

Prince Edward Island

LEGISLATIVE ASSEMBLY

INDEMNITIES AND
ALLOWANCES COMMISSION



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October 10, 1996

Hon. Nancy E. Guptill
Speaker of the Legislative Assembly
P.O. Box 2000
Charlottetown, PE
C1A 7N8

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[Signature]

Dear Madam Guptill:

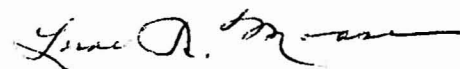
An Act to Amend the Legislative Assembly Act (1994) established an Indemnities and Allowances Commission which is required to report annually to the Speaker on or before the first day of December.

According to the legislation, the Commission is to 'review and determine' the remuneration and benefits to be paid to the Members of the Legislative Assembly, Ministers, the Speaker, Deputy Speaker, the Leader of the Opposition, Government House Leader, Opposition House Leader, Government Whip and Opposition Whip.

The Commission has completed its review of the remuneration and benefits as defined in section 46 of the Legislative Assembly Act and has determined that all indemnities, salaries and allowances shall be increased by two percent (2.0%) beginning April 1, 1997. In addition, it has increased the salary of the Premier to bring this amount more in line with the average salary for this position in the Atlantic region.

I am pleased to transmit to you with this letter the 1996 Interim Report which includes the Commission's decisions. The rationale for these decisions will be included in the Final Report which will be presented to you later.

Respectfully submitted,


Lorne R. Moase, Chairman

Attachment

INTRODUCTION

A 1994 amendment to the Legislative Assembly Act established the Indemnities and Allowances Commission. This Commission, according to the legislation, is to "determine the remuneration and benefits to be paid to the Members of the Legislative Assembly, Ministers, the Speaker, Deputy Speaker, the Leader of the Opposition, Government House Leader, Opposition House Leader, Government Whip and Opposition Whip.

Remuneration and benefits are defined by the legislation as "salaries, indemnities, allowances, and pensions."

The legislation requires "the Commission, annually and at such other times as the Speaker may request, [to] carry out a review of remuneration and allowances ... and on or before the first day of December of each year [to] deliver a report to the Speaker which shall be final and binding."

The Commission presented its second report to the Speaker in the fall of 1995. That report contained several amendments to the MLA Pension Plan, developed by the Commission in 1994, which were required by Revenue Canada, a small increase in Members' indemnities and allowances, as well as, adjustments in the salaries of the Speaker and Deputy Speaker.

In preparation for the 1996 report to the Speaker, the Commission placed advertisements in local newspapers in mid-August and again in early September inviting the general public to present its views on the matter of remuneration and benefits in the form of written submissions. At the same time (mid-August), the Commission advised both the Liberal and Progressive Conservative caucuses, in writing, that it would be advertising in local newspapers and invited submissions from either or both caucuses. The Commission received submissions from two individuals but received no response from either caucus.

The Commission Chairman met with the Chief Executive Officer of the Province's Human Resources Management Services Inc., Mr. Wayne McMillan, to obtain up-to-date information on the status of public sector bargaining in the Province, as well as, comparative information on salaries of some public sector professions in the region.

Finally, the Commission requested and obtained comparative information on remuneration and benefits for Members of Legislative Assemblies from each of the other provinces and territories, the House of Commons and the Senate.

SUMMARY OF COMMISSION DECISIONS

1. That the annual indemnity (taxable) for Members of the Legislative Assembly shall be \$30,645.
2. That the annual non-taxable allowance for members of the Legislative Assembly shall be \$9,287.
3. That the Speaker of the Legislative Assembly, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of \$17,549.
4. That the Deputy Speaker of the Legislative Assembly, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of \$7,755.
5. That the Premier of the Province, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of \$50,158 (i.e. \$46,158 plus an adjustment of \$4,000).
6. That a Cabinet Minister, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of \$35,433.
7. That the Leader of the Opposition, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of \$35,433.
8. That the Government House Leader, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of \$4,788, providing that the Member holding this position is not receiving a salary as a Cabinet Minister or for any other position identified in amended section 45(4) of the Legislative Assembly Act (1994).
9. That the Opposition House Leader, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of \$3,353, providing that the Member holding this position is not receiving a salary for any other position identified in amended section 45(4) of the Legislative Assembly Act (1994).
10. That the Government Whip, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of 2,873, providing that the Member holding this position is not receiving a salary as a Cabinet Minister or for any other position identified in amended section 45(4) of the Legislative Assembly Act (1994).
11. That the Opposition Whip, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of \$2,873, providing that the Member holding this position is not receiving a salary for any other position identified in amended section 45(4) of the Legislative Assembly Act (1994).
12. That a non-Ministerial Member appointed to an Executive Council Committee, in addition to the Member's indemnity and allowance, shall receive an annual salary (taxable) of \$4,788, providing that the Member serving on such Committee is not receiving a salary for any position identified in amended section 45(4) of the Legislative Assembly Act (1994).

13. That the Premier and Cabinet Ministers shall be provided with a Government-owned or leased vehicle or, in lieu thereof, an allowance for the use of their own vehicle.
14. That the Leader of the Opposition shall be provided with a Government-owned or leased vehicle or, in lieu thereof, an allowance for the use of his or her own vehicle.
15. That the Speaker of the Legislative Assembly shall be provided with a Government-owned or leased vehicle or, in lieu thereof, an allowance for the use of his or her own vehicle.
16. That Members of the Legislative Assembly who reside more than 20 kilometres from Province House shall receive a mileage allowance for use of their own vehicles while attending sessions of the Legislative Assembly or Committee meetings of the Assembly on days the House is not sitting or during the intersession.
17. That the Premier, Cabinet Ministers, Speaker of the House and the Leader of the Opposition are not eligible for the mileage allowance referred to in No. 16 above.
18. That Members receiving the mileage allowance referred to in No. 16 above shall receive such allowance at the prevailing civil service mileage rates and only for those days they attend the sitting of the House or a Committee thereof.
19. That Members who reside more than 20 kilometres from Province House shall receive payment, on a claim basis, for up to three (3) trips per month to Charlottetown when the House is not in session.
20. That the effective date for implementing the Decisions of this Report shall be April 1, 1997.

TABLES

Comparative Information from Other Provinces

The Commission surveyed all other provinces, the territories, the House of Commons and the Senate in September of this year to determine the salaries, allowances and other benefits being paid to elected members in those jurisdictions. This information has enabled the Commission to construct a number of comparative Tables. (see Tables 1 to 6 following)

Members' Indemnities and Allowances

Table 1 indicates the indemnities and the tax-free allowances MLAs in each of the provinces received as of September 1, 1996:

Table 1

Members' Annual Indemnities and Expense Allowance

<u>Jurisdiction</u>	<u>Indemnity (taxable)</u>	<u>Expense Allowance (non-taxable)</u>
*British Columbia	\$32,812	\$16,406
Alberta	36,420	18,210
**Saskatchewan	55,000	4,500
Manitoba	57,065	-----
***Ontario	78,007	-----
Quebec	63,469	11,617
New Brunswick	36,485	14,594
Nova Scotia	29,226	14,613
Prince Edward Island	30,044	9,105
Newfoundland	38,028	19,014

* British Columbia's indemnity and expense allowance were expected to increase between 0.4 and 0.6 percent effective September 1, 1996.

** Saskatchewan implemented the Recommendations of the Independent Committee on MLA Compensation. The effect of this implementation has been an increase in the taxable indemnity from \$38,546 to \$55,000 and a decrease in the amount of the non-taxable expense allowance from \$7,622 to \$4,500.

*** Ontario has moved to an all taxable indemnity. The effect of this move has been an increase in the taxable indemnity from \$42,218 to \$78,007 and the elimination of the \$14,169 non-taxable expense allowance.

Salaries and Allowances for Speaker and Deputy Speaker

Table 2 indicates the salaries and additional allowances which Speakers and Deputy Speakers in the various provinces receive:

Table 2

Annual Salaries and Allowances for Speakers and Deputy Speakers

<u>Jurisdiction</u>	<u>Speaker Salary/Allowance (taxable)/(non-taxable)</u>	<u>Deputy Speaker Salary/Allowance (taxable)/(non-taxable)</u>
British Columbia	\$39,000/-----	\$19,500/-----
Alberta	44,700/-----	22,350/-----
Saskatchewan	29,808/-----	9,936/-----
Manitoba	21,210/-----	7,070/-----
Ontario	24,338/-----	11,545/-----
Quebec	47,602/-----	22,214/-----
New Brunswick	24,434/1,000	7,575/250
Nova Scotia	35,943/-----	17,977/-----
Prince Edward Island	17,025/-----	7,603/-----
Newfoundland	39,834/-----	19,917/-----

Can we find out what the position was actually earning, to see if the allowance given in 1995 was actually included? This would be a typo, then.

missing!

→ but awarded by the previous Commission's report!

Check the 1994 legislation - perhaps dealt with in there?

missing!

Salaries for Members of the Executive Council and the Leader
of the Opposition

Table 3 provides a comparison of the additional levels of remuneration which Premiers, Cabinet Ministers and Leaders of the Opposition in the various provinces received as of September, 1996:

Table 3

Salaries of Premiers, Cabinet Ministers and Leaders of the Opposition

<u>Jurisdiction</u>	<u>Premier (taxable)</u>	<u>Cabinet Minister (taxable)</u>	<u>Opposition Leader (taxable)</u>
British Columbia	\$45,000	\$39,000	\$39,000
Alberta	56,865	44,700	44,700
Saskatchewan	49,680	34,776	34,776
*Manitoba	40,400	25,250	25,250
**Ontario	61,860	32,997	43,060
Quebec	66,642	47,602	47,602
New Brunswick	48,866	32,578	32,578
Nova Scotia	50,452	35,943	35,943
Prince Edward Isl'd	45,253	34,738	34,738
Newfoundland	54,943	39,934	39,834

*The salary of a Minister without portfolio in Manitoba is \$20,200

**The salaries of Premier and Leader of the Opposition in Ontario have increased substantially since last year. The salary of a Minister without portfolio in Ontario is \$14,977.

Salaries for Special Positions of the Legislative Assembly

Tables 4 and 5 provide a comparison of the remuneration paid to Members holding special positions in the Legislative Assembly in each of the provinces. These positions include: Government House Leader, Opposition House Leader, Government Whip and Opposition Whip.

Table 4

Salaries Paid to Government and Opposition House Leaders

<u>Jurisdiction</u>	<u>Government House Leader (taxable)</u>	<u>Opposition House Leader (taxable)</u>
British Columbia	none paid	\$6,000
Alberta	none paid	9,500
Saskatchewan	none paid	7,949
Manitoba	7,070	5,050
Ontario	none paid	14,275
Quebec	none paid	22,214
New Brunswick	none paid	none paid
Nova Scotia	5,000	2,000
*Prince Edward Island	4,694	3,287
Newfoundland	none paid	19,600

* In Prince Edward Island, the salary is paid only if the persons holding the positions are not receiving a salary as a Cabinet Minister or for any other position identified in Section 45(4) of the 1994 amendment to the Legislative Assembly Act.

Table 5

Salaries Paid to Government Whip and Opposition Whip

<u>Jurisdiction</u>	<u>Government Whip (taxable)</u>	<u>Opposition Whip (taxable)</u>
British Columbia	\$6,000	\$6,000
Alberta	9,600	5,700
Saskatchewan	7,949	7,949
Manitoba	5,050	4,040
Ontario	14,275	10,921
Quebec	22,214	22,214
New Brunswick	1,500	1,500
Nova Scotia	(\$85 x no. MLAs)	(\$85 x no. MLAs)
*Prince Edward Island	2,817	2,817
Newfoundland	5,900	5,900

* In Prince Edward Island, the salary for Whip is paid only to the persons holding those positions who are not receiving a salary for any other position identified in section 45(4) of the 1994 amendment of the Legislative Assembly Act.

Comparison of Annual Indemnities and Salaries in the Atlantic Region

Table 6 provides a comparison of indemnities and salaries which Members, Premiers, Ministers, Leaders of the Opposition and Speakers in the Atlantic Region are receiving in 1996. As well, the Table indicates the percentage the remuneration for those positions in Prince Edward Island is compared to the average of those same positions in the other three Atlantic provinces.

Table 6

Annual Indemnities and Salaries in the Atlantic Region

<u>Province</u>	<u>Members'</u>	<u>Salaries</u>			
	<u>Indemnities</u>	<u>Premier</u>	<u>Ministers</u>	<u>Opp. Leader</u>	<u>Speaker</u>
P. E. I.	\$30,044	\$45,253	\$34,738	\$34,738	\$17,025
N. B.	36,485	48,866	32,578	32,578	24,434
N. S.	29,226	50,452	35,943	35,943	35,943
Nfld.	38,028	54,943	39,934	39,834	39,834
Average (exc. PEI)	34,580	51,420	36,152	36,118	33,407
PEI %age of other 3 provs	86.9	88.0	96.1	96.2	51.0

Some Comparative Salaries in the Public Sector in the
Atlantic Region

Tables 7, 8 and 9 provide some comparisons of salaries of public servants in Prince Edward Island with salaries of similar positions in the other three Atlantic provinces. Source for these Tables is the P.E.I. Human Resources Management Services Inc.

Table 7

Salaries of Deputy Ministers in the Atlantic Region

<u>Province</u>	<u>Minimum</u>	<u>Maximum</u>
Prince Edward Island	\$74,032	81,070
Nova Scotia	88,550	97,702
New Brunswick	88,634	97,968
Newfoundland	73,646	108,976
Average (excluding P.E.I.)	83,610	101,549
P.E.I. %age of other 3 provinces	88.5	79.8

Table 8

Salary of Teachers at the Certificate 5 Level in the Atlantic Region

<u>Province</u>	<u>Minimum</u>	<u>Maximum</u> (10+ years)
Prince Edward Island	\$29,063	\$45,039
Nova Scotia	29,112	46,039
New Brunswick	31,075	46,502
Newfoundland	29,771	40,786
Average (excluding P.E.I.)	29,986	46,493
P.E.I. %age of other 3 provinces	96.9	96.9

Table 9

Salary of Public Sector Nurses I Level in the Atlantic Region

<u>Province</u>	<u>Minimum</u>	<u>Maximum</u>
Prince Edward Island	\$32,195	\$38,552
Nova Scotia	35,704	41,253
New Brunswick	33,114	40,297
Newfoundland	32,523	41,147
Average (excluding P.E.I.)	33,784	40,899
P.E.I. %age of other 3 provinces	95.3	94.3

Consumer Price Index

Table 10 indicates the percentage change in the Consumer Price Index (all items) for Charlottetown-Summerside for the period from 1991 to August 31, 1996.

Table 10

Percentage Change in the Consumer Price Index (all items)

Charlottetown - Summerside

<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
7.5	0.8	1.9	-0.2	2.1	2.1 (first 8 months)

Source: Department of the Provincial Treasury

Total Remuneration for Island MLAs (1997-98)

The following Table provides a summary of the indemnities, salaries and allowances that Island MLAs will receive effective April 1, 1997. In addition, MLAs receive vehicle and mileage allowances and have use of a telephone calling card, mailing and postage services and a fax machine for constituency business.

Table 11

Total Remuneration (Indemnities, Salaries & Allowances) April 1, 1997

<u>Position</u>	<u>Indemnity</u>	<u>Salary</u>	<u>Allowance</u> <u>(non taxable)</u>	<u>Total</u>
MLA	\$30,645	----	\$9,287	\$39,932
Premier	30,645	50,158	9,287	90,090
Minister	30,645	35,433	9,287	75,365
Ldr. of the Opposition	30,645	35,433	9,287	75,365
Speaker	30,645	17,549	9,287	57,481
Deputy Speaker	30,645	7,755	9,287	47,687
*MLA (on Executive Council Committee)	30,645	4,788	9,287	44,720
*Gov't House Leader	30,645	4,788	9,287	44,720
*Opp. House Leader	30,645	3,353	9,287	43,285
*Gov't Whip	30,645	2,873	9,287	42,805
*Opp Whip	30,645	2,873	9,287	42,805

*where applicable (see Decisions #8-12 inclusive)