



Legislative Assembly
of Prince Edward Island

2014 Report of the Indemnities & Allowances Commission
on the *Pension Plan for Members of the Legislative Assembly*

February 28, 2014

Hon. Carolyn Bertram, MLA
Speaker of the Legislative Assembly
Province House
PO Box 2000
Charlottetown PE C1A 7N8

Dear Madam Speaker,

The Indemnities and Allowances Commission has completed its review of the *Pension Plan for Members of the Legislative Assembly*, as referenced in its *2013 Report of the Indemnities and Allowances Commission*.

The Commission is pleased to submit its decisions regarding changes to the MLA pension plan.

Respectfully submitted,


Barbara Stevenson, Q.C, Chair


Ronald Profit, Q.C., Commissioner


Stan MacPherson, F.C.A., Commissioner

Legislation, Mandate, and Commissioners

The Commission's authority arises from a 1994 amendment to the *Legislative Assembly Act*, which established the independent Indemnities and Allowances Commission to review the remuneration and benefits of MLAs and parliamentary leaders, and to report its decisions to the Speaker.

The Commission has reviewed the *Pension Plan for Members of the Legislative Assembly*, and included its decisions in this report.

The Commissioners appointed by Honourable Carolyn Bertram, Speaker of the Legislative Assembly, are Barbara Stevenson, Q.C., Chair; Stan MacPherson, FCA; and Ronald Profit, Q.C.

Decisions

The Commission has concluded, based on an extensive review of the benefits provided by, and the future sustainability of, the *Pension Plan for Members of the Legislative Assembly*, to introduce the following changes to the Plan design:

- 1) The Required Contributions of Plan Participants will increase by 1%, from 8% to 9%, effective the first full pay period of April, 2014.
- 2) Effective January 1, 2015, indexation (pre- and post-retirement) for Plan Participants will no longer be guaranteed. Effective January 1, 2015, indexation will be provided at the same level as provided in the *Civil Service Superannuation Act*.
- 3) The accrual rate on Supplementary Plan benefits will be reduced by 0.5%, effective for service after the commencement of the 65th General Assembly.
- 4) Eligibility for a new Plan Participant to receive an unreduced pension will increase by two year's service, effective after the commencement of the 65th General Assembly.

An amended full Plan Text, incorporating these changes, will be submitted to the Speaker of the Legislative Assembly when available.