



Indemnities & Allowances Commission Interim Report: Severance Allowance

Legislative Assembly of Prince Edward Island

Ron Profit, Q.C., Chair
Dennis Carver, C.P.A., C.A., Commissioner
Sharon O'Halloran, C.P.A., C.G.A., Commissioner



December 8, 2020

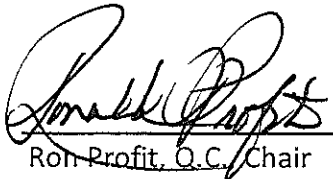
Hon. Colin LaVie, MLA
Speaker of the Legislative Assembly
197 Richmond Street
PO Box 2000
Charlottetown PE C1A 7N8

Dear Mister Speaker,

The Indemnities and Allowances Commission is pleased to submit this interim report in response to your request, as Chair of the Legislative Management Committee, that the Commission accept responsibility for determining the severance allowance received by MLAs upon ceasing to be an elected member.

The Commission appreciates the recognition of its role as the independent, nonpartisan authority for determining MLAs' remuneration and benefits.

Respectfully submitted,


Ron Profit, Q.C., Chair


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


Sharon O'Halloran, C.P.A., C.G.A., Commissioner

Legislation, Mandate, and Commissioners

The Commission's authority arises from Section 53 of the *Legislative Assembly Act*. In summary it establishes an independent Commission to review the remuneration (salaries, indemnities, allowances, benefits and pensions benefits) paid to the Members of the Legislative Assembly and to deliver a report to the Speaker regarding these matters, which is final and binding.

The Commissioners appointed by Honourable Colin LaVie, Speaker of the Legislative Assembly, are Ron Profit, Q.C.; Dennis Carver, C.P.A., C.A.; and Sharon O'Halloran, C.P.A, C.G.A.

Decision

The Commission accepts the recent transfer of responsibility for determining the severance allowance received by MLAs upon their ceasing to be an elected member.

The Commission has not had the opportunity to review the severance allowance for MLAs as of the date of this report and has decided the current severance allowance calculation will remain in effect while its review is conducted.

The severance allowance calculation is as follows:

Calculation

[one month of the individual's gross salary in force at the time they cease to be an MLA X total number of years of service]

Maximum

to a maximum of the gross MLA base salary in force at the time the MLA ceases to be an MLA, as prescribed in the most recent Indemnities and Allowances Commission report on remuneration. The gross MLA base salary excludes all additional salaries and allowances.

Should an MLA die while holding office as an elected representative in the Legislative Assembly, the above formula applies with the resulting amount paid to their personal representative.