

Briefing Note

Financial Impact of 2012 MSC Decisions on MLA Total Compensation

In 2012 the Special Standing Committee on Members' Services implemented a number of decisions regarding Member compensation, some following directly from recommendations of the Major Report and others differing from those in the Report.

These decisions related to member compensation were:

- Suspending all Assembly committee pay pending the outcome of the Major report
- Eliminating the tax free expense allowance portion of Member pay and implementing a base MLA indemnity of \$134,000/annum reflective of all responsibilities (including committee service) all of which is taxable
- Implementing salary levels for various offices such as Premier, Speaker, Cabinet Minister, etc, as percentages of the \$134,000 Member indemnity
- Eliminating the transition allowance which represented a approximate value of 25% of Member compensation
- Eliminating the RRSP allowance and implementing a Retirement Investment Option which provides a base payment of 13% of the Member indemnity plus and additional employer contribution of up to 3.65 % of the Member indemnity if matched by the Member contributing to his or her RRSP.

In assessing the impact of these decisions on the level of compensation received by Members before and after the decisions noted above, the data utilized was that provided in the *Report of Selected Payments to Members and Former Members of the Legislative Assembly and Persons Directly Associated with Members of the Legislative Assembly year ended March 31, 2012*.

In making these comparisons the following aspects of compensation were considered as the elements of a Member's total compensation:

Fiscal Year 2011-12

Member Indemnity	\$ 52,092
Tax Free Expense Allowance	\$ 26,046
RRSP Allowance	\$ 11,225
Assembly Committee Pay	variable by Member
Statutory Salary–Assembly (Speaker, Opposition Leader, House Leader, etc.)	
Government Committee Pay	variable by Member
Statutory Salary-Government (Premier, Minister)	
Transition Allowance (calculated at 25% of the total of the above elements of Member compensation)	
Gross Up of Tax Free Allowance	\$ 12,570
Total Compensation	Sum of the above elements

Fiscal Year 2012-13 (after MSC decisions)

Member Indemnity	\$134,000
Retirement Investment Option	\$ 22,311 (16.65% of Indemnity)
Statutory Salary-Assembly (Speaker, Opposition Leader, House Leader, etc.)	
Committee Pay-Assembly (\$200/meeting for committee chairs only)	
Statutory Salary-Government (Premier, Minister, Associate Minister)	
Total Compensation	Sum of the above elements

1. Total Compensation Comparisons-Members

Comparisons were made of the total compensation of government Members who did not hold Cabinet roles during fiscal 2011-12 and excluded roles for which they received Assembly pay (whips, house leaders, etc.) with the estimated fiscal year 2012-13 total compensation based on the decisions implemented by the Members' Services Committee.

Average Total Compensation-Government Members-2011-12 \$189,212

Average Total Compensation-Government Members-2012-13 \$156,311

On average government Members are now receiving total compensation at a level of 82.6% of that received in 2011-12.

Comparisons were made of the total compensation of opposition Members excluding the role of Leader of the Official Opposition and excluded roles for which they received Assembly pay (whips, house leaders, etc.) with the estimated 2012-13 fiscal year total compensation based on the decisions implemented by the Members' Services Committee.

Average Total Compensation Opposition Members-2011-12 \$170,878

Average Total Compensation Opposition Members-2012-13 \$156,311

On average opposition Members are now receiving total compensation at a level of 91.5% of that received in 2011-12.

2. Total Compensation Comparisons-Cabinet Ministers

Comparisons were made of the total compensation of Members holding Cabinet roles for the full year in 2011-12 with the estimated fiscal year compensation for these roles in 2012-13 based on the decisions implemented by the Members' Services Committee. To account for the fact that a number of Members held Cabinet positions for only a portion of the year (pre and post PC leadership campaign), we excluded them from the calculations as

we did for the Members who resigned their portfolios during the leadership campaign.

Average Total Compensation-Cabinet Ministers-2011-12	\$246,301
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Average Total Compensation-Cabinet Ministers-2012-13	\$234,467
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On average Cabinet Ministers are now receiving total compensation at a level of 95.2% of that received in 2011-12.

3. Total Compensation Comparison-Premier

Comparisons were made of the Premier's total compensation for 2011-12 to the estimated total compensation for the role in 2012-13.

Total Compensation Premier-2011-12	\$264,128
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Total Compensation Premier-2012-13	\$240,061
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The Premier is now receiving total compensation at the level of 90.1% of that received in 2011-12.

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