an MLA and is re-elected to office, the period of continuous service begins from the date of re-election. The career average salary shall not be lower than the MLA indemnity in place when the MLA becomes eligible for the Transition Allowance.

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

total service year(s): whole years in office plus partial years in office pro-rated. If the MLA ceases to be an MLA and is re-elected to office, the period of service years begins from the date of re-election.

Eligibility

Every duly elected MLA is eligible for the Transition Allowance when they cease to be an MLA for any reason except the following:

- if, during the transition period, an MLA is
 - employed in a temporary or permanent position 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.

During the transition period an MLA is responsible for reporting all employment to the Office of the Clerk.

Transition Period

The transition period is determined by the total 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 MLA is entitled to a Transition Allowance equal to:

[one month of the individual's career average salary calculation] X [total 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 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 biweekly payments in the transition period.

Should an MLA's total service years be one year or less, the MLA is eligible to have their Transition Allowance paid as a lump sum.

Maximum Allowance

In no case shall an MLA receive a Transition Allowance that exceeds the MLA indemnity in force at the time the MLA ceases to be an MLA.

In the event an MLA received a Severance and/or Transition Allowance, and is re-elected, the total lifetime severance and transition allowances they receive shall be no more than the indemnity in force at the time they cease to be an MLA.

Upon Death

Should an MLA die while serving as an elected representative in the Legislative Assembly, and who is eligible to receive the Severance Allowance as calculated above, a lump sum shall be disbursed to their personal representative.

Should an MLA die while receiving a Transition Allowance, the remaining balance of the Transition Allowance is disbursed as a lump sum to their personal representative.

VIII. Conclusion

Any dispute, difference or question arising with respect to any remuneration described in this report shall be directed to the Commission for determination. Such determinations 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.