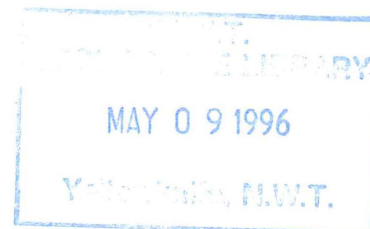




Report of the Commission on MLA Compensation

***Prepared for the Legislative Assembly
of the Northwest Territories***



March 4, 1996

COMMISSION ON MLA COMPENSATION

March 4, 1996

The Honourable Sam Gargan
Speaker of the Legislative Assembly
Legislative Assembly Building
Box 1320
Yellowknife, NWT
X1A 2L9

Dear Mr. Speaker:

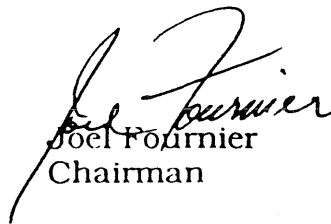
Please accept the Report of the Commission on MLA Compensation which is presented in accordance with the motion establishing the Commission.

The members of the Commission join me in expressing our gratitude to the people of the Northwest Territories who took the time to write, telephone or appear at the public hearings. Their input to the report was very significant.

In making our decisions and preparing the report, the principle of a fair, simple, transparent and accountable compensation system for members was key in helping us make decisions and recommendations.

We hope this report provides the Assembly with the information it requires to reform the current MLA compensation system.

Sincerely,



Joel Fournier
Chairman



Jim Bourque
Commissioner



Anne Crawford
Commissioner



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**Role And Mandate of the
Commission**

The Commission on MLA Compensation was established through a motion of the NWT Legislative Assembly on December 13, 1995. The Commission was directed to review and make recommendations on all aspects of compensation for Members of the Legislative Assembly (MLAs) including indemnities, allowances and pensions. The Commission was asked to review the accountability systems associated with MLAs' compensation.

The Commission was also to recommend a method for adjusting MLAs' compensation from time to time, as necessary.

In making recommendations, the Commission was to take into account the diversity of the constituencies across the Northwest Territories.

The recommendations of the Commission are not binding. The Commission was directed to provide its report to the Speaker of the House by March 1, 1996. The Speaker will provide the report to the House immediately if the Assembly is in session and within five days after the beginning of the session if the Assembly is not in session.

In addition to setting the terms of reference for the Commission, the December 13, 1996 motion appointed the three Commissioners. The motion establishing the Commission is found in Appendix A.

Summary of Recommendations

RECOMMENDATION 1

That all existing indemnities be revoked.

RECOMMENDATION 2

That a basic salary for each Member of \$71,000 be established.

RECOMMENDATION 3

That the Chairpersons of the Standing Committees on Government Operations, Infrastructure, Social Programs, and Resource Management and Development receive an additional indemnity of \$3,000 each year.

RECOMMENDATION 4

That the Management and Services Board establish a definition of what constitutes "reasonable explanation" for a Member's absence from the House or committee meetings.

RECOMMENDATION 5

That a minimum of \$200.00 be deducted from a Member's salary for every day of session or committee meetings where the Member is absent without reasonable explanation. Higher penalties may be imposed by the Management and Services Board as warranted.

RECOMMENDATION 6

That there be no allowance provided for accommodation or other living expenses to a Member conducting business in his/her home community.

RECOMMENDATION 7

That a Member conducting business outside his/her home community be eligible for a meals and incidental per diem equal to the amount available to Hay Plan employees on short-term duty travel.

RECOMMENDATION 8

That a Member have two options for payment of the accommodation allowance:

1. if a Member chooses to rent a dwelling in the capital, he/she will be reimbursed for up to \$1200.00 per month;
2. if a Member chooses to stay in nightly accommodation in the capital such as a hotel, he/she will be eligible for a maximum of \$135.00 per night.

RECOMMENDATION 9

That the accommodation allowance be supported by receipts.

RECOMMENDATION 10

That Members traveling to communities other than Yellowknife or their home community for constituency work or committee meetings be eligible for an accommodation allowance. When this travel is to a location outside the NWT, the accommodation should be to a maximum of \$135.00 per night. For locations within the NWT, the actual cost of accommodation should be paid based on receipts.

RECOMMENDATION 11

That, in addition to their basic salary, Members be eligible for a geographic allowance based on their community of residence and the costs of living in that community, similar to a northern allowance being proposed for Hay Plan employees.

RECOMMENDATION 12

That the constituency allowance for Members be set as follows:

Constituency Allowances

Constituency	Amount
Aivilik	\$19,980
Amittuq	\$21,652
Baffin Central	\$21,708
Baffin South	\$30,108
Deh Cho	\$10,786
Hay River	\$10,229
High Arctic	\$19,312
Inuvik	\$16,800
Iqaluit	\$16,084
Keewatin Central	\$14,612
Kitikmeot	\$20,338
Kivallivik	\$21,656
Mackenzie Delta	\$15,985
Nahendeh	\$19,559
Natilikmiot	\$17,016
North Slave	\$10,922
Nunakput	\$26,696
Sahtu	\$15,876
Thebacha	\$10,400
Tu Nedhe	\$17,381
Yellowknife Centre	\$9,000
Yellowknife Frame Lake	\$9,000
Yellowknife North	\$9,000
Yellowknife South	\$9,000

RECOMMENDATION 13

That, at the end of a Member's term, all office furniture, equipment, and computer and facsimile machines remain the property of the Legislative Assembly and be dealt with in one of two ways:

- 1. used by the Assembly for a new Member or staff; or**
- 2. disposed of through the normal government surplus system.**

RECOMMENDATION 14

That Members be allowed to move a portion of their constituency allowance, constituency assistant allowance or telephone/facsimile allowance between allowances with the approval of the Management and Services Board and within the restrictions of the *Legislative Assembly and Executive Council Act*.

RECOMMENDATION 15

That the current pension arrangements be terminated as of March 31, 1996 with no further benefits accruing (being acquired or accumulated) under the current plans.

RECOMMENDATION 16

That a defined contribution plan be established with equal contributions by a Member and the Assembly. The contributions should be based on a minimum of 7% to a maximum of 9% of the basic Member's salary.

RECOMMENDATION 17

For new and returning Members whose benefits will not vest under the existing pension plan unless they win another election, individual contributions to date be determined and matched by a government contribution, complete with appropriate interest calculations. These contributions should be moved into the new defined contribution plan as of April 1, 1996.

RECOMMENDATION 18

That Members who will complete six years of service within the life of the 13th Assembly be given the option of immediate vesting in the current pension plan or transferring contributions to date to the new defined contribution plan.

RECOMMENDATION 19

That Members currently vested and continuing in office should cease contributions to the current pension plan and begin contributions to the defined contribution plan on April 1, 1996.

RECOMMENDATION 20

The financial obligations created under the current pension plans to vested Members be honoured.

RECOMMENDATION 21

That the administrative procedures required to eventually wind down the current pension plans be the subject of very detailed considerations and be left to the discretion of the plan administrators in conjunction with the Management and Services Board.

RECOMMENDATION 22

That the current provisions for sessional travel be revoked except those which provide for travel by a Member to and from sessions and committee meetings.

RECOMMENDATION 23

That each Member be entitled to sessional travel as follows:

- one regular class return airfare between the Member's home and Yellowknife for each session; and
- an additional trip as described above following each 15 consecutive sitting days in a session.

RECOMMENDATION 24

That the additional sessional travel trips may be used either by a Member to return to his/her home or to bring a Member of his/her immediate family from the Member's home to Yellowknife.

RECOMMENDATION 25

That one of the Member's immediate family be entitled to one regular class return airfare between the Member's home and place of session each year.

RECOMMENDATION 26

That Members no longer be eligible for vacation travel assistance.

RECOMMENDATION 27

That newsletters for MLAs no longer be paid for through the Public Information office of the Legislative Assembly.

RECOMMENDATION 28

That salaries for Ministers and the Premier be set as follows:

Minister: Member's salary plus \$38,000; and
Premier: Member's salary plus \$54,000.

RECOMMENDATION 29

That Ministers no longer accumulate annual or sick leave.

RECOMMENDATION 30

That Ministers be eligible for one of the following options on removal/relocation (based on the weight limits available to Hay Plan employees on removal/relocation):

- a. removal of household items only plus furniture allowance; or
- b. removal of household items including furniture and no furniture allowance.

RECOMMENDATION 31

That furniture purchased for a Minister under the furniture allowance be returned to the government at the end of the Minister's term either to be reused or to be surplusd following normal government surplus procedures.

RECOMMENDATION 32

That Ministers' Relocation Assistance and Ultimate Removal Assistance be based on relocation assistance and ultimate removal assistance available to Hay Plan employees including the restriction that relocation and ultimate removal covers household goods but does not cover moving larger items such as cars, boats, trailers and other large recreational vehicles.

RECOMMENDATION 33

That Ministers be eligible for Headquarters Accommodation Reimbursement but the maximum annual amount should be adjusted to \$28,800.00.

RECOMMENDATION 34

That the Home Travel budget for Ministers be adjusted to 17 return air trips between the Minister's home community in his/her electoral district and Yellowknife. The other guidelines associated with Home Travel would continue to apply.

RECOMMENDATION 35

That Ministers no longer be eligible for Vacation Travel Assistance.

RECOMMENDATION 36

That Cabinet establish written guidelines for all Ministerial Benefits and Allowances including Duty Travel and should table those guidelines annually in the Legislative Assembly.

RECOMMENDATION 37

That the Speaker's salary be the basic Member's salary plus \$19,000.

RECOMMENDATION 38

That the Home Travel budget for the Speaker be based on 17 return air trips between the Speaker's home community in his/her electoral district and Yellowknife. The other guidelines associated with Home Travel would continue to apply.

RECOMMENDATION 39

That the Speaker no longer accumulate annual leave.

RECOMMENDATION 40

That there be public disclosure of the expenses incurred and reimbursed to the Speaker and Deputy Speaker under the provisions of Section 31 of the *Legislative Assembly and Executive Council Act*.

RECOMMENDATION 41

That the Speaker annually table a complete listing of Members' and Ministers' salaries, benefits and allowances, clearly differentiating between the various types of payments.

RECOMMENDATION 42

That the details of all allowances claimed by a Member or Minister, and supporting documentation, be available on request to any member of the public who wishes to review them.

RECOMMENDATION 43

That the compensation package for MLAs be reviewed every five years.

The Review

The Process

The current system of MLA compensation has not been reviewed since March 1987. Since that time, there has been a significant change in public expectations of their elected officials and in how MLAs carry out their responsibilities.

The Commissioners spent time learning about the role and responsibilities of MLAs. A comprehensive understanding of the job was crucial to determining an appropriate level of compensation. The Commission also studied the current system of compensation in detail to ensure a thorough appreciation of the rationale for and linkages between the various components of the compensation package.

There has been public concern about the level of compensation for MLAs, not just in the NWT but across Canada. As an attempt to provide public disclosure, the indemnities and allowances received by Members have been tabled in the Legislative Assembly for the last two fiscal years. The tabled document of 1994/95 expenditures is found in Appendix B. Although the information was provided, it raised questions in the press and with the public. The purpose of the various indemnities and allowances was not clear and there were benefits which were not evident in the figures tabled, particularly in the area of Ministerial benefits.

In addition, some Members felt that their earnings were exaggerated in the eyes of the public because of the reporting of some items which were, in reality, expenditures to run offices and provide services to the public.

Ensuring an opportunity for the public to express views on the level and type of MLA compensation was very important to the Commission. Shortly after their appointment, the Commissioners invited public input. Residents were invited to share their thoughts and ideas either through written submissions or through an oral presentation to the Commission. The Commission received sixteen written submissions and heard from eight individuals and organizations. The submissions reflected the diversity of the Territorial residents. Given the informal approach of most northerners, the Commissioners were also given significant feedback on MLA compensation on the streets, and in the coffee shops.

The Commission also took into account the compensation packages available to others in the NWT.

There was a comprehensive survey of all other jurisdictions - provincial, territorial and federal - across Canada to gather information on Members' compensation. This information proved to be valuable. It provided examples of different ways to provide compensation and the effectiveness and pitfalls associated with these alternatives. It also provided benchmarks for reasonable compensation and the differentials between Members, Ministers, the Premier and the Speaker.

The Commission was also able to draw on the work of three recent reviews of MLA compensation from Ontario, Manitoba and Saskatchewan.

The area of pensions is complicated. There were various options to consider with differing tax and net income consequences. The Commission received expert advice from a pension administration and actuarial firm in assessing various options.

What the Public Said

In the written submissions and in the public hearings, the message given to the Commission was consistent. The public was clearly concerned that the current compensation system for Members is complicated and appears to have hidden elements or components which are inequitable. Most of the suggestions made were well-considered and balanced. Many were consistent with the thoughts of the Commissioners and with the research obtained from other jurisdictions. A summary of the public comments can be found in Appendix C.

The Commission would like to thank everyone who provided written and oral submissions. The ideas presented were very valuable in making our final recommendations.

The Decisions

The Commission addressed a number of areas in its review:

- Salary (indemnity) provided to a Member;
- Allowances necessary to allow the Members and Ministers to fulfill their responsibilities;
- Pension benefits;
- Members benefits;
- Ministerial salary and benefits;-----
- Additional compensation for the Speaker and other Presiding Officers;
- Disclosure, reporting and other administrative matters; and
- Recommendations for future reviews of Members' compensation.

Setting The Stage

The Role of a Member

The 1989 Federal Report on Members' allowances defined the role of the legislator as "two-fold: to represent constituents in the legislature and to develop laws that govern."

In the NWT, the responsibilities of a Member have increased dramatically over the past decade. With a changing committee system which strengthens the consensus approach to government, all Members are more involved in key decisions regarding the policy and direction of the government than in the past.

This analysis of the growing role of the MLAs is important because it sets a standard for comparisons. The level of compensation provided to a Member should be consistent with the responsibility associated with the role. Allowances (which are designed to pay for expenses incurred by the Member in conducting his/her business) should be determined by the types of activities required to effectively carry out the work expected of a Member.

Principles for MLA Compensation

The motion establishing the Commission included the direction:

"Review and recommend a compensation system that is simple, straight forward, easily understandable, fair and accountable."

The Commission adopted the principle that each recommendation should contribute to a compensation system that was **fair, simple, transparent and accountable**.

The current system was developed in pieces. There are many components, some of which are confusing. There is a need to rationalize the components and determine a more straightforward way of dealing with compensation. There is also a need to make a clear distinction between pay provided to the MLA directly as compensation for the job of MLA and accountable allowances provided to support the MLA in carrying out his/her job.

Compensation should be fair. There should be recognition within the compensation system for the value of the job done by the Member. It should be comparable to others with similar levels of responsibility.

Compensation should be simple. Members and the public should understand what the compensation is for. The rules should be clear and administration should not be difficult. Members should know what their pay will be. A simple system makes for ease of administration, and savings in the administrative process.

Compensation should be transparent. The public has the right to know what compensation is provided to elected officials. There should be no hidden subsidies, tax breaks or special allowances. It should not be a surprise to Members or the public to learn about additional benefits available to Ministers or the Speaker.

Compensation should be accountable. The purpose of expense allowances is to allow Members to cover their expenses. It is important that there be accountability for the amounts spent. This accountability assists Members in verifying the use of these funds if questioned by the public.

There should be complete public disclosure of all amounts paid to MLAs including the annual publication of MLA compensation. In addition, the records showing all expenses incurred by an MLA should be available on request to the media or public. If someone wants to know how their MLA has spent his/her constituency allowance or travel funds, they have the right to know.

Assumptions

In order to provide comparisons with other jurisdictions and between various options for compensation, it was necessary for the Commission to determine an average number of days spent by MLAs on different aspects of their job. The 13th Assembly has instituted a new committee structure. Members who are not Ministers have significant responsibilities associated with committee work. Members are also expected to attend all sessional days.

In making the final calculations, the Commission estimated that a Member would spend an average of 105 days working in Yellowknife either on committee work or in session each year.

The Commission also assumed that Members work full time for the rest of the year in their ridings, often long and unusual hours followed by periods where there is less activity. It is not appropriate that any system of recording hours, sick days or holidays be instituted. The Members are in the public eye and their incentive to provide good representation is the desire to win the approval of constituents.

Fiscal Restraint

All residents of the NWT are aware of the difficult financial situation facing the people and Government of the NWT (GNWT). Without changes to current spending patterns, there is the possibility of a deficit in 1996/97 of \$150 million.

The Commission is aware of the GNWT's fiscal reality and that Members of the Assembly are working with the Cabinet on options for addressing the financial difficulties. However, the motion establishing the Commission did not include a requirement to address restraint.

The Commission's recommendations are intended to provide a fair compensation for the work done by Members, Ministers and the Speaker. The Premier indicated in an address to the Assembly in February 1996 that everyone in the NWT would share in the reductions necessary to bring spending under control. He also said that the Members would lead by example. If the Members of the Legislative Assembly wish to take a reduction in pay, benefits or allowances, that will be a political decision they must make. The Commission has remained true to its mandate and has merely provided recommendations for appropriate compensation in ordinary times. It will fall to the Members to determine if the recommended level of compensation is appropriate in light of the Government's approach to addressing the fiscal situation.

Competency

There is a common perception that 'some' MLAs do not work hard, or at all, or in any event do not earn their pay. The public is looking much more critically at territorial, provincial and federal politicians and, in some cases, believe that they are not receiving good value for money.

It was not the role of the Commission to determine whether politicians are earning their salaries. It is up to the electorate to determine on election day whether their MLAs are doing the job they need to do. It was the Commission's task to determine what the role and responsibility of an MLA is and to assign an appropriate level of compensation to that job.

In assessing the appropriate level of compensation, the Commission focused on the job done by a competent Member. If a Member goes beyond the demands of the job or does not meet the expectations of voters, that will be dealt with in the political process rather than in a compensation system.

Compensation Standard

After hearing from the public and reviewing the compensation schemes in other jurisdictions, the general consensus was that when setting compensation levels, Members should be treated like most working people rather than like a senior executive officer in a private corporation. Any unique benefits available to a high level private sector employee would be inappropriate for Members. Receiving a compensation package more consistent with the average person is viewed as fair by the public and gives the public confidence that Members have not joined some elite class, unaffected by rules and problems of ordinary people.

Tax-Free Allowances

In a number of jurisdictions, Members receive up to 50% of their salary in tax-free allowances. The Commission reviewed compensation options which would have provided Members with a significant portion of their income as a tax-free benefit. It would be a benefit to the Territorial Government to provide Members with some income in the form of a tax-free allowance. However, one of the key principles we followed during this review was the need for compensation to be transparent. With a tax-free allowance, the true value of a Member's compensation is not readily apparent to the Member or the public. As well, tax-free allowances can be viewed as a hidden benefit. After careful consideration, we decided against this approach to Members' compensation.

Salary

Background

It is clear that the job of MLA has changed significantly over the past decade. At one time, the MLA who was not in Cabinet essentially held a part time job. The demands of the Legislature and the electorate now require the MLA to work full time. This can include extended periods of travel, long hours, late meetings and sacrifices to private life, particularly for those MLAs who must travel away from home to attend committee meetings and Sessions in Yellowknife.

The problems and issues facing government are becoming increasingly complex. It is crucial that competent people are attracted to public office. While the salary should not be the driving force behind someone running for MLA, it should not deter good candidates either.

The Current System

There appears to be some confusion in the minds of the public, and indeed of some new Members, about the difference between indemnities and allowances. Allowances are paid to compensate Members for actual expenses incurred. Indemnities are the amounts paid to a Member for doing his/her job. The total indemnities paid to a Member are the equivalent of his/her salary.

Currently, Members receive a number of indemnities.

Annual Indemnities

Indemnity	Amount
Basic MLA Indemnity	\$39,514
Constituency Indemnity - Ordinary Member (90 days @ \$223)	\$20,070
Constituency Indemnity - Minister/Speaker (30 days @ \$223)	\$6,690
Indemnity to attend Standing or Special Committee meetings (paid to Ordinary Members only; not paid when the House is in session)	\$223/day
Speaker's Indemnity	\$62,275
Deputy Speaker	\$6,000
Deputy Chairperson of Committee of the Whole	\$3,500
The Deputy Speaker; and Deputy Chair of Committee of the Whole receive an indemnity when they perform the duties of chair	\$77/day
Chairperson of a Standing Committee	\$3,000
Chairperson of Caucus	\$2,000
Minister	\$62,275
Premier	\$67,715

Under the *Legislative Assembly and Executive Council Act*, there is a provision to adjust the Member's basic indemnity depending on changes to the Consumer Price Index. This is an adequate interim measure between reviews of the MLA compensation package to ensure Members' salaries remain consistent with other salary schemes and can be extended to apply to compensation for Ministers and the Premier. At times when no other public sector employees are receiving cost of living adjustments, Members can choose to decline this adjustment.

Recommended Salary and Other Indemnities

The Commission believes that the system of indemnities should be simplified. To assert to the public and to the Members that the basic indemnity of \$39,514.00 is the Member's salary is misleading. As well, the current system's numerous indemnities requires a great deal of administrative work to maintain.

The system of indemnities includes indemnities for committee work and constituency work. Given that the work of a Member is considered to be full-time and the recommended salaries reflect this, committee and constituency work are part of the Member's ongoing responsibilities. To reimburse Members for this work separately would be inconsistent with the principle of fair, simple, transparent and accountable compensation.

The various indemnities taken together represent the income or salary of an MLA. The present system of indemnities is confusing to MLAs and not transparent to the public. It is difficult for Members and their constituents to determine what amount a Member receives for doing the job. As a result, we felt a single salary would be a better way of compensating Members.

There were several key components in determining the salary level of Members. We compared positions with similar levels of responsibility. We compared salaries of legislators in other jurisdictions. Finally, we took a northern differential of approximately 15% into account when assessing the relative value of NWT indemnities compared to other jurisdictions' indemnities. This differential is similar to the salary differential between territorial government employees and their southern counterparts.

The salary recommended provides Members with a level of compensation which is consistent with other jurisdictions, is comparable to the compensation a Member would receive under the current system, and is comparable to those in other occupations with similar levels of responsibility. The Commission also recognized the unique factors which affect salary levels in the north. We reviewed the salary and benefits levels of other comparable professions in preparing these recommendations. For example, a senior teacher has many similarities in terms of responsibilities and diversity of activities.

The salaries are intended to provide a reasonable level of remuneration to Members in a clear, straightforward way. The public can now hold Members accountable to their actual salary level.

RECOMMENDATION 1

That all existing indemnities be revoked.

RECOMMENDATION 2

That a basic salary for each Member of \$71,000 be established.

As a result of the committee structure in the Assembly and the unique role of committees in a consensus government system, there are additional responsibilities associated with chairing the major standing committees. There is a significant difference in the volume of work for chairs and regular members of committees.

RECOMMENDATION 3

That the Chairpersons of the Standing Committees on Government Operations, Infrastructure, Social Programs, and Resource Management and Development receive an additional indemnity of \$3,000 each year.

A Member has an obligation to attend committee work and sessions of the Assembly. The recommended salary for Members assumes all Members take this obligation seriously and only miss session or committees for acceptable reasons. However, there needs to be some option for the Management and Services Board to deduct a portion of a Member's salary if they disrupt the work of the Assembly by being absent from committee meetings or session without reasonable explanation.

RECOMMENDATION 4

That the Management and Services Board establish a definition of what constitutes "reasonable explanation" for a Member's absence from the House or committee meetings.

RECOMMENDATION 5

That a minimum of \$200.00 be deducted from a Member's salary for every day of session or committee meetings where the Member is absent without reasonable explanation. Higher penalties may be imposed by the Management and Services Board as warranted.

Allowances

Living Allowance

The Member is expected to participate fully in the activities of the Assembly. This includes attending sittings of the legislature during session and attending committee and constituency meetings when the house is not in session. Members with additional duties such as committee chairpersons often have to spend additional time away from home.

Members are expected to be in Yellowknife when the House is in session. For those Members who live outside the capital, there are additional living expenses including food and accommodation. This is also the case when Members travel either to the capital or some other location for committee work. Due to the consensus style of government in the NWT, Members spend about 105 days each year in session and committee.

Members currently receive a non-accountable allowance to cover living expenses. Members are free to use this allowance in any way they wish to provide themselves with shelter and food. Some Members stay in hotels while others arrange to rent apartments. Some Members want facilities where they can make their own meals while others choose to eat in local restaurants. The amount of the allowance varies from \$57 per day to \$200 per day depending on whether the committee meeting or session is in the Member's home community.

The level of allowance available for sessional work is also currently provided when Members are engaged in constituency work, either in their home community or elsewhere to a maximum of 90 days.

The Commission returned to the principles for compensation we established at the beginning of the process. The current system of living allowances is not transparent, accountable or simple. It also provides the opportunity for Members to benefit from the allowance if they are careful in their budgeting. This is not consistent with the principle that allowances are intended to cover the Member's expenses but are not intended to supplement income.

RECOMMENDATION 6

That there be no allowance provided for accommodation or other living expenses to a Member conducting business in his/her home community.

RECOMMENDATION 7

That a Member conducting business outside his/her home community be eligible for a meals and incidental per diem equal to the amount available to Hay Plan employees on short-term duty travel.

The Commission recognized that Members wanted to have the opportunity to make different arrangements for accommodation while in Yellowknife. We also realized that the majority of the work of committees and all sessions of the Assembly were held in the capital. Working on the assumption that all allowances should be accountable, the Commission felt Members could have a choice in terms of how they received their allowance to cover out of town accommodation.

RECOMMENDATION 8

That a Member have two options for payment of the accommodation allowance:

- 1. if a Member chooses to rent a dwelling in the capital, he/she will be reimbursed for up to \$1200.00 per month;**
- 2. if a Member chooses to stay in nightly accommodation in the capital such as a hotel, he/she will be eligible for a maximum of \$135.00 per night.**

RECOMMENDATION 9

That the accommodation allowance be supported by receipts.

RECOMMENDATION 10

That Members traveling to communities other than Yellowknife or their home community for constituency work or committee meetings be eligible for an accommodation allowance. When this travel is to a location outside the NWT, the accommodation should be to a maximum of \$135.00 per night. For locations within the NWT, the actual cost of accommodation should be paid based on receipts.

Recognizing Regional Disparities In Costs

In all jurisdictions, many Members of the legislature must travel to get to the capital where most legislative work takes place. However, the NWT is unique in the size of the jurisdiction and the vast distances Members must travel to do their job. The cost of living also varies dramatically in different parts of the north.

One of the concerns of the Commission was how to compensate Members fairly while recognizing the significant differences in the expenses they would incur to do their job. This is an issue which the government has also struggled with for years. We decided to address it in two ways: through adopting a geographic allowance and in establishing the level of constituency allowances.

Geographic Allowance

In the past, Members received vacation travel assistance but did not receive other benefits such as housing allowance and settlement allowance. The Commission felt it is important to recognize and compensate Members for the differentials in cost of living across the NWT.

There have been recent discussions in Government to replace this series of benefits with a single allowance which will have a component for air travel, housing and living costs. The Commission felt a geographic allowance similar to the northern allowance would be consistent with the principles for Members' compensation.

RECOMMENDATION 11

That, in addition to their basic salary, Members be eligible for a geographic allowance based on their community of residence and the costs of living in that community, similar to a northern allowance being proposed for Hay Plan employees.

Constituency Allowance

Since one of the primary jobs of a Member is to represent constituents, it is essential that the Member have access to sufficient resources to do that job. The purpose of a constituency allowance is to cover the costs incurred by a Member in representing and serving his/her constituency. If the work of an MLA was seen as a business, these costs would be business expenses. If the work was seen as employment, these would be the basic costs of operating an office and business travel which an employer would cover.

While reviewing the current compensation package, the Commission attempted to determine how the existing levels for the constituency allowance were set. Originally, funding was tied to travel costs within the Member's constituency, to regional centres, and to the Capital. However, over time the amounts were adjusted so often that their original intent was lost.

In setting an appropriate amount for constituency expenses, we tried to take the differing costs associated with travel within a constituency and to Yellowknife into account. Other items which are essential to a Member effectively representing his/her constituents were also included in determining the constituency allowance. The amounts recommended for the constituency allowances are based on the following:

- four regular class return trips to Yellowknife;
- four trips around the constituency;
- \$3000 for other travel;
- \$2500 for feasts, meals and hospitality items;
- \$2500 for advertising, hall rental for constituency meetings, etc.; and
- \$1000 for newsletters.

The Commission felt it is important for Members to be able to travel regularly within their constituencies and to attend meetings in the capital which had an impact on their constituency. There is also a need for travel to other areas on behalf of the constituency. Funding is required for Members to provide opportunities to meet with constituents and with others who may impact on the quality of life in the riding. Finally, newsletters give Members the opportunity to communicate with all constituents even if they are unable to personally talk to them regularly.

In establishing the constituency allowance, the distribution of expenses above were used to determine the appropriate level of funding. There was no intention that the Member would be required to adhere to this breakdown of expenses within the constituency allowance.

RECOMMENDATION 12

That the constituency allowance for Members be set as follows:

Constituency Allowances

Constituency	Amount
Aivilik	\$19,980
Amittuq	\$21,652
Baffin Central	\$21,708
Baffin South	\$30,108
Deh Cho	\$10,786
Hay River	\$10,229
High Arctic	\$19,312
Inuvik	\$16,800
Iqaluit	\$16,084
Keewatin Central	\$14,612
Kitikmeot	\$20,338
Kivallivik	\$21,656
Mackenzie Delta	\$15,985
Nahendeh	\$19,559
Natilikmiot	\$17,016
North Slave	\$10,922
Nunakput	\$26,696
Sahtu	\$15,876
Thebacha	\$10,400
Tu Nedhe	\$17,381
Yellowknife Centre	\$9,000
Yellowknife Frame Lake	\$9,000
Yellowknife North	\$9,000
Yellowknife South	\$9,000

An issue raised during the Commission's hearings was the need for a clear definition of what a legitimate constituency expense should be. The Commission believes that the current wording

"constituency business or some other business which is directly associated with their responsibility as a Member."

provide Members with sufficient guidance as to what an acceptable constituency expense is. To protect the public interest and ensure expenditures are being made which actually benefit the constituency, the Commission makes clear recommendations in terms of disclosure of expenditures in a following section.

Constituency Office Provisions

There are a number of provisions for establishing and operating a constituency office.

The Assembly provides each Member with basic office furniture, a facsimile machine and a computer. There are cost limits on the facsimile and computer. These items are all purchased by the Legislative Assembly and remain the property of the Assembly until the end of the Member's term. The Commission is comfortable with the amount and quality of items provided for Members to establish their constituency offices. However, we were concerned with the provisions which allow Members to purchase these items at the end of their terms. There are opportunities for these items to be used by new Members or by other government departments or agencies.

RECOMMENDATION 13

That, at the end of a Member's term, all office furniture, equipment, and computer and facsimile machines remain the property of the Legislative Assembly and be dealt with in one of two ways:

- 1. used by the Assembly for a new Member or staff; or**
- 2. disposed of through the normal government surplus system.**

Members are entitled to rent office space in their constituency. Rental space may cost up to \$800 per month. The Commission is satisfied that this amount is appropriate.

Members are also eligible for telephone/facsimile expenses. The Assembly has established constituency categories which capture the differing telephone costs to various parts of the NWT. We are satisfied with the current amounts provided for telephone/facsimile and with the system for establishing these amounts.

Members are provided with \$27,778.00 annually in constituency funding. This money can be used in two ways:

1. Hire a constituency assistant; or
2. Arrange for a person or organization within the constituency to provide constituency assistant services.

Some concern was expressed about the level of funding available for constituency assistants. The Commission reviewed the funding and the work of a constituency assistant. At this point, we feel the amount provided is sufficient. However, we recognize that some Members may wish to have more flexibility in the amount paid to their constituency assistant. The Commission supports flexibility between three constituency funding sources: constituency allowance, constituency assistant allowance and telephone/facsimile allowance.

RECOMMENDATION 14

That Members be allowed to move a portion of their constituency allowance, constituency assistant allowance or telephone/facsimile allowance between allowances with the approval of the Management and Services Board and within the restrictions of the *Legislative Assembly and Executive Council Act*.

Pension Benefits

Background

Across Canada, the pensions of legislators have been a much discussed topic for a number of years. The general public has been concerned about the cost and level of pensions provided to Members. As a result of the attention being focused on pensions and the assertion that these pensions are "rich", several governments have eliminated or reduced the level of pensions provided to MLAs.

The Legislative Assembly of the NWT has a defined benefit pension plan. Prior to 1990, Members earned a pension of 2% of final average earnings for each year of service as a Member. In 1990, the Legislative Assembly Supplementary Retiring Allowances Act was introduced to provide additional benefits. The Supplementary Act increased pension benefits from 2% to 5% of final average earning for each year of service. These plans vest benefits with Members after six years of service.

Prior to 1990, Members made no contributions to the pension plan. After 1990, to offset part of the cost of the increased pensions, Members were asked to contribute 9% of earnings to the plans. This is a contribution level consistent with other MLA pension plans.

Due to the level of benefits offered by the 5% plan, even a 9% contribution from the members must be matched at a ratio of five government dollars to one Member dollar. This level of employer contribution is well beyond that of private sector pension plans. It is also well beyond the allowable tax exemption for pension funds for ordinary Canadians.

As a Government, the GNWT is able to hold and manage funds in ways that individuals are not. There was a need to establish the complex arrangement which was put in place to provide for higher levels of pension benefits.

In the private sector, there has been a shift from defined benefit pension plans to defined contribution plans. The trend was accelerated by changes made to the *Income Tax Act* which tied individual RRSP room to the level of pension benefits earned by individuals. These changes resulted in a significant reduction in RRSP room for defined benefit plan Members.

In general, people are becoming more aware and knowledgeable about pensions. With the trend to multiple employers in a lifetime, more people are taking responsibility for their own pensions.

Revising NWT Members Pensions

It was in this context of change that the Commission identified two issues to address in regard to pensions:

1. What is an appropriate pension system for MLAs? and
2. What can or should be done with the current pension plans and the benefits being paid from those plans?

In relation to the first question, the Commission members were quickly convinced that the current levels of pension benefits are not appropriate, and that a new system should be put in place.

RECOMMENDATION 15

That the current pension arrangements be terminated as of March 31, 1996 with no further benefits accruing (being acquired or accumulated) under the current plans.

TYPE OF PLAN

The Commission did not support eliminating pension benefits for Members. After leaving public life, some Members find it difficult to find new employment. There are continuing restrictions on the activities of former Ministers.

During their term of office, there are restrictions on employment for spouses of Ministers. The pension provides Members with some security in exchange for their efforts and commitment to the public good during their term as an elected representative.

Having decided that there should be provisions for a pension of some kind, the Commission considered three options for Members' pension plans. These included a revised defined benefit plan, a defined contribution plan and an RRSP arrangement. The benefits of an RRSP were understood by all the Commissioners. ~~An RRSP would allow the maximum flexibility~~ for Members. It would allow a Member to make his/her own investment decisions and would truly minimize government involvement.

A defined contribution plan has several benefits which out-weigh those available under an RRSP and it is simple to administer. Firstly it avoids a possible tax problem among Members entering the assembly. New Members will have varying amounts of RRSP room. Some new Members may have no RRSP room in their first year in office. Secondly it allows the Assembly to ensure that Members do not immediately withdraw their RRSP contributions (including the Government's contributions), but rather that the fund becomes available when the Member leaves office.

After considerable discussion, the Commission concluded that a defined contribution plan should be implemented. Under this plan, Members would contribute between 7% and 9% of their gross earnings to the plan with the amount being matched by the Government. At the end of their term in office, Members would be given the choice of an annuity, or rolling the funds into their RRSP. When a Member's term in office ends, the government's involvement will also end.

RECOMMENDATION 16

That a defined contribution plan be established with equal contributions by a Member and the Assembly. The contributions should be based on a minimum of 7% to a maximum of 9% of the basic Member's salary.

IMPLEMENTING THE NEW PLAN

It quickly became apparent to the Commission that the issue of putting in place a new pension system was much simpler than the question of how to deal with the existing plans and existing beneficiaries.

To deal with the transition to a new pension plan, it becomes necessary to determine which Members qualify, and at what levels, for the current pension plan. To make this determination, the Commission considered each group of MLAs separately.

The current plan calls for 6 years of service before benefits are vested. There is a group of 16 new and returning MLAs who would need to be re-elected to vest in the plan. These Members do not and will not have the required six years of service during the life of the 13th Assembly. The Commission believes these Members should not be penalized because of the change in pension plans and feels that their contributions should be treated as if they had been contributors to the new pension plan from the date of their first election.

RECOMMENDATION 17

For new and returning Members whose benefits will not vest under the existing pension plan unless they win another election, individual contributions to date be determined and matched by a government contribution, complete with appropriate interest calculations. These contributions should be moved into the new defined contribution plan as of April 1, 1996.

There is a group of Members who have not completed six years of service but who will do so within the life of the 13th Assembly. They were elected and re-elected under the current pension arrangement.

The Commission believes that these Members should be immediately vested in the plan. However, benefits would be calculated on actual years of service to March 31, 1996. These Members should be given the option of moving to the new pension plan. If they chose to move to the new plan, their pension contributions to date should be calculated individually and matched by a government contribution, complete with appropriate interest calculations.

RECOMMENDATION 18

That Members who will complete six years of service within the life of the 13th Assembly be given the option of immediate vesting in the current pension plan or transferring contributions to date to the new defined contribution plan.

There is a group of Members who already have at least six years of service and are still accumulating benefits. The Commission considered these Members to be in the same category as Members who have retired and are drawing or will draw benefits. The current pension commitments should continue for this group of Members but without further accrual of benefits under the plans.

RECOMMENDATION 19

That Members currently vested and continuing in office should cease contributions to the current pension plan and begin contributions to the defined contribution plan on April 1, 1996.

The most complicated discussion held by the Commission was on how to deal with the current pension plan and those receiving benefits under it. In reviewing the options available for addressing this concern, the Commission had the benefit of advice from a number of expert sources.

Some of the Members currently drawing pension made submissions defending the current levels of pension payments. Their comments were sincere and founded on their own experiences. However, other former Members felt the level of pension was unconscionably high and it should be reduced.

The public presentations suggested that the current pension plans be "wound down" or "transferred to RRSPs". We were in favour of these suggestions but soon realized that while this solution was politically appealing, it was not reasonable from a financial perspective. The problems with winding down the current plans lie in the level of benefits these plans provide and in the complexity because of the legal, tax and administrative considerations.

While the levels of compensation are clearly beyond those received by other Canadians and the protection against increases in the cost of living is very substantial, the Commission made a decision to maintain current levels of pension commitment to Members for prior service. This decision was not made lightly.

The public also gave clear support for acknowledging the financial obligations of the government under the plan to current and former Members. Indeed, even Robert Service was quoted from *The Cremation of Sam McGee*:

"a promise made is a debt unpaid..... and the North has its own stern code."

RECOMMENDATION 20

The financial obligations created under the current pension plans to vested Members be honoured.

The Commission suggests that the obligations be honoured in a way which creates the minimum administrative cost to the government and which maximizes the economic benefits which may be gained from the investment revenues of the pension funds.

While the Commission initially considered immediately winding down these plans, this decision could be very costly for the government. This is not a time for expensive gestures. When economic conditions are favourable, when adequate funds are available and when the termination of these plans can be done in a well managed way, the plans should be wound down.

Until such time, the Commission is not prepared to recommend a change which would appear to be a savings to the public purse but which might actually be a very significant additional cost. The Commission does want to see the current pension plans put to rest but at a time when it is economically feasible to do so.

RECOMMENDATION 21

That the administrative procedures required to eventually wind down the current pension plans be the subject of very detailed considerations and be left to the discretion of the plan administrators in conjunction with the Management and Services Board.

Members' Benefits

BACKGROUND

Members of the Legislative Assembly are entitled to a number of benefits beyond their indemnities, allowances and pension benefits.

Some of these benefits are insurance and health plans. These plans are those available to Hay Plan employees. As well, the first \$1000.00 of salary a Member receives each year is not taxable. This benefit is specified in the *Northwest Territories Act (Canada)*.

In the past, there has been a recognition that it is difficult for Members to be away from their homes and constituencies for extended periods of time. Lengthy absences as a result of session and committee work place a great strain on Members' personal lives and on their ability to be aware of the issues in their constituencies.

Sessional Travel

As a result, a system of sessional travel was developed. The Commission agrees with the concept of sessional travel. However, we believe that the travel should be based on a consistent formula.

RECOMMENDATION 22

That the current provisions for sessional travel be revoked except those which provide for travel by a Member to and from sessions and committee meetings.

RECOMMENDATION 23

That each Member be entitled to sessional travel as follows:

- **one regular class return airfare between the Member's home and Yellowknife for each session; and**
- **an additional trip as described above following each 15 consecutive sitting days in a session.**

RECOMMENDATION 24

That the additional sessional travel trips may be used either by a Member to return to his/her home or to bring a Member of his/her immediate family from the Member's home to Yellowknife.

The Commission recognizes that there may be occasions when a Member would want an immediate family member to be with them at the Assembly. This might include the opening of a session or another special event.

RECOMMENDATION 25

That one of the Member's immediate family be entitled to one regular class return airfare between the Member's home and place of session each year.

Under Members' allowances, we recommended that a geographic allowance be established to address the issues of vacation travel, housing and cost of living. When such an allowance is put in place, there will be no further need for separate vacation travel assistance.

RECOMMENDATION 26

That Members no longer be eligible for vacation travel assistance.

The Legislative Assembly currently covers the cost of up to two newsletters each year for all MLAs. The Commission sees this as an expense which should be paid from a Member's constituency allowance. In recommending the new levels for constituency allowances, the cost of newsletters was taken into account.

RECOMMENDATION 27

That newsletters for MLAs no longer be paid for through the Public Information office of the Legislative Assembly.

Ministerial Benefits

Background

In accepting the duties of a Cabinet Minister, a Member agrees to carry out their responsibilities as a Member as well as the management of specific portfolios. This additional role is reflected in part by the higher salary provided for Ministers.

There are other complications associated with being a Minister. Since most Ministers normally live outside of the capital, there is the need to maintain a residence in Yellowknife to allow them to be available for their Ministerial duties. The nature of the position makes it more difficult for Ministers to maintain contact with their constituencies. Ministers are expected to travel frequently on departmental business and to represent the NWT both at home and elsewhere.

Many of the additional Ministerial benefits and allowances were developed when the Executive Council included both elected and appointed Members. All Ministers are now elected representatives and the role has changed significantly. The benefits and allowances should reflect current compensation practices and principles.

Proposed Changes to Ministerial Salaries, Allowances and Benefits

The position of Minister carries with it significant responsibilities beyond those of a Member. They are responsible for management of department and agency portfolios as well as coordination and consultation with their counterparts in other jurisdictions. The position of Premier has also expanded significantly in recent years. The Premier now plays a key role in establishing and maintaining cooperative relationships within the Cabinet, between all Members of the Assembly, and with governments in other jurisdictions.

RECOMMENDATION 28

That salaries for Ministers and the Premier be set as follows:

**Minister: Member's salary plus \$38,000; and
Premier: Member's salary plus \$54,000.**

Ministers are currently eligible to accumulate sick days and annual leave. Unused annual leave can be paid out to Ministers. Sick and annual leave for Members of the Executive Council was initiated when the Executive Council included public servants. However, Ministers are now all elected officials. They are not required to account for the time they spend carrying out the duties of their office. The Commission believes that the provision of annual leave and sick leave is no longer appropriate for Ministers.

RECOMMENDATION 29

That Ministers no longer accumulate annual or sick leave.

The Commission recognizes the need for a furniture allowance if a Minister is maintaining residences in both Yellowknife and his/her home community. Ministers are currently eligible to claim the following furniture lease costs:

1 bedroom unit	\$16,000
2 bedroom unit	\$19,000
3 bedroom unit	\$22,000
4 bedroom unit	\$25,000

The Minister may also buy the furniture at the end of his/her term at a depreciated value.

There is a need to rationalize the furniture allowance with the removal/relocation benefit. We believe that the amount provided for relocation/removal should be consistent with the amounts provided to Hay Plan employees. If a Minister chooses to move his/her furniture to Yellowknife, he/she will be eligible for the increased weight but no furniture allowance should be available. If the Minister moves only general household items but not furniture, he/she would be eligible for the furniture allowance.

RECOMMENDATION 30

That Ministers be eligible for one of the following options on removal/relocation (based on the weight limits available to Hay Plan employees on removal/relocation):

- a. removal of household items only plus furniture allowance; or**
- b. removal household items including furniture and no furniture allowance.**

Under constituency expenses, the Commission recommended that office furniture and equipment be returned to the Assembly for reuse or to be surplus at the end of a Member's term. We feel that similar conditions should exist for the furniture purchased for Ministers.

RECOMMENDATION 31

That furniture purchased for a Minister under the furniture allowance be returned to the government at the end of the Minister's term either to be reused or to be surplus following normal government surplus procedures.

RECOMMENDATION 32

That Ministers' Relocation Assistance and Ultimate Removal Assistance be based on relocation assistance and ultimate removal assistance available to Hay Plan employees including the restriction that relocation and ultimate removal covers household goods but does not cover moving larger items such as cars, boats, trailers and other large recreational vehicles.

The Commission spent considerable time reviewing the Headquarters Accommodation Reimbursement. We recognize that Ministers may have to leave their homes and move to Yellowknife in order to carry out their Ministerial responsibilities. It is appropriate that there be an allowance to compensate Ministers for this expense. Members are provided with an accommodation allowance for committee and sessional work of up to \$14,400 if they choose to rent accommodation.

The Commission felt it would be reasonable to provide an Accommodation Reimbursement up to double the amount available to Members. Unlike Members who are in Yellowknife for approximately 105 committee and sessional days each year, Ministers must be in the capital almost year-round setting up permanent households with their families. Ministers' residences are necessarily temporary and are therefore leased with a fairly short notice period to terminate the lease. This means that landlords will want additional compensation for the uncertainty. For all these reasons, a higher accommodation allowance would be appropriate.

RECOMMENDATION 33

That Ministers be eligible for Headquarters Accommodation Reimbursement but the maximum annual amount should be adjusted to \$28,800.00.

For all Members, the Commission is recommending the opportunity to travel home every three weeks during extended sessions. As part of providing a fair compensation system, there should be consistency in benefits. Therefore, it is recommended that Ministers also have the opportunity to travel to their home community in their electoral district every three weeks.

RECOMMENDATION 34

That the Home Travel budget for Ministers be adjusted to 17 return air trips between the Minister's home community in his/her electoral district and Yellowknife. The other guidelines associated with Home Travel would continue to apply.

The Commission has recommended that all Members be eligible for a geographic allowance (see Allowances). This allowance would replace Vacation Travel Assistance.

RECOMMENDATION 35

That Ministers no longer be eligible for Vacation Travel Assistance.

One of the concerns with the current Ministerial Benefits and Allowances package is that other Members and the general public are not aware of the benefits available to Ministers. One of the principles guiding the recommendations of the Commission is that compensation should be transparent. This requires public knowledge of the benefits and rules governing those benefits.

RECOMMENDATION 36

That Cabinet establish written guidelines for all Ministerial Benefits and Allowances including Duty Travel and should table those guidelines annually in the Legislative Assembly.

Speaker's Salary and Benefits

The position of Speaker is unique among legislators. Upon appointment, the Speaker ceases to speak for his/her constituents through the normal business of the Assembly. The Speaker is responsible for overseeing the administration of the Assembly and for maintaining order and decorum in the House. The position carries responsibilities in terms of representing the NWT with legislators in other jurisdictions and representing the Assembly on formal occasions. However, compared to the responsibilities assumed by Ministers, the Speaker's duties are more ceremonial in nature. We feel there should be additional compensation for the extra duties the Speaker assumes. This compensation should be appropriate to the level of responsibility associated with the position.

RECOMMENDATION 37

That the Speaker's salary be the basic Member's salary plus \$19,000.

For all Members, the Commission is recommending the opportunity to travel home every three weeks during extended sessions. As part of providing a fair compensation system, there should be consistency in benefits. Therefore, it is recommended that the Speaker also have the opportunity to travel to his/her home community every three weeks.

RECOMMENDATION 38

That the Home Travel budget for the Speaker be based on 17 return air trips between the Speaker's home community in his/her electoral district and Yellowknife. The other guidelines associated with Home Travel would continue to apply.

The Speaker of the Legislative Assembly is currently eligible for annual leave. This leave can be paid out at the end of the Speaker's term. The Speaker is not required to account for the time he/she spends carrying out the duties of the office. The Commission believes that the provision of annual leave is no longer appropriate for the Speaker of the Assembly.

RECOMMENDATION 39

That the Speaker no longer accumulate annual leave.

The Speaker and Deputy Speaker are currently eligible for reimbursement for expenses incurred in carrying out the duties of their respective offices. The Speaker can be reimbursed for up to \$2500.00 and the Deputy Speaker for up to \$1500.00 in expenditures.

RECOMMENDATION 40

That there be public disclosure of the expenses incurred and reimbursed to the Speaker and Deputy Speaker under the provisions of Section 31 of the *Legislative Assembly and Executive Council Act*.

Disclosure and Accountability

As indicated in the Manitoba report on Members' compensation, "Complete disclosure and timely reporting are essential factors in providing public accountability." By requiring accountability for all allowances and by ensuring public access to all details regarding Members' salaries and allowances, there is a reduced need for those processing the allowance payments to police the claims made by Members. The guidelines regarding acceptable expenditures are clear. It will be up to Members to be guided by their own consciences in their expenditure decisions.

Through public reporting on Members' salaries, benefits and allowances, a Member is able to account for his/her expenditures. It provides an opportunity for Members to communicate with constituents on how he/she is working to serve their interests.

In a number of instances, the Commission has recommended maximum levels of reimbursement. In these cases, it is up to the individual MLAs to ensure that claims made within these maximums are for reasonable costs which will withstand public scrutiny.

RECOMMENDATION 41

That the Speaker annually table a complete listing of Members' and Ministers' salaries, benefits and allowances, clearly differentiating between the various types of payments.

RECOMMENDATION 42

That the details of all allowances claimed by a Member or Minister, and supporting documentation, be available on request to any member of the public who wishes to review them.

Ongoing Review of MLA Compensation

The Commission believes that the recommended compensation package included in this report will be regarded by Members and the public as fair, simple, transparent and accountable. Over time, there will be a need to revisit this compensation package to ensure it is still consistent with compensation levels both within and outside the NWT.

We are currently in a period of low inflation rates and little change (or reductions) in salary and benefit packages in most sectors of the economy. There is an existing provision for cost of living increases. We did not feel an annual review was necessary.

RECOMMENDATION 43

That the compensation package for MLAs be reviewed every five years.

Thanks

The Commission would like to thank the many individuals within the Government of the NWT and in other jurisdictions who provided information to us. This material assisted us in understanding the current compensation system and compensation systems in other jurisdictions. The information provided contributed to our ability to make informed decisions about potential changes to the compensation package for Members.

We would also like to thank the staff of the Legislative Assembly for logistical assistance in setting up meetings and in the final release of this report.

Appendices

- A. Motion establishing the Commission
- B. Tabled document
- C. Public Input
- D. Current Compensation for MLAs
- E. Summary of Ministerial Remuneration, Benefits, Allowances and Expense Per Diems
- F. Cost of the Commission

Appendix A
Motion Establishing the
Commission

6. Develop a statement of purpose for the constituency work expense allowances including recommending permissible spending criteria, and to express an opinion on the adequacy of the current levels of these allowances;
7. Recommend the manner for adjusting from time to time Members', Ministers' and Speaker's salaries, indemnities, allowances and benefits and other payments;
8. Review and recommend a compensation system that is simple, straight forward, easily understandable, fair and accountable; and
9. Review any other matter that the Commission considers relevant respecting allowances, disbursements and other payments.

AND FURTHERMORE in conducting its review the Commission shall take into consideration the diversity of the constituencies across the Northwest Territories;

AND FURTHERMORE the Commission shall seek public input as an integral and essential part of the review process;

AND FURTHERMORE the Commission shall report with its observations and recommendations to the Speaker by March 1, 1996, and the Speaker shall cause the report to be tabled in the Assembly without delay if the Assembly is in session, and, if the Assembly is not in session, within 5 days after the beginning of the session.

Appendix B
Tabled Document 4-13(1)
Report on the Payments of
Indemnity, Allowances and Expenses
for the period ended
March 31, 1995



**REPORT ON THE
PAYMENTS OF INDEMNITY,
ALLOWANCES AND EXPENSES
FOR THE
PERIOD ENDED MARCH 31, 1995**



**INDEMNITIES, ALLOWANCES AND EXPENSES
PAID TO OR INCURRED BY MEMBERS OF THE LEGISLATIVE ASSEMBLY
FOR THE FISCAL YEAR ENDED MARCH 31, 1995**

Schedule A – Indemnities

Member	Constituency							Vacation
		MLA(1)	Constit.(2)	Ministerial	Speaker	Extra Duties(3)	Committees(4)	Travel Asst
ALLOOLOO, Titus	Amittuq	\$39,532.10	\$20,041.15				\$11,112.50	\$12,001.97
ANTOINE, James	Nahendeh	\$39,532.10	\$20,041.15			\$3,001.50	\$15,767.50	\$1,699.16
ARNGNA'NAAQ, Silas	Kivallik	\$39,532.10	\$6,680.03	\$63,019.70				\$4,009.07
ARVALUK, James	Aiyuk	\$35,139.64	\$17,814.36				\$8,370.50	\$1,829.70
BALLANTYNE, Michael	Yellowknife North	\$39,532.10	\$20,041.15				\$13,428.00	\$4,927.56
COURNOYEA, Nellie	Nunakput	\$39,532.10	\$6,680.03	\$73,975.74				\$1,401.70
DENT, Charles	Yellowknife Frame Lake	\$39,532.10	\$20,041.15				\$11,867.00	\$1,699.16
GARGAN, Samuel	Deh Cho	\$39,532.10	\$18,261.75		\$7,877.47	\$2,714.00	\$16,891.00	\$4,307.39
KAKFWI, Stephen	Saitu	\$39,532.10	\$6,680.03	\$70,658.46				\$6,418.28
KOE, Fred	Inuvik	\$39,532.10	\$20,041.15			\$5,002.33	\$11,198.50	\$4,194.40
LEWIS, Brian	Yellowknife Centre	\$39,509.10	\$17,845.94		\$10,908.54	\$4,392.82	\$11,567.00	\$1,699.16
MARIE-JEWELL, Jeannie	Thebacha	\$39,532.10	\$10,580.99		\$47,742.21			\$4,035.18
MIKE, Rebecca	Baffin Central	\$39,532.10	\$9,606.30	\$53,948.69				\$1,906.74
MORIN, Donald	Tu Nedhe	\$39,532.10	\$6,680.03	\$76,936.55				\$4,953.67
NERYSOO, Richard	Mackenzie Delta	\$39,532.10	\$6,680.03	\$67,077.80				\$6,370.25
NG, Kelvin	Kitikmeot	\$39,532.10	\$18,405.05	\$7,638.76			\$13,786.50	\$3,955.57
NINGARK, John	Naitlikmiot	\$39,532.10	\$20,041.15			\$3,401.58	\$20,012.28	\$13,117.78
PATTERSON, Dennis	Iqaluit	\$39,532.10	\$20,041.15				\$14,421.50	\$5,097.48
POLLARD, John	Hay River	\$39,532.10	\$6,680.03	\$62,303.57				\$3,275.91
PUDLAT, Kenoayaok	Baffin South	\$39,532.10	\$20,041.15				\$9,175.00	\$10,372.16
PUDLUK, Ludy	High Arctic	\$39,532.10	\$20,041.15				\$7,281.50	\$8,433.32
TODD, John	Keewatin Central	\$39,532.10	\$6,680.03	\$68,271.36				\$5,247.70
WHITFORD, Tony	Yellowknife South	\$39,532.10	\$20,041.15			\$3,789.32	\$20,427.00	\$1,699.16
ZOE, Henry	North Slave	\$39,532.10	\$20,041.15			\$6,002.75	\$19,785.00	\$3,275.91

- (1) **MLA ANNUAL INDEMNITY:** The figure is actual gross annual indemnity. For income tax reporting purposes, the first \$1,000 is tax free pursuant to Federal legislation contained in the "Northwest Territories Act", subsection Act, subsection 12(6).
- (2) **CONSTITUENCY INDEMNITY:** annual indemnity based on \$6,690.00 for the Speaker, Premier and Ministers and \$20,070.00 for Ordinary Members. Note: amounts are slightly less because of the way pay periods fell. Additional variations result from changes to the Speaker and Ministers over the reporting period.
- (3) **SPECIAL ANNUAL INDEMNITIES FOR EXTRA DUTIES:** Deputy Speaker: \$6,000.00; Deputy Chair, Committee of the Whole: \$3,500.00; Chairperson of Standing Committee: \$3,000.00; Chairperson of Caucus: \$2,000.00.
- (4) **COMMITTEE INDEMNITY** includes, if applicable, \$77.00 per day special indemnity for acting as Chair of any Standing or Special Committee or Committee of the Whole (excluding Caucus).

**INDEMNITIES, ALLOWANCES AND EXPENSES
PAID TO OR INCURRED BY MEMBERS OF THE LEGISLATIVE ASSEMBLY
FOR THE FISCAL YEAR ENDED MARCH 31, 1995**

Schedule B – Living Allowances

Member	Constituency			
		Constituency	Sessional	Committees
ALLOOLOO, Titua	Amittuq	\$16,656.00	\$2,451.00	\$8,506.00
ANTOINE, James	Nahendeh	\$9,651.00	\$15,371.00	\$15,341.00
ARNGNA'NAAQ, Silas	Kivallivik	\$13,653.00	\$2,565.00	\$1,113.00
ARVALUK, James	Aivilik	\$6,366.00	\$9,800.00	\$15,227.00
BALLANTYNE, Michael	Yellowknife North	\$8,562.00	\$2,964.00	\$4,850.00
COURNOYEA, Nellie	Nunakput	\$13,512.00	\$2,622.00	\$771.00
DENT, Charles	Yellowknife Frame Lake	\$714.00	\$3,135.00	\$4,307.00
GARGAN, Samuel	Deh Cho	\$16,284.00	\$11,713.00	\$16,484.00
KAKFWI, Stephen	Sahtu	\$12,109.00	\$2,907.00	\$714.00
KQE, Fred	Inuvik	\$15,855.00	\$2,850.00	\$4,223.00
LEWIS, Brian	Yellowknife Centre	\$7,990.00	\$3,078.00	\$4,766.00
MARIE-JEWELL, Jeannie	Thebacha	\$16,113.00	\$12,170.00	\$5,826.00
MIKE, Rebecca	Baffin Central	\$12,882.00	\$7,367.00	\$3,628.00
MORIN, Donald	Tu Nedhe	\$17,085.00	\$3,192.00	\$1,228.00
NERYSOO, Richard	Mackenzie Delta	\$14,598.00	\$3,249.00	\$771.00
NG, Kelvin	Kitikmeot	\$9,420.00	\$12,340.00	\$17,683.00
NINGARK, John	Natilikmiot	\$12,080.00	\$16,200.00	\$24,454.00
PATTERSON, Dennis	Iqaluit	\$16,713.00	\$2,508.00	\$7,420.00
POLLARD, John	Hay River	\$18,000.00	\$2,850.00	\$771.00
PUDLAT, Kenoayaok	Baffin South	\$10,421.00	\$8,332.00	\$8,588.00
PUDLUK, Ludy	High Arctic	\$14,711.00	\$16,400.00	\$15,112.00
TODD, John	Keewatin Central	\$18,000.00	\$2,394.00	\$828.00
WHITFORD, Tony	Yellowknife South	\$5,273.00	\$3,135.00	\$7,906.00
ZOE, Henry	North Slave	\$16,141.00	\$5,938.00	\$8,591.00

**INDEMNITIES, ALLOWANCES AND EXPENSES
PAID TO OR INCURRED BY MEMBERS OF THE LEGISLATIVE ASSEMBLY
FOR THE FISCAL YEAR ENDED MARCH 31, 1995**

Schedule C – Constituency Expenses

Member	Constituency	Constituency Expenses(1)	
		Constituency	Telephone
ALLOOLOO, Titus	Amittuq	\$26,150.44	\$2,523.15
ANTOINE, James	Nahendeh	\$19,585.16	\$3,000.00
ARNGNA'NAAQ, Silas	Kivallvik	\$22,716.14	\$3,000.00
ARVALUK, James	Aivilik	\$19,118.30	\$2,474.36
BALLANTYNE, Michael	Yellowknife North	\$15,409.58	\$1,673.06
COURNOYEA, Nellie	Nunakput	\$21,905.59	\$1,811.34
DÉNT, Charles	Yellowknife Frame Lake	\$8,091.85	\$69.22
GARGAN, Samuel	Deh Cho	\$18,503.00	\$3,000.00
KAKFWI, Stephen	Sahtu	\$24,752.54	\$1,589.36
KOE, Fred	Inuvik	\$16,877.25	\$2,613.05
LEWIS, Brian	Yellowknife Centre	\$9,610.09	\$202.83
MARIE – JEWELL, Jeannie	Thebacha	\$16,334.00	\$3,000.00
MIKE, Rebecca	Baffin Central	\$27,662.00	\$3,000.00
MORIN, Donald	Tu Nedhe	\$18,351.00	\$3,000.00
NERYSOO, Richard	Mackenzie Delta	\$17,650.20	\$1,280.60
NG, Kelvin	Kitikmeot	\$24,480.01	\$3,000.00
NINGARK, John	Natilikmiot	\$17,424.00	\$1,925.65
PATTERSON, Dennis	Iqaluit	\$23,314.00	\$3,000.00
POLLARD, John	Hay River	\$12,565.24	\$3,000.00
PUDLAT, Kenoayaok	Baffin South	\$30,834.00	\$3,000.00
PUDLUK, Ludy	High Arctic	\$17,488.46	\$927.58
TODD, John	Keewatin Central	\$18,503.00	\$3,000.00
WHITFORD, Tony	Yellowknife South	\$5,979.54	\$1,508.96
ZOE, Henry	North Slave	\$17,424.00	\$2,667.37

(1) EXPENSES: represent funds reimbursed to Members or paid on their behalf for constituency expenses incurred.



Appendix C
Public Input

Public Input

In the written submissions and in the public hearings, the Commission heard the same comments repeatedly. The comments are paraphrased below by the area they were directed to - compensation for Members, for Ministers, for the Speaker and pensions.

Compensation For Members

- The current system of pay and benefits is confusing. The system should be simplified and made transparent and accountable. There should be a clear distinction between what is pay and what are expenses. Constituency moneys should be separate from pay. When considering expenses, consideration must be given to regional disparity especially when considering constituency travel.
- Tax free allowance should have accountability. Receipts should be sought.
- Remuneration should be adequate to ensure that MLAs are supported without unfair financial sacrifice particularly for those in their peak earning years and it does not deter capable individuals from seeking public office. MLA's should receive one annual salary combining the basic indemnity and the constituency indemnity. Increase for Cabinet. No extra for attending committee meetings, deduct for absences.
- Compensation for an MLA should be based on the average person in the street as opposed to being based on the senior executive.
- Wages should be high enough to ensure that an MLA can live comfortably without having to work at another job to supplement income. Also, MLA's often put careers on hold and it may be difficult to get hired once out of office. Ex-MLA's are not eligible for UI.
- Decrease the amount of the salary that is taxable and increase the amount that is non-taxable. 50% of an MLA's salary can be non-taxable.
- There should be no settlement allowance, however, increase in expense allowance for varying cost of living.
- MLA and Ministerial remuneration should be published annually in supplementary appendices to the public accounts. This publication should be by name for all MLA's and Ministers.
- There should be a flat rate. This would include work on one envelope committee. If MLA is on a second envelope committee, they should be paid extra.

Compensation for Ministers

- Ministers are not overpaid for the workload; however the pay and benefits must be transparent. There should be mandatory disclosure and accountability.

Compensation for Speaker

- This is a symbolic position and currently the pay is too high. The duties don't justify a ministerial level of pay. The pay should be brought back in line with the workload. Pay should be between what an ordinary Member receives and what a Minister receives.

Pension Benefits

- The current pension system is a gold plated benefit. The cost is much too high. It should be changed to a portable RSP system with matching contributions. We should buy out the existing MLA's who are eligible for pensions. Negotiate the buy out and convert to an RSP system with the immediate vesting of government contribution. The tax implications and the ravaging of the fund are not adequate arguments for not changing the current system. It is just a process issue and should be resolvable even if it costs one time.
- Members shouldn't be allowed to access pension at an early age. Not before the age of 55.
- Redesign the pension provisions to conform with comparative standards.
- Current pensioners and forthcoming retirees should be paid out of the existing fund and payment should be based on a calculation which would represent an amount equal to an RSP contribution with interest. Remaining proceeds should be used towards reducing the GNWT deficit.
- The territory will be split. Many new Members will not receive a pension under the current rules because you have to service six years or more. It would seem that the plan is going to have to be divested some way. There is no way it can continue with Division.
- Concern about double-dipping. Once a Member has not been re-elected they have the added benefit of being arbitrarily offered plum positions on boards that pay them a lot of money.

Appendix D
Current Compensation for MLAs



Members' Annual Entitlements - 1998-99

Funds Appropriated for Constituency Operations		Annual
Constituency Living Allowance Days paid at either \$57/day or \$200/day with a range per year of		90 days \$5,130-\$18,000
Salary/Wages - Constituency Assistant Program		\$27,778
Aivilik	Telephone/Fax	\$4,670
	Other O&M Expenses	\$23,242
Amittuq	Telephone/Fax	\$5,110
	Other O&M Expenses	\$28,301
Baffin Central	Telephone/Fax	\$5,110
	Other O&M Expenses	\$27,717
Baffin South	Telephone/Fax	\$5,110
	Other O&M Expenses	\$30,896
Deh Cho	Telephone/Fax	\$3,975
	Other O&M Expenses	\$18,540
Hay River	Telephone/Fax	\$3,975
	Other O&M Expenses	\$16,367
High Arctic	Telephone/Fax	\$5,110
	Other O&M Expenses	\$27,480
Inuvik	Telephone/Fax	\$4,670
	Other O&M Expenses	\$18,323
Iqaluit	Telephone/Fax	\$5,110
	Other O&M Expenses	\$23,361
Keewatin Central	Telephone/Fax	\$4,670
	Other O&M Expenses	\$18,540
Kitikmeot	Telephone/Fax	\$4,670
	Other O&M Expenses	\$25,037
Kivallivik	Telephone/Fax	\$4,670
	Other O&M Expenses	\$22,843
Mackenzie Delta	Telephone/Fax	\$4,670
	Other O&M Expenses	\$20,713
Nahendeh	Telephone/Fax	\$3,975
	Other O&M Expenses	\$22,443
Natilikmiot	Telephone/Fax	\$5,110
	Other O&M Expenses	\$25,545
North Slave	Telephone/Fax	\$3,975
	Other O&M Expenses	\$17,459
Nunakput	Telephone/Fax	\$4,670
	Other O&M Expenses	\$25,501
Sahtu	Telephone/Fax	\$4,670
	Other O&M Expenses	\$26,280
Thebacha	Telephone/Fax	\$3,975
	Other O&M Expenses	\$16,367
Tu Nedhe	Telephone/Fax	\$3,975
	Other O&M Expenses	\$18,388
YK Centre	Telephone/Fax	\$3,000
	Other O&M Expenses	\$16,367
YK Frame Lake	Telephone/Fax	\$3,000
	Other O&M Expenses	\$16,367
YK North	Telephone/Fax	\$3,000
	Other O&M Expenses	\$16,367
YK South	Telephone/Fax	\$3,000
	Other O&M Expenses	\$16,367

Annual Indemnities	
Basic MLA Indemnity	\$39,514
Constituency Indemnity - Ordinary Member (90 days x \$223)	\$20,070
Constituency Indemnity - Minister/Speaker (30 days x \$223)	\$6,690
Speaker's Indemnity	\$62,275
Deputy Speaker	\$6,000
Deputy Chairperson of Committee of the Whole	\$3,500
Chairperson of a Standing Committee	\$3,000
Chairperson of Caucus	\$2,000
Minister	\$62,275
Premier	\$67,715
Daily Indemnities	
Indemnity to attend Standing or Special Committee meetings (paid to Ordinary Members only; not paid when the House is in session)	\$223/day
Chairs or Deputy Chairs of Standing or Special Committees; the Deputy Speaker; and Deputy Chair of Committee of the Whole receive an indemnity when they perform the duties of chair	\$77/day

Living Allowances

Living allowances are non-accountable and not subject to income tax.

Living allowances are paid at the rate of \$57.00/day or \$200.00 per day for attendance at session, committee meetings or when performing constituency work.

\$57.00 is paid if the Member lives within commuting distance of the meeting/session or if s/he is performing constituency duties within commuting distance of his/her home. This is intended to cover meals and miscellaneous out of pocket expenses.

\$200.00 is paid if the Member does not live within commuting distance. This amount covers accommodation as well as meals and any miscellaneous expenses.

Constituency Offices

Paid for by the Legislative Assembly:

Constituency Office Space (approx. \$800/month per Memt)	\$230,400
Office Furniture (approx. \$4,500 per Member)	\$108,000
1 Computer (approx. \$4,800 per Member)	\$115,200
1 Facsimile (approx. \$1,250 per Member)	\$30,000

Depreciation on office furniture and equipment - Members may purchase constituency assets owned by the Legislative Assembly for their own personal use when they retire, resign or are defeated at depreciated market value.

Other Benefits

VTA's - Member, spouse/partner and dependents are each entitled to one return airfare from the Member's home community to the nearest southern centre.

Legal Services - each Member is entitled to 5 free hours of legal services from the Legislative Assembly Law Clerk.

Members' Newsletters - Members can produce one constituency newsletter per session and costs of up to \$1,000.00 per newsletter are covered by the Assembly.

Income Tax - the first \$1,000.00 paid to a Member is not taxable and is not included in gross earnings on a Member's T4 slip.

Speaker is entitled to annual leave payout for unused leave at the end of his/her term.

Sessional Travel

- Members are entitled to: one regular class return airfare between the Member's home and place of session; a second trip as described above after the Member has attended for 5 consecutive sitting days; a third trip after 20 consecutive sitting days; a fourth trip after 35 consecutive sitting days.
- A spouse/partner is entitled to one return air trip between the Member's home and the place where session is being held.
- If the Member chooses not to take the second, third or fourth trips listed above, the Member's spouse/partner may take any of those trips.

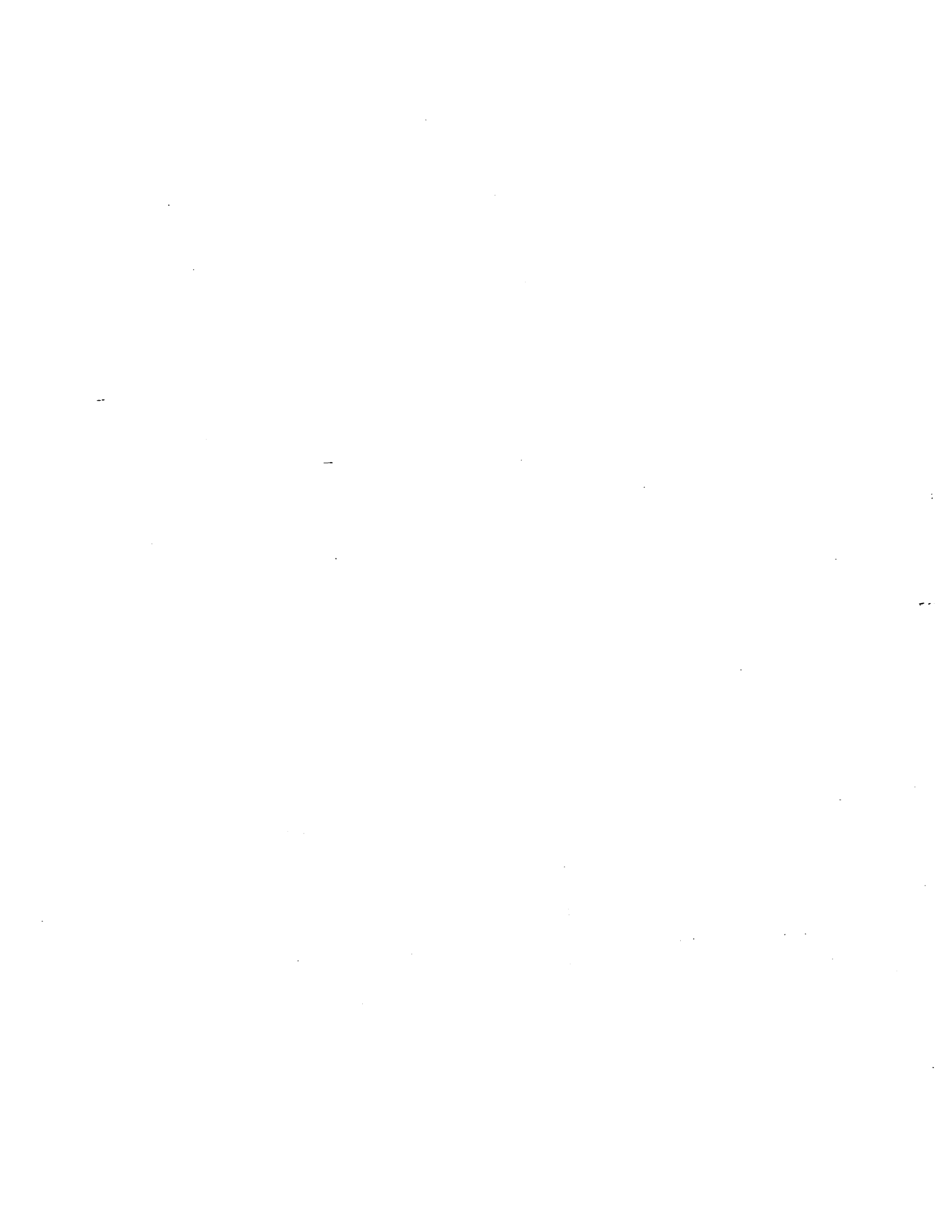
Additional benefits:

Pension Plan
Dental Plan
Public Service Management Insurance Plan
Travel Accident Insurance

Ministerial benefits:

- Annual leave payouts
- Housing
- Entertainment Allowance

Appendix E
Summary of Ministerial
Remuneration, Benefits,
Allowances and Expense Per Diems



EXECUTIVE COUNCIL

GOVERNMENT OF THE NORTHWEST TERRITORIES

Summary

of

Ministerial Remuneration, Benefits,

Allowances and Expense Per Diems

November 1995

**EXECUTIVE SUMMARY
OF
MINISTERIAL REMUNERATION, BENEFITS,
ALLOWANCES AND EXPENSE PER DIEMS**

Remuneration

The following remuneration which is established under the Legislative Assembly and Executive Council Act is provided to Ministers in addition to indemnities and allowances received by virtue of being a Member of the Legislative Assembly:

Premier	\$67,715.00
Ministers	\$62,275.00

For a summary of MLA and ministerial remuneration, see Appendix A (attached).

Benefits, Allowances and Expense Per Diems

The following is available solely to Ministers by virtue of being a Member of the Executive Council.

1. **Relocation Assistance Upon Appointment**

- a) Ministers (and their dependants) are entitled to relocation assistance from their constituency home to Yellowknife.
- b) Article 43, Section 04 of the GNWT/UNW Collective Agreement outlines the entitlements which apply to the movement and storage of personal effects.

2. **Entertainment Allowance**

- Minister may claim \$1,500.00 per annum for non-accountable entertainment expenses.

3. **Duty Travel Reimbursement**

- a) Duty travel expenses for accommodation may be claimed up to the level supported by receipts.
- b) Duty travel expenses for meals, incidentals and taxis may be claimed up to \$80.00 per day without receipts when overnight accommodation expenses are incurred.
- c) Duty travel expenses for meals, incidentals and taxis may be claimed up to \$40.00 per day without receipts when overnight accommodation expenses are not incurred.
- d) Expenses for taxi fares to and from airport departure and arrival points may be claimed up to \$20.00 per day without receipts in addition to other per diems and regardless of whether or not overnight accommodation expenses are incurred.
- e) Claims for expenses in excess of the per diem expenses in (b) (c) and (d) are to be supported by receipts.

4. Home Travel Reimbursement

- a) Ministers who represent a constituency other than those in Yellowknife may claim transportation expenses for themselves and/or their spouses, children and their household employees for personal/family related trips between their home community in their electoral district and Yellowknife.
- b) A Minister's annual budget for home travel expenses is based on the estimated cost of thirty-two (32) economy class return air trips between the Minister's home community in his/her electoral district and Yellowknife.
- c) Home travel expenses are limited to transportation costs only and do not include costs of accommodation, meals and incidentals.

5. Headquarters Accommodation Reimbursement

- a) Ministers who occupy and/or maintain a primary residence in their home constituency outside of Yellowknife before relocating to Yellowknife following their appointment as a Minister and who continue to maintain their primary residence are eligible to claim reimbursement for the cost of economic rent plus the costs of heat, electricity and utilities for the temporary accommodation which they occupy in Yellowknife, less the rent, if any, received from their primary residence.
- b) Eligible Ministers may claim reimbursement on a quarterly basis up to a maximum of \$35,000.00 per calendar year.

6. Vacation Leave

- a) Ministers earn up to 20 working days' annual leave per fiscal year at a rate of 1 2/3 days for each calendar month in which the Minister receives ten days' pay.
- b) Annual leave credits may be accumulated from year to year with a view to receiving a lump sum payment during and/or at the conclusion of their term.

7. Vacation Travel Assistance

- a) Ministers and their dependants are entitled to vacation travel assistance once each fiscal year from their place of residence to the nearest southern departure point.
- b) Ministers are deemed to have "Hay Plan" status when applying for vacation travel assistance.

8. Sick Leave

- a) Ministers earn sick leave credits at the rate of 1 1/4 days for each calendar month in which the Minister receives ten days' pay.
- b) Sick leave credits may be accumulated from year to year.
- c) Unused credits cannot be claimed at the conclusion of a Minister's term of office.

9. **Medical Travel Assistance**

- a) **Ministers are entitled to medical travel assistance under the terms and conditions which apply to employees of the Government of the Northwest Territories.**
- b) **Article 20, Section .09, of the GNWT/UNW Collective Agreement outlines the provisions under which reimbursement will be granted.**

10. **Ultimate Removal Assistance**

- a) **Ministers (and their dependants) are entitled to ultimate removal assistance regardless of their length of service as a Minister.**
- b) **In order to receive assistance, the move must take place within twelve (12) months of a Minister's official termination date.**
- c) **Article 42, Section .03, paragraph (b) of the GNWT/UNW Collective Agreement outlines the weight limits for which reimbursement will be granted.**

11. **Severance Pay**

- a) **Ministers are entitled to severance pay in the following cases:**
 - 1. **resignation due to a mid-term review;**
 - 2. **resignation due to a motion of non-confidence;**
 - 3. **resignation of own free will during a Minister's term of office.**
- b) **Severance pay is calculated on the basis of the Executive element of the ministerial salary package.**
- c) **Eligible Ministers are entitled to severance pay in accordance with the following scale based on years of continuous service:**
 - 1. **After four (4) years or more - 2 months' pay**
 - 2. **After three (3) years - 1½ months' pay**
 - 3. **After two (2) years - 1 month's pay**
 - 4. **After one (1) year - 2 weeks' pay**
 - 5. **Less than one (1) year - Nil**
- d) **Ministers who resign for reasons of misconduct or who are not reappointed to the Executive Council following a territorial election are not eligible to receive severance pay.**

Appendix A

**SUMMARY
MLA AND MINISTERIAL
REMUNERATION**

Source of Funds:	<u>Legislative Assembly</u>		<u>Executive</u>		
Purpose:	<u>Basic Indemnity</u>	<u>Committee Indemnity</u>	<u>Constituency Indemnity</u>	<u>Ministerial Salary</u>	<u>Total</u>
Premier	\$39,514	0	\$6,690	\$67,715	\$113,919
Ministers	39,514	0	6,690	62,275	108,479
Speaker	39,514	62,275	6,690	0	108,479
Deputy Speaker	39,514	6,000	20,070	0	65,584
Deputy Chair	39,514	3,500	20,070	0	63,084
Committee Chair	39,514	3,000	20,070	0	62,584
Caucus Chair	39,514	2,000	20,070	0	61,584
Ordinary Member	39,514	0	20,070	0	59,584

November 1995

Cabinet Office



Appendix F
Cost of the Commission

COMPENSATION COMMISSION

ANALYSIS OF THE COSTS INCURRED

March 1, 1996

Professional Services:

Chairman and Commissioners

Pension Actuary

Miscellaneous:

Advertising and Printing

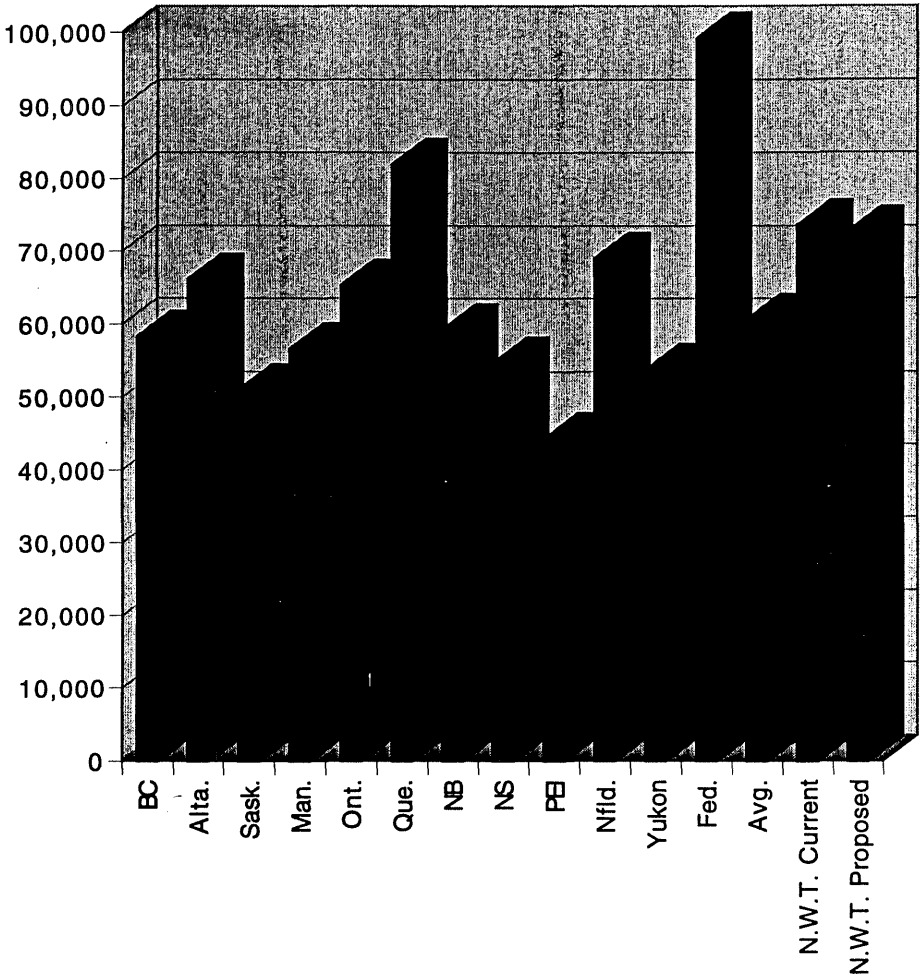
Fees	Disbursements	TOTAL
34,483.00	13,639.91	48,122.91
6,700.00	1,500.00	8,200.00
	4,500.00	4,500.00
41,183.00	19,639.91	\$ 60,822.91



Appendix G
Jurisdictional Salary Comparisons

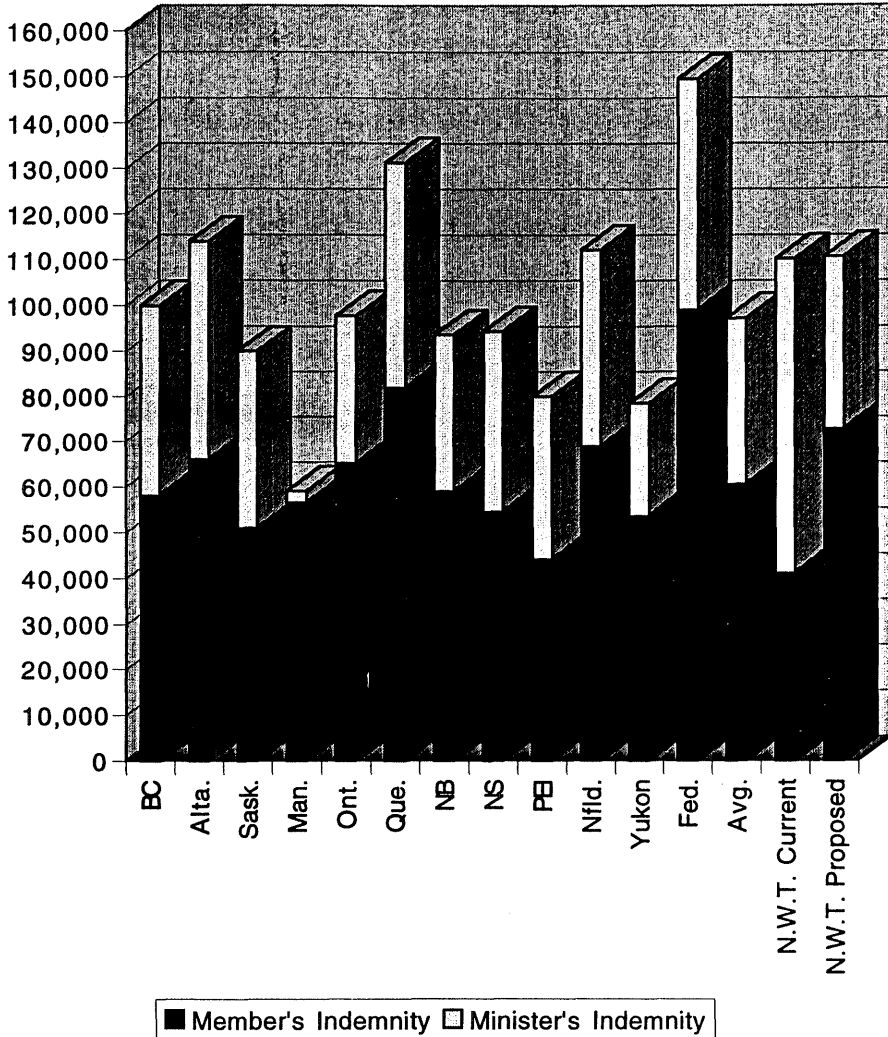


Member's Indemnity Including Tax Free Allowances

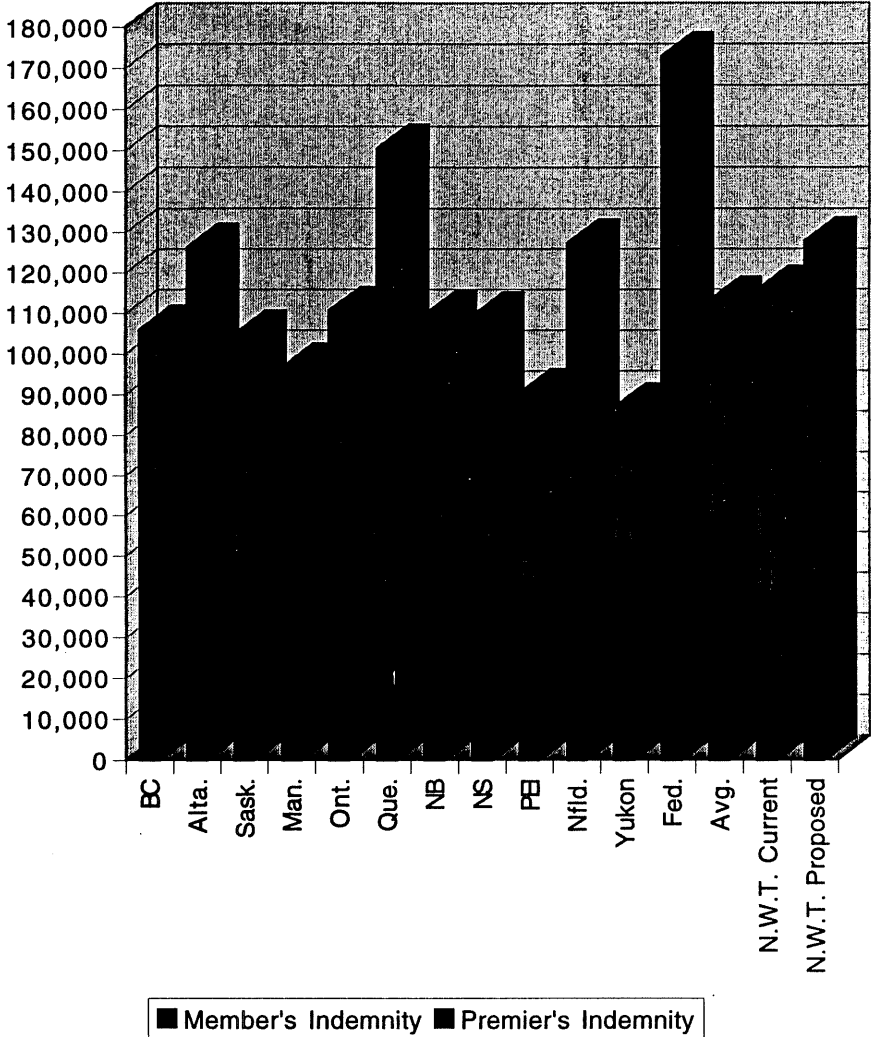


■ Member's Indemnity

Ministerial Indemnity Including Tax Free Allowances



Premier's Indemnity Including Tax Free Allowances



Speaker's Indemnity Including Tax Free Allowances

