



House of Assembly

Retiring MLAs Legislation Introduced

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The province is accepting the recommendations from the independent Pension Review Panel which will ensure pensions for members of the House of Assembly are more in line with pensions for provincial elected officials across the country.

The Members' Pension Review Implementation (2011) Act was introduced today, Dec. 13.

"I want to thank the members of the independent panel for their hard work," said Government House Leader Frank Corbett. "I am pleased that all three parties could come to a consensus on this important issue."

The province will accept all the recommendations from the panel, except the recommendation to reduce years of service required to be eligible for a pension from five years to two years.

Members must still be elected for five years over two General Assemblies to be eligible for a pension.

The legislation enacting the following recommendations from the independent pension review panel will take effect after the next general election:

The MLA pension plan accrual rate will be reduced from five per cent per year for 15 years to three-and-one-half per cent per year for 20 years. The recommendation will reduce the current maximum pension accrual from 75 to 70 per cent.

Legislative changes are being made to the Members' Retiring Allowance Act to comply with Canada Revenue Agency requirements.

The Minister of Finance will be named as the trustee of the MLA pension plan

The government, through the trustee, will look at creating an identifiable secured pool of assets as a separate fund for the MLA pension plan in the future.

The following changes in the Members' Pension Review Implementation (2011) Act will take effect immediately as recommended by the independent panel:

The MLA pension plan will remain a defined benefit pension plan.

The MLA pension contribution rate will remain at 10 per cent of the annual salary.

An MLA pensioner who is 65 years of age or more, in receipt of a monthly pension that is less than \$1,000 per month and who has never divided or split his or her pension, will have their pension increased to \$1,000 per month.

Upon ceasing to be a Member of the House of Assembly, the former member will be eligible for a transition allowance in accordance with the following formula: person's years of service as an MLA multiplied by 1/12 the annual MLA base salary. The allowance is to a maximum of one year's MLA pay and minimum of three months, unchanged from before.

A former MLA will have access to retiring or career counseling services to a maximum value of \$7,500.

FOR BROADCAST USE:

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