



Legislative Assembly
of Prince Edward Island

Report of the Indemnities & Allowances Commission
December 2009

November 27, 2009

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

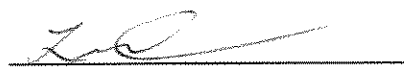
Dear Madam Speaker,

The Indemnities and Allowance Commission has completed its review of the remuneration and allowances to be paid to the Members of the Legislative Assembly and other as defined in section 46 of the *Legislative Assembly Act*.

The Commission is pleased to submit its 2009 report, which includes the Commission's decisions effective April 1, 2010.

Respectfully submitted,


Barbara Stevenson, Chair


Leonard Cusack, Commissioner

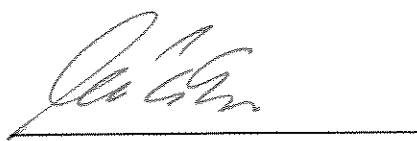

Blair Campbell, Commissioner

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I. Legislation and Mandate

The Commission's authority arises from a 1994 amendment to the *Legislative Assembly Act*, which established the independent Indemnities and Allowances Commission. Its purpose is to review annually the remuneration and benefits of MLAs and parliamentary leaders, and to report its decisions and findings to the Speaker by a legislated deadline of December 1. A copy of *Legislative Assembly Act*, Section 46, is included in Appendix A.

On October 31, 2007, the Speaker of the House, the Honourable Kathleen Casey, appointed this three-member Indemnities and Allowances Commission to review the remuneration and benefits of Members of the Legislative Assembly (MLAs). Appointed to the Commission are Barbara Stevenson, Q.C., Chair of the Commission, and Blair Campbell and Leonard Cusack, Commissioners.

II. Introduction and Commission Work

At present, members of the Prince Edward Island Legislative Assembly receive an annual salary of \$65,344. This base salary replaces the combined indemnity and non-taxable expense allowance previously assigned to the position of MLA.

In conducting its review of MLA remuneration, the Commission published an advertisement in local newspapers inviting public submissions on the issue of MLA remuneration and benefits (a copy of the advertisement is attached in Appendix B). The Commission acknowledges the input of those who made submissions throughout the year and thanks them for their efforts. These include Mr. Gary A. O. MacKay, of Birch Hill, and Kirsten Lund on behalf of the PEI Coalition for Women in Government.

The Commission also continued its review of the *Pension Plan for Members of the Legislative Assembly*.

III. Research

In determining the annual salary adjustment, the Commission established the following processes and factors as most relevant:

- i Public input
- ii Analysis of current provincial MLA remuneration and benefits
- iii Examination of the role of an MLA
- iv Examination of previous Commission reports
- v Comparisons with other provincial MLA remuneration levels
- vi Review of Consumer Price Index (CPI)
- vii Trends in negotiated salary increases

i. Public input

The Commission decided, as part of the discovery process, to canvass public opinion on the subject of MLA remuneration and benefits; this allows the Commission to receive public opinion during its deliberations. Accordingly, the Commission placed an advertisement (see Appendix B) in local newspapers inviting written public submissions on the subject of MLAs' remuneration and benefits as a means of soliciting public opinion.

The Commission received two submissions and has summarized them as follows:

- given the current recession and the growing provincial deficit, remuneration should be frozen at current levels and future increases should be based on job performance, and;
- members should receive an increase in compensation, given the amount of constituency work they undertake, in recognition of a lack of work-life balance.

The Commission appreciates this input and thanks those who took the time to contribute to the Commission's work.

ii. Analysis of current provincial MLA remuneration and benefits

The base salary for MLAs is \$65,344. Additional salaries and allowances are provided for the Premier, Ministers, the Speaker, Deputy Speaker, the Leader of the Opposition, Government House Leader, Opposition House Leader, Leader of a Third Party, Government Whip, Opposition Whip, Non-Ministerial Member of Executive Council Committees, and Leader of a Third Party (please see page 7 for current remuneration information).

Benefits, including health, dental, pension, group insurance, and life insurance are provided for MLAs based on the same terms and conditions applied to the Excluded Group of Employees in the Provincial Civil Service, with the exception of long term disability benefits. In addition, MLAs receive professional support in the form of staff, communication services, travel allowances, office facilities, and computer hardware to assist in the performance of their duties.

iii. Examination of the role of an MLA

The Commission reviewed the description of the role of an MLA included in the 1995 report to the House of the Special Committee on the Legislative Assembly (Appendix C).

iv. Examination of previous Commission reports

Previous Commission reports were reviewed to ensure continuation of any precedents previously set, and to carry forward any previously-noted issues requiring the Commission's attention.

v. Comparisons with other provincial MLA remuneration levels

The Commission received an inter-jurisdictional survey of MLA indemnities and allowances compiled in August 2009. The survey provides an overview of remuneration paid to MLAs across the country, compiling the data into comparative tables that include information on the types and amounts of allowances paid to MLAs in each province. The Commission considered these findings and has included, in Appendix D, a table of the salaries received by MLAs across Canada.

In analyzing the data in Appendix D, the Commission notes that Prince Edward Island MLAs continue to be the lowest paid in Canada.

The Commission also noted recent decisions regarding MLA salaries in Nova Scotia and New Brunswick.

vi. Review of Consumer Price Index (CPI)

The Commission investigated the application of CPI as a tool for determining salary adjustment. Additional supporting documents referred to by the Commission include *The Consumer Price Index* and *Consumer Price Index: A Preview of the Upcoming Basket Update*, both publications of Statistics Canada released in 2009. The Prince Edward Island All Items Consumer Price Index Annual Increase, and the Canada All Items Consumer Price Index Annual Increase, are included in Appendix E and Appendix F, respectively.

vii. Trends in negotiated salary increases

The Commission reviewed the status of recent negotiated salaries for collective bargaining units in Prince Edward Island.

IV. Review

Following is an outline of current salaries for MLAs, effective April 1, 2009.

Position	Salary	Additional Salary	Total
MLA	\$65,344	n/a	\$65,344
Premier	\$65,344	\$71,094	\$136,438
Minister	\$65,344	\$45,688	\$111,032
Speaker	\$65,344	\$38,474	\$103,818
Deputy Speaker	\$65,344	\$19,237	\$84,581
Leader of the Opposition	\$65,344	\$45,688	\$111,032
Government House Leader	\$65,344	\$12,337*	\$77,681
Opposition House Leader	\$65,344	\$4,339*	\$69,683
Government Whip & Opposition Whip	\$65,344	\$3,659*	\$69,003
Non-Ministerial Member of Executive Council Committees	\$65,344	\$5,996*	\$71,340
Leader of a Third Party	\$65,344	\$16,764	\$82,108

**provided the Member is not receiving an additional salary as Premier or as a member of Executive Council, or any other position identified in section 45(5) of the Legislative Assembly Act.*

V. Decisions

- i. The Commission has concluded, based on research presented in this report, that there will be no change in salaries for the fiscal year beginning April 1, 2010. Salaries for MLAs will remain at current levels as specified in the chart below.

Position	Salary	Additional Salary	Total
MLA	\$65,344	n/a	\$65,344
Premier	\$65,344	\$71,094	\$136,438
Minister	\$65,344	\$45,688	\$111,032
Speaker	\$65,344	\$38,474	\$103,818
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Leader of a Third Party	\$65,344	\$16,764	\$82,108

**provided the Member is not receiving an additional salary as Premier or as a member of Executive Council, or any other position identified in section 45(5) of the Legislative Assembly Act.*

- ii. The Commission has determined there will be no change to any other remuneration and benefits .
- iii. The Commission has completed its review of the *Pension Plan for Members of the Legislative Assembly* referenced in its 2008 report; among other things, clarifying the role of Administrator, who is responsible for daily administration of the plan. The Commission continues to be responsible for determining pension benefits as per Section 46(9) of the *Legislative Assembly Act*. A copy of the full plan text can be found in Appendix G.

VI. Conclusion

The Commission appreciates and acknowledges the research provided in support of its deliberations and recognizes, in particular, the contributions of Terry Hogan, Director, Pension and Benefits, Provincial Treasury.

In conclusion, the members of the Commission respectfully acknowledge Honourable Kathleen Casey, Speaker of the Legislative Assembly, for the trust she has shown in appointing them to serve on this important Commission. Further, the Commissioners thank the Office of the Legislative Assembly for the support provided in the preparation of this report.

The responsibilities assigned to the Commission under the *Legislative Assembly Act* are considerable. To ensure the Commission is carrying out its duties according to the wishes of the Legislative Assembly, the Commission respectfully requests a review of the *Legislative Assembly Act* to provide clarity for, and verification of, its role in serving the Speaker and the Members of the Legislative Assembly.

VII. Appendices

- A. Section 46 of the *Legislative Assembly Act*
- B. Advertisement
- C. *Role of a Member of the Legislative Assembly*, excerpted from the 1995 report of the Special Committee on the Legislative Assembly.
- D. Inter-Jurisdictional Survey of MLA Indemnities
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Appendix A

Section 46 of the
Legislative Assembly Act of Prince Edward Island

Prince Edward Island, Legislative Counsel Office.
Legislative Assembly Act, Section 46, R.S.P.E.I. 1988, Cap. L-7.

46. (1) The Speaker, after consultation with such persons as the Speaker considers appropriate, shall appoint an independent commission to be known as the Indemnities and Allowances Commission to review and determine the remuneration and benefits to be paid to the members of the Legislative Assembly, Ministers, the Speaker, Deputy Speaker, the Leader of the Opposition, Government House Leader, Opposition House Leader, Leader of a Third Party, Government Whip and Opposition Whip.

(2) The Commission shall be comprised of three independent, neutral and knowledgeable persons from private life.

(3) The persons appointed pursuant to subsection (1) shall serve until the dissolution of the Assembly during which they are appointed, or for a maximum of five years, and are eligible for reappointment.

(4) On the resignation, inability to act or death of a commissioner, the Speaker shall appoint a replacement.

(5) The persons appointed pursuant to subsection (1) have all the powers and privileges and immunities of a commissioner pursuant to the Public Inquiries Act R.S.P.E.I. 1988, Cap. P-31.

(6) The Commission, annually and at such other times as the Speaker may request, shall carry out a review of remuneration and allowances paid to the persons referred to in subsection (1), and shall on or before the first day of December of each year deliver a report to the Speaker which shall be final and binding.

(7) The Speaker shall, within five sitting days of the commencement of the Legislative Assembly next following the receipt of the report, cause a copy thereof to be laid before the Legislative Assembly.

(8) The report shall, from such date as may be specified therein, have effect for the purposes of determining the remuneration and allowances of the persons referred to in subsection (1) as if the provisions contained in it had been enacted by the Legislative Assembly.

(9) For the purposes of this section, remuneration and benefits include salaries, indemnities, allowances and pension benefits. 1994,c.34,s.5; 1997,c.28,s.3.

Appendix B

Advertisement



**INDEMNITIES AND ALLOWANCES COMMISSION
LEGISLATIVE ASSEMBLY OF PRINCE EDWARD ISLAND**

invites

WRITTEN SUBMISSIONS

Pursuant to section 46 of the *Legislative Assembly Act (R.S.P.E.I. 1988, Cap. L-7)*, the Indemnities and Allowances Commission is established and charged with the responsibility of reviewing and determining the remuneration and benefits to be paid to Members of the Legislative Assembly, Ministers, Speaker, Leader of the Official Opposition, and others. The Act requires that the Commission conduct an annual review and present a final and binding report to the Speaker of the Legislative Assembly.

The Commission will be meeting to consider these matters and invites those interested to submit their views in writing.

Written submissions should be forwarded to no later than **Friday, November 6, 2009**.

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Appendix C

Role of a Member of the Legislative Assembly, excerpted from the 1995 report of the Special Committee on the Legislative Assembly

Role of a Member of the Legislative Assembly

- 1) In Prince Edward Island, as in other parliamentary jurisdictions throughout Canada and the world, the role of the elected representative is basic to the functioning of modern democratic society.

This role has become more complex in recent times with the greater involvement of the state in the affairs of the people, the expansion of government programs and services, changing technology, and the new conflicts between social, economic, and environmental objectives. As the 1989 Morgan Commission in Newfoundland observed, this changing work environment “has led to *greater and perplexing demands upon the time, energy and talents* of Members of the Legislature and to the requirement for a *greater capacity on their part both of comprehension and of judgement*. For complicated issues need to be investigated and conflicting issue resolved.”

In practise [sic], the Member of the Legislative Assembly has two primary responsibilities, the first as a **legislator** and the second as a **constituency representative and advocate**.

As a legislator, the Member is expected to develop and enact laws, participate in the parliamentary process and debate, vote funds, and be the guardian of the public purse. In order to carry out this function properly, all Members are required to;

- (a) attend the sittings of the Assembly;
- (b) participate in the work of Committees; and
- (c) serve on various boards and commissions as determined by government.

As a constituency representative, the Member is expected to be an advocate for the concerns and interests of the individuals, as well as the community, he or she represents. In addition, the Member also is called upon to represent the best interests of the broader Island community. An effective constituency representative is a good listener, is well informed about the policies, programs and services of government, possesses clear leadership skills, and is available to constituents.

As Members of the Legislative Assembly fo Prince Edward Island, we must recognize that our actions have a profound impact on the lives of all Islanders. We have an obligation to promote a better understanding of our responsibilities as Members and of the role and operation of the Legislative Assembly. Discharging our duties and fulfilling our obligations, duties and responsibilities requires a commitment to the highest ethical standards.

Appendix D

Inter-Jurisdictional Survey of MLA Indemnities

Inter-Jurisdictional Survey of MLA Indemnities

The following is a table of the base salaries received by MLAs in each province. The data was compiled by the Office of the Legislative Assembly of New Brunswick and has been summarized by the Commission for inclusion in this report.

PROVINCE	BASE SALARY
Alberta	\$78,138*
British Columbia	\$101,859
House of Commons	\$157,731
Manitoba	\$85,564
New Brunswick	\$85,000
Newfoundland & Labrador	\$102,985
Northwest Territories	\$94,331 [‡]
Nova Scotia	\$86,619
Nunavut	\$77,568
Ontario	\$116,550
Prince Edward Island	\$65,344
Québec	\$100,371*
Saskatchewan	\$87,195
Yukon	\$80,947*

* amount includes a tax-free allowance as part of the total base salary

[‡] amount is increased by a tax-free allowance of \$6,797 if MLA resides within the capital (\$101,128 total), or \$13,594 if MLA resides outside commuting distance of the capital (\$107,925 total)

Appendix E

Prince Edward Island All-Items Consumer Price Index

**All Items Consumer Price Index -
Prince Edward Island**

Year - Month		
2007	November	114.3
	December	114.7
2008	January	114.2
	February	114.6
	March	115.8
	April	116.7
	May	118.9
	June	119.5
	July	120.0
	August	119.3
	September	120.3
	October	118.6
2009	November	116.9
	December	114.7
	January	114.1
	February	115.7
	March	115.6
	April	116.4
	May	117.6
	June	118.5
	July	118.4
	August	118.3
September	118.6	
October	117.7	
Oct.-Sept. Average	2007-2008	117.2
	2008-2009	116.9
Annual Increase		-0.3 % CPI

Source: Statistics Canada. The Consumer Price Index. Statistics Canada Catalogue No. 62-001-XPE, vol. 88, no. 10. Table 10, page 42.

Appendix F

Canada All-Items Consumer Price Index

All Items Consumer Price Index - Canada

Year - Month		
2007	November	111.9
	December	112.0
2008	January	111.8
	February	112.2
	March	112.6
	April	113.5
	May	114.6
	June	115.4
	July	115.8
	August	115.6
	September	115.7
	October	114.5
2009	November	114.1
	December	113.3
	January	113.0
	February	113.8
	March	114.0
	April	113.9
	May	114.7
	June	115.1
	July	114.7
	August	114.7
September	114.7	
October	114.6	
Oct.-Sept. Average	2007-2008	113.8
	2008-2009	114.2
	Annual Increase	0.4 % CPI

Source: Statistics Canada. The Consumer Price Index. Statistics Canada Catalogue No. 62-001-XPE, vol. 88, no. 10. Table 5, page 25.

Appendix G

Full text of the *Pension Plan for Members
of the Legislative Assembly*

**PENSION PLAN
FOR MEMBERS OF THE
LEGISLATIVE ASSEMBLY
PROVINCE OF PRINCE EDWARD ISLAND**

As amended and restated as at January 1, 2010

January, 2010

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PART I

ARTICLE 1

DEFINITIONS

The following words and phrases, when used in the Plan, shall have the following meanings unless the context clearly indicates otherwise.

- 1.01 "Actuarial(ly) Equivalent" means an equivalency of value as determined by the application of a particular set of actuarial assumptions recommended by the Actuary, approved by the Indemnities and Allowance Commission and acceptable by the Minister of National Revenue.
- 1.02 "Actuary" means a Fellow of the Canadian Institute of Actuaries (who may be a member of a firm of consulting actuaries) appointed by the Plan Sponsor to render actuarial services under the Plan.
- 1.03 "Administrator" means the Provincial Treasurer of the Province of Prince Edward Island.
- 1.03.1 "Commission" means the Indemnities and Allowances Commission as appointed by The Speaker of the Legislative Assembly.
- 1.04 "Beneficiary" means the person designated by a Participant to receive any death benefits payable under the Plan. If at the time when any payment is to be made to a Beneficiary there is no Beneficiary living, the Beneficiary shall mean the estate of the Participant.
- 1.05 "Commuted Value" means the present value of benefit determined in accordance with the Revised Standards of Practice for Pension Commuted Values (Section 3800) as adopted by the Canadian Institute of Actuaries in December 2008, or modifications to these Standards of Practice as may be introduced from time to time.
- 1.06 "Continuous Service" means a Legislative Member's most recent period of unbroken service in the Legislative Assembly, as a Legislative Member.

In the case of a previously terminated Legislative Member who is re-elected, is entitled to a deferred pension under the Plan, and did not receive the commuted value of the previous pension benefit, Continuous Service is deemed not to have been interrupted at the initial termination date.

- 1.07 "CPI" means the Consumer Price Index, (*Canada All Items*) as published by Statistics Canada, and "Average CPI" means, for a *Calendar Year*, the amount obtained by dividing by 12 the aggregate of all amounts each of which is the CPI for a month in the 12 month period ending on October 31st of the immediately preceding calendar year.
- 1.08 "Deferred Pension" means the pension benefits, calculated in accordance with the terms of Article 6, to which a Participant becomes entitled as a result of credited service while a Participant of the Plan.

- 1.09 "Deferred Supplemental Pension" means the pension benefits, calculated in accordance with the terms of Article 13, to which a Participant becomes entitled as a result of credited service while a Participant of the Plan.
- 1.10 "Dependent Child(ren)" means the child of a deceased Participant who at the time of the Participant's death was dependent on the Participant for support and
- (a) is under 18 years of age in the calendar year of the Participant's death; or
 - (b) is under 25 years of age and in full-time attendance at an educational institution; or
 - (c) is dependent on the individual by reasons of mental or physical infirmity,
- provided that the Dependent Child shall cease to be a Dependent Child on the earlier of the date of death of the Dependent Child and the following dates, as applicable:
- (d) where the Dependent Child is dependent by reason of being under 18 years of age, the end of the month in which the Dependent Child attains age 18; or
 - (e) where the Dependent Child is dependent by reason of being in full-time attendance at an educational institution, the end of the month in which the Dependent Child attains age 25 or ceases full-time education, if earlier; and
 - (f) where the Dependent Child is dependent by reason of mental or physical infirmity, the date on which the Dependent Child ceases to have that infirmity.
- 1.11 "Early Retirement Date" means the date a Participant retires prior to the Participant's Normal Retirement Date.
- 1.12 "Effective Date" means July 1, 1994.
- 1.13 "Former Participant" means an individual who has ceased to be a Participant but who retains an entitlement to a Deferred Pension or Deferred Supplemental Pension.
- 1.14 "Indemnity" means the remuneration, excluding allowances and salary, paid to a Participant by the Government in a fiscal year during which the Participant was a Legislative Member.
- 1.15 "Interest" means a rate that is equal to the average yield of the personal 5-year fixed term chartered bank deposit rates (CANSIM Series B-14045), where the average is calculated over a period not exceeding 12 months.
- 1.16 "Legislative Member" means a person who is receiving an indemnity as a Member of the Legislative Assembly of the Province of Prince Edward Island.
- 1.17 "Life Income Fund" or LIF, means a fund established under a contract entered into by a financial institution duly authorized for that purpose and a purchaser who is a Participant, a Former Participant or a Spouse thereof, and under the terms of which the institution, in return for the capital that it receives, must pay the purchaser an income of which the amount may vary annually. That contract is a registered retirement income fund as defined under the Rules and Regulations of the Income Tax Act and must fulfill the requirements of the *New Brunswick Pension Benefits Act* or similar legislation in another jurisdiction.

- 1.18 "Life Insurance Company" means a life insurance company licensed to transact business in Canada.
- 1.19 "Lifetime Retirement Benefits" means benefits payable for the lifetime of the Participant.
- 1.20 "Normal Retirement Date" means the date described in Article 5 for benefits under Part II.
- 1.20.1 "Non-taxable Allowance" means the annual (non-taxable) MLA expense allowance, other than any car or mileage allowance, paid to a Participant by the Government in a fiscal year during which the Participant was a Legislative Member.
- 1.21 "Participant" means a Legislative Member who has enrolled in the Plan and whose membership has not ceased by reason of death, Termination or Retirement.
- 1.21.1 "Pensionable Service" means service since July 1, 1994 under this Plan, after a Legislative Member has become a Participant of the Plan and during which the Participant makes the Required Contributions or contributions are made on behalf of the Participant, either directly or indirectly by use of surplus during a contribution holiday.
- 1.22 "Pensioner" means an individual who has commenced to receive a pension payable from the Pension Fund.
- 1.23 "Pension Fund" means the trust fund established by the Plan Sponsor under the terms of the Plan which provides for the accumulation of contributions as herein described and for the payment of benefits defined in Part II and in Appendix A.
- 1.24 "Plan" means the Pension Plan for Members of the Legislative Assembly of Prince Edward Island as set out on these and the following pages and as amended from time to time.
- 1.25 "Plan Sponsor" means the Government of the Province of Prince Edward Island as represented by Treasury Board.
- 1.26 "Plan Year" means for the year commencing July 1, 1994, July 1, 1994 and ending December 31, 1994 and thereafter commencing on January 1st and ending on December 31st of each subsequent year.
- 1.27 "Prescribed Savings Arrangement" means either
- (a) a registered retirement savings plan as defined in the Rules and Regulations of the Income Tax Act: *or*
 - (b) a Life Income Fund as defined in Article 1.17
- which does not permit commutation of the funds deposited therein other than to purchase an immediate annuity or deferred life annuity that complies with the terms of the Plan or to transfer to another savings arrangement as described in paragraph (a) or (b) above.
- 1.28 "Postponed Retirement Date" means the date a Participant retires in respect of benefits under Part II subject to the Participant's Normal Retirement Date.
- 1.29 "Required Contributions" means the contributions each Participant must make to the Plan in accordance with Article 3.

- 1.30 "Retirement" means retirement under the Plan.
- 1.31 "Retirement Date" means the date on which a Participant or Former Participant has opted for pension payments to commence. For purposes of this definition, pension payments must commence on the same date for both Part II and Part III benefits.
- 1.32 "Salary" means the remuneration, excluding allowances and indemnity, paid to a Participant by the Government in a fiscal year during which the Participant served the Executive Branch of Government in any capacity in addition to serving as a Legislative Member.
- 1.32.1 "Special Contributions" means, effective April 1, 2004 the contributions each Participant must make to the Plan in respect of the Non-taxable Allowance and in accordance with Article 13. For the purposes of the Plan, effective May 29, 2007, the Participants ceased Special Contributions.
- 1.33 "Spouse" means an individual who, in respect of a Participant, Former Participant or Pensioner,
- (i) is married to the Participant, Former Participant or Pensioner,
 - (ii) has entered into a marriage with the Participant, Former Participant or Pensioner that is voidable or void,
 - (iii) where the Participant, Former Participant or Pensioner is not married to anyone, is cohabiting with the Participant, Former Participant or Pensioner in a conjugal relationship and has done so continuously for a period of at least three years, or
 - (iv) where the Participant, Former Participant or Pensioner is not married to anyone, is cohabiting with the Participant, Former Participant or Pensioner in a conjugal relationship and together they are the natural or adoptive parents of a child;
- Not more than one person shall be a Spouse hereunder and in the event of more than one person having claimed to be a Spouse, the Administrator shall determine which person shall be the Spouse, on the basis of evidence available to it and which it considers sufficient for the purposes of such determination.
- 1.34 "Supplemental Benefit" means a benefit payable under Part III and paid out of the Operating Fund of the Province of Prince Edward Island.
- 1.35 "Supplemental Retirement Pension" means the annual retirement pension determined under Article 13 and paid out of the Operating Fund of the Province of Prince Edward Island.
- 1.36 "Surplus" means the excess of the value of the assets of the Pension Fund over the value of the liabilities under Part II of the Plan and under Appendix A to the Plan as calculated by the Actuary at a specified point in time.
- 1.37 "Termination" means termination of membership by reason other than death or Retirement.
- 1.38 "YMPE" means the Year's Maximum Pensionable Earnings as defined under the Canada Pension Plan. *2003-1,s.3,s.4,s.5,s.6; 2006-2,s.1,s.2; 2008-1,s.1,s.2,s.3,s.4.*

PART II – Basic Portion

ARTICLE 2

ELIGIBILITY AND MEMBERSHIP

- 2.01 An individual who, on July 1, 1994, was a sitting Member of the Legislative Assembly of Prince Edward Island, shall become a Participant in the Plan on that date.
- 2.02 A Legislative Member who, on July 1, 1994, was not a Member of the Legislative Assembly of Prince Edward Island, shall become a Participant of the Plan on the day of election to the Legislative Assembly.
- 2.03 To enroll as a Participant of the Plan, a Legislative Member must complete and sign the form or forms prescribed for that purpose by the Administrator.
- 2.04 A Participant who terminates his or her office as a Legislative Member and is subsequently re-elected and other Legislative Members who are similarly re-elected shall be treated as a re-instated Participant for all purpose of the Plan, subject to Article 2.05.

Where a Pensioner is re-elected and becomes eligible to join the Plan, pension payments from this Plan shall cease for the period of office during which he or she is a Participant. However, this shall not be construed as alienating any previously granted entitlements. This pension shall be increased during the period of interruption of pension at the same rate as applied to a Deferred Pension under Article 12.02.

- 2.05 Notwithstanding anything to the contrary contained herein, if a person takes a commuted value payment for a pension benefit under Part II of this Plan, that person forfeits all future claims and rights under Part II of this Plan and if re-elected shall be treated as a new participant for purposes of Part II of the plan.
- 2.06 Notwithstanding anything to the contrary stated herein, an individual elected or a Pensioner re-elected after December 31st of the year of attainment of age 71 shall not become a Participant to the Plan and, in the case of a Pensioner, pension payments shall continue to be paid during the period of office. *2003-1,s.7; 2003-3,s.1; 2008-1,s.5.*

ARTICLE 3

CONTRIBUTIONS

- 3.01 A Participant shall make Required Contributions to the Plan each year, by payroll deduction, of an amount equal to 8% of the Participant's combined Indemnity and Salary but not on the combined Indemnity and Salary in excess of that which would result in a contribution greater than that permitted under the Income Tax Act.
- 3.02 A Participant's Required Contributions in any year in respect of benefits accruing to the Participant in that year may not exceed an amount that is the lesser of:
- (a) 9% of the Participant's compensation, for income tax purposes, from the Government in that year; and
 - (b) the aggregate of \$1,000 and 70% of the Participant's pension credit for the year, determined in accordance with Regulation 8503(4)(a) of the Income Tax Act
- and which complies in all other respects with the conditions of section 8503(4)(a) of the Income Tax Act.
- 3.03 All sums received from a Participant or deducted from a Participant's pay as the Participant's Required Contributions to the Plan, shall be deposited into the Pension Fund within 30 days following the month the sum was received or deducted.

ARTICLE 4

INTEREST

- 4.01 Interest shall accrue on a Participant's Required Contributions from the first of the month following the month in which such Required Contributions are required to be remitted to the Pension Fund.

Interest shall be credited to Participant's Required Contributions annually at the end of each Plan Year.

- 4.02 In the event of cessation of membership, Termination, Retirement, death or Plan termination, Interest shall be credited to a Participant's Required Contributions from the end of the prior calendar year to the end of the month of Termination, Retirement, death or Plan termination, as applicable, at the most recently calculated rate determined in accordance with Article 4.01.
- 4.03 Interest on a lump sum amount due as a result of the Termination, Retirement or death of a Participant or in the event that an election to transfer is made shall accrue at the rate used in Article 4.01 from the date the lump sum payment is due until the beginning of the month payment is made from the Pension Fund.
- 4.04 In the event that an election to transfer is made on Plan termination, Interest shall be accrued on the Commuted Value of the Deferred Pension from the date of Plan termination to the beginning of the month of payment at the same rate used to calculate the Commuted Value in the wind-up report.

ARTICLE 5**RETIREMENT DATES**

- 5.01 In respect of benefit payable under Part II only, the Normal Retirement Date of a participant shall be the first day of the month coincident with or immediately following the earlier of:
- a) the Participant's 60th birthday; or
 - b) the date on which the Participant's age plus Pensionable Service as a Legislative Member equals 80.

For purposes of 5.01 b), the Participant's age shall be the age at the Retirement Date and not the age at the date of Termination.

- 5.02 A Participant may elect to retire early and receive a reduced pension on the first day of the month coincident with or on the first day of any month following the date the Participant has attained age 50. The date on which the Participant retires prior to Normal Retirement Date shall be the Participant's Early Retirement Date.
- 5.03 In respect of benefit payable under Part II only, a Participant who continues to be a Legislative Member beyond the Normal Retirement Date and who is not in receipt of a pension from the Plan shall continue to participate as a member under the Plan and shall continue to make Required Contributions. A Participant may postpone retirement until the last day of the calendar year in which the participant attains age 71. The date on which the Participant retires after the Normal Retirement Date shall be the Participant's Postponed Retirement Date. *2008-1,s.5.*

ARTICLE 6

BASIC RETIREMENT PENSION6.01 Normal Retirement Pension

In the normal form outlined in Article 7.01, the amount of annual pension payable to a Participant who retires on the Normal Retirement Date shall be equal to the amount accrued as at April 1, 2001 plus 25% of the Required Contributions made by the Participant on and after April 1, 2001, indexed each January 1 by the rate of increase in the CPI subject to a maximum of 8% per annum.

For purpose of this Article, indexing shall take place as of January 1 of the year following the year contributions are made.

6.02 Early Retirement Pension

A Participant who retires early will be entitled to receive a pension in an amount equal to the Participant's pension determined in accordance with Article 6.01 at the Participant's Early Retirement Date, but reduced by one quarter of one percent (1/4%) for each month between the Participant's actual Retirement Date and the Participant's Normal Retirement Date.

6.03 Postponed Retirement Pension

A Participant, who continues to be a Legislative Member beyond the Normal Retirement Date, shall continue to contribute to the Plan until the Postponed Retirement Date. In this event the Participant's pension will be calculated and payable as outlined in Article 6.01 with that Article being read as if the words Normal Retirement Date were replaced by the words Postponed Retirement Date.

Notwithstanding anything to the contrary contained herein, if a Participant remains a Legislative Member beyond December 31st of the year in which the Participant attains age 71, the Participant's pension contributions shall cease and pension payments under Part II shall commence no later than the last day of the calendar year in which the Participant attains that age.

6.04 Maximum Pension

Notwithstanding anything to the contrary contained herein, the maximum annual Lifetime Retirement Benefits payable to a Participant under Part II, determined at the time of pension commencement and payable in the normal form as set out in Article 7.01 and 7.02 shall not exceed the lesser of:

- (a) The Defined Benefit Limit as defined in 8500(1) of the Income Tax Regulations, and
- (b) 2% of the average of the best three consecutive years of remuneration paid to a Participant by the Government,

multiplied by the Participant's number of years of pensionable service, reduced by 1/4 of 1% for each month by which the date of pension commencement precedes the earliest of the following dates:

- (i) the date on which the Participant will attain age 60;
- (ii) the date on which the Participant's age plus Continuous Service would have equaled 80; and
- (iii) the date on which the Participant would have completed 30 years of Continuous Service.

The above maximum shall include the value of any amount paid out to the Participant's Spouse or former Spouse pursuant to Article 14, as a result of marriage breakdown, but shall not apply to any additional Lifetime Retirement Benefits payable as a result of any actuarial or less generous increase to reflect postponement of commencement of Lifetime Retirement Benefits after age 65. The Participant's Lifetime Retirement Benefits under Part II shall not exceed any other applicable limitations contained in Regulation 8504 of the Income Tax Act.

6.05 Indexation

The amount of pension payable to a Participant who has retired pursuant to this Article or who was already retired at April 1, 2001 shall be increased on January 1st of the calendar year following the calendar year of pension commencement and on each subsequent January 1st thereafter, by an amount equal to the percentage increase in the CPI since last previous increase, **minus** 2%, to a maximum of 8% per annum. *2006-1,s.1; 2008-1,s.5.*

ARTICLE 7

NORMAL AND OPTIONAL FORMS OF RETIREMENT PENSION

- 7.01 The normal form of pension payable under the Plan shall be a joint and survivor form of pension which provides a monthly pension for the lifetime of the Participant, with 60% of that pension continuing to the Spouse, if surviving at the time of the Participant's death, for the remainder of the Spouse's lifetime; provided however that, the Spouse and the Participant, by signing a written waiver, may elect not to receive the joint and survivor form of pension payable under this Article.

If the Participant or the Participant and the Spouse at the time pension payments commence did not elect an optional form of pension under Article 7.02, and if survivor benefits become payable under Article 7.01, the Spouse shall be the Spouse at the date of death.

In the event that the Participant's Spouse is more than ten years younger than the Participant, the pension payable to the Spouse shall be actuarially adjusted to reflect the difference in age between the Participant and the Spouse which is in excess of 10 years.

In addition to the pension payable to the Spouse under Article 7.01, an allowance equivalent to one-tenth of the pension paid to the Spouse shall be paid to the Spouse or guardian of the Dependant Children on behalf of each Dependant Child to a maximum of three.

- 7.02 A Participant may elect, at any time prior to the retirement date, by a written notice to the Administrator, to receive the pension in any of the following forms:

- (a) life pension guaranteed 15 years;
- (b) joint and survivor pension with 66 2/3% continuing to the spouse;
- (c) joint and survivor pension with 75% continuing to the spouse;
- (d) joint and survivor pension with 100% continuing to the spouse.

To elect (a) above, a waiver of the normal form of pension signed by both spouses is required.

If a benefit is elected under Article 7.02 (a), benefits on death of the Participant shall be paid to the beneficiary designated by the Participant only if the Participant has no Dependant Children at the date of death of the Participant. If the participant has Dependant Children, the benefits shall be payable to the Spouse of the Participant if he/she is the designated beneficiary or to the Dependent Children .

If a benefit is elected under Article 7.02 (b), (c) or (d), the survivor benefits shall be payable only to the Spouse of the Participant at the date of election of the optional form of pension.

- 7.03 Where a pension is payable in any form other than the normal form, the amount the pension shall be the Actuarial Equivalent of the pension payable under the normal form. *2003-1, s.8, s.9.*

ARTICLE 8

GOVERNMENT COST-SHARING

- 8.01 The Government shall, from time to time, make contributions for deposit to the Pension Fund in such total amount as, based on the advice of an Actuary, is required to, in addition to Participant's Required Contributions, provide the normal cost of the Participant's current accruals in respect of the benefits under Part II of the Plan, after taking into account the assets of the Pension Fund and all other relevant factors, and to provide for the proper amortization of any unfunded liability or experience deficiency with respect to previous accruals.

ARTICLE 9**COMMUTATION OF DEFERRED PENSION**

- 9.01 Notwithstanding anything to the contrary contained herein, if at Termination or Retirement, the amount of a Participant's annualized Deferred Pension payable from Normal Retirement Date is less than 8% of the YMPE in the year of Termination or Retirement, the Administrator, in lieu of making periodic pension payments, may pay the Commuted Value of such pension in complete discharge of all Plan obligations to the Participant, the Participant's Spouse, Beneficiary or estate.
- 9.02 Notwithstanding anything to the contrary contained herein, if the Administrator is satisfied, on the basis of written certification by a medical practitioner with a license to practice medicine in Canada, that the Participant or Former Participant's life expectancy is considerably reduced from what would normally be expected, then the Administrator may pay to the Participant, or Former Participant, the Commuted Value of the Participant's or Former Participant's annual Deferred Pension in complete discharge of all Plan obligations to the Participant or Former Participant and the respective Spouse, Beneficiary or estate.

ARTICLE 10

VESTING PROVISIONS

- 10.01 A participant shall become immediately entitled to a Deferred Pension payable, in the event of Termination, death, Retirement or Plan termination, in accordance with the terms of the Plan.

ARTICLE 11**DEATH BENEFITS**

- 11.01 In the event of the death of a Participant prior to Retirement where the Participant has a Spouse at the date of death, the Spouse shall be entitled to a pre-Retirement death benefit in the form of a pension in an amount equal to 60% of the Deferred Pension that the Participant would have received if the Participant had terminated employment on the date of death.

In the event that the Participant's Spouse is more than ten years younger than the Participant, the pre-Retirement death benefit payable to the Spouse shall be actuarially adjusted to reflect the difference in age between the Participant and the Spouse which is in excess of 10 years.

In addition to the pension payable to the Spouse under Article 11.01, an allowance equivalent to one-tenth of the pension paid to the Spouse shall be paid to the Spouse or guardian of the Dependant Children on behalf of each Dependant Child to a maximum of three.

- 11.02 In the event of the death of a Participant prior to Retirement where the Participant is not survived by a Spouse but is survived by Dependent Children, the Dependent Children shall be entitled to share equally a pre-Retirement death benefit in the form of a pension in an amount equal to 60% of the Deferred pension that the Participant would have received if the Participant had terminated employment on the date of death. In the event that a Dependent Child ceases to be a Dependent Child, the pension shall be divided into equal shares amongst the remaining Dependent Children.
- 11.03 In the event that there is no Spouse or Dependent Children, a pre-Retirement death benefit, equal to the Commuted Value of the Deferred Pension accrued by the Participant to the date of death, shall be payable to the Participant's Beneficiary in the form of a cash lump sum.

For any Legislative Member elected for the first time on or after January 1, 2009, the following treatment shall prevail. In the event that there is no Spouse or Dependent Children, a pre-Retirement death benefit, equal to two times the Participant's contributions plus interest, shall be payable to the Participant's Beneficiary in the form of a cash lump sum.

- 11.04 In the event of the death of a Former Participant who has not elected a transfer of the Commuted Value of the Deferred Pension in accordance with Article 12.01(c), a pre-Retirement death benefit shall be payable in accordance with the preceding Articles.
- 11.05 In the event of the death of a Pensioner, the death benefit payable will depend upon the form of pension elected by the Pensioner. *2003-1,s.10.*
- 11.06 Where a Participant, Former Participant, Pensioner, or eligible survivor of a Participant, Former Participant, or Pensioner dies, and the total of the benefit payments made to the Participant, Former Participant, or Pensioner, and their eligible survivors, is less than the total of two times the Participant's contributions plus interest, then the difference shall be paid to the estate of the Participant, Former Participant, Pensioner, or the children of the Participant, Former Participant, or Pensioner in a lump sum.

ARTICLE 12

TERMINATION OF EMPLOYMENT OR MEMBERSHIP

12.01 Upon Termination, other than retirement or death, a Participant shall receive the Deferred Pension in accordance with one of the following options:

- (a) the Participant may elect to receive a pension payable commencing at the Participant's Normal Retirement Date; or
- (b) the Participant may elect to receive early payment of the pension in accordance with the terms of the Plan; or
- (c) if the Participant terminates prior to attaining the age of 50, the Participant, may elect, within 180 days of termination, to transfer the Commuted Value of the Deferred Pension to a Prescribed Savings Arrangement. Upon commutation, the Participant shall cease to have any further benefits or rights under the Basic Portion of the Plan and shall not be permitted to re-instate the commuted service under the Plan.

12.02 The Deferred Pension of a Former Participant who has terminated employment or membership in the Plan and who has elected to receive the entitlement in accordance with Article 12.01(a) or 12.01(b), shall be increased each year following the year of Termination until the Participant elects to receive the pension by an amount equal to the increase in the CPI subject to a maximum of 8% each year from the date of Termination to the date of Retirement.

In no case, shall the total percentage increase in a Deferred Pension over the period from termination until the Participant reaches retirement or attains age 60, whichever event occurs first, exceed the total percentage increase in the average wage over the same period, where the term "average wage" has the meaning given in subsection 147.1(1) of the *Income Tax Act, 2005-1, s.1; 2008-1, s.6.*

PART III

Unless modified by provisions under Article 13 below, all provisions under Part II and Part IV of the plan shall apply to Part III and should be read with Supplemental Retirement Pension replacing Retirement Pension and Deferred Supplemental Pension replacing Deferred Pension.

ARTICLE 13

SUPPLEMENTAL RETIREMENT BENEFITS

13.01 The Supplemental Pension under Article 13 is dependent on whether the Participant is vested as per the provisions of Article 13.07 below. A vested Participant is entitled to the Supplemental Benefit as calculated under Article 13.09. A non-vested Participant is entitled to the Supplemental Pension as calculated under Article 13.10.

13.02 In respect of benefits payable under Part III only, a Participant shall be entitled to an unreduced pension on the first day of the month coincident with or immediately following the earlier of:

a) the Participant's 55th birthday; or

b) for retirement after April 1, 2000, the date on which the Participant's age plus Continuous Service as a Legislative Member equals 70, to the extent the Participant has attained the age of 50.

For purposes of 13.01 b), the Participant's age shall be the age at the Retirement Date and not the age at the date of Termination.

13.03 A Participant may elect to retire earlier than specified in 13.02 and receive a reduced pension on the first day of the month coincident with or on the first day of any month following the date the Participant has attained age 50.

13.04 Early Retirement Pension Reduction

A Participant, who retires prior to the date eligible for an unreduced pension under Part III as specified in 13.02, will be subject to an Early Retirement Pension Reduction equal to the pension calculated under Articles 13.09 a) or 13.10 a) as applicable multiplied by one half of one percent ($\frac{1}{2}\%$) for each month between the Participant's Early Retirement Date and the date at which the Participant's would become entitled to an unreduced pension as per Article 13.02.

13.05 In respect of benefits payable under Part III only, a Participant who continues to be a Legislative Member beyond the Normal Retirement Date and who is not in receipt of a Supplemental Retirement Pension from the Plan may continue to participate as a member under the Plan, and may postpone retirement, until the last day of the calendar year in which the participant attains age 71, at which time the participant shall be deemed to be vested. The date on which the Participant retires after Normal Retirement Date shall be the Participant's Postponed Retirement Date.

- 13.06 Subject to 13.05 a Participant, who continues to be a Legislative Member beyond the Normal Retirement Date, shall continue to participate in the Plan until the Postponed Retirement Date. In this event the Participant's pension will be calculated and payable as outlined in Articles 13.09 or 13.10 as applicable.

Notwithstanding anything to the contrary contained herein, if a Participant remains a Legislative Member beyond December 31st of the year in which the Participant attains age 71, pension payments under Part III shall commence no later than the last day of the calendar year in which the Participant attains that age.

- 13.07 For purposes of Article 13, at Termination, Death, Retirement or Plan termination, in accordance with the terms of the Plan, a Participant shall be vested:

(a) if the Participant has five years of total service prior to, or on or after, July 1, 1994; and after being elected for the second time as a Legislative Member, or

(b) on December 31st of the year in which the Participant attains age 71 regardless of the years of service or number of elections, provided that the Participant is, at that time, a sitting Member of the Legislative Assembly of Prince Edward Island.

- 13.08 Article 12.01(c) does not apply to benefits payable under Part III.

- 13.09 Supplemental Retirement Pension – Vested Participant

A Participant who meets the requirements of Article 13.07 shall be deemed to be a Vested Participant for purposes of Article 13 and the Supplemental Retirement Pension shall be calculated as described below.

In the normal form outlined in Article 7.01, the amount of Supplemental Retirement Pension payable to a Participant shall be equal to:

a) an amount equal to two times the amount accrued as at April 1, 2001, plus 50% of the Required Contributions and Special Contributions made by the Participant on and after April 1, 2001, indexed each January 1 by the rate of increase in the CPI subject to a maximum of 8% per annum,

LESS

b) the Early Retirement Pension Reduction if applicable,

LESS

c) an amount equal to the benefit available from Part II of the Plan after the application of the limit described in 6.04.

- 13.10 Supplemental Retirement Pension – Non-Vested Participant

A Participant who does not meet the requirements of Article 13.07 shall be deemed to be a Non-Vested Participant for purposes of Article 13 and the Supplemental Retirement Pension shall be calculated as described below.

In the normal form outlined in Article 7.01, the amount of Supplemental Retirement Pension payable to a Participant, shall be calculated as the difference between:

a) the unreduced Basic Pension as per the provisions of Article 6,

LESS

b) the Early Retirement Pension Reduction if applicable,

LESS

c) an amount equal to the benefit available from Part II of the Plan after the application of the limit described in 6.04.

13.11 Supplemental Deferred Pension

At Termination of participation in the plan prior to retirement a Participant is entitled to a deferred pension calculated in accordance with Articles 13.09 or 13.10 as applicable at the date of Termination of participation except that part b) of the calculation under 13.09 or 13.10 as applicable would only apply if the Participant elects retirement prior to becoming eligible for an unreduced pension under article 13.02. The deferred pension is indexed each January 1 by the rate of increase in the CPI subject to a maximum of 8% per annum until the date of commencement of the pension.

The Supplemental Deferred Pension of a Vested Participant for purposes of Article 13 shall not be affected by a decision to take the Commuted Value of the Deferred Pension as allowed under Article 12.01c).

A Non-Vested Participant shall not be entitled to a Supplemental Deferred Pension for purposes of Article 13 if the Participant decides to take the Commuted Value of the Deferred Pension as allowed under Article 12.01c).

13.12 Payments out of Operating Fund

All Supplemental Benefits payable under Part III, including payments of a Supplemental Deferred Pension, shall be paid out of the Operating Fund of the Province of Prince Edward Island.

13.13 The Article 15 does not apply to benefits under Part III.

13.14 For greater clarity, the Retirement Date and the date of Termination, as the case may be, shall be the same date for benefits under Part III as the date used for benefits under Part II and any optional form of pension elected under Article 7.04 shall be the same for Part II and Part III benefits.

13.15 A Participant shall make Special Contributions to the Operating Fund of the Province of Prince Edward Island, by payroll deduction, of an amount equal to 8% of the Participant's Non-Taxable Allowance. Special Contributions shall not be deductible for income tax purposes.

Effective May 29, 2007, a participant shall no longer make Special Contributions to the Operating Fund.

- 13.16 All sums received from a Participant or deducted from a Participant's pay as the Participant's Special Contributions to the Plan, shall be deposited into the Province of Prince Edward Island's general revenues within 30 days following the month the sum was received or deducted. *2003-2,s.1,s.2; 2005-2,s.1; 2006-2,s.3,s.4; 2008-1,s.5,s.7; 2008-2,s.1,s.2.*

PART IV – General Provisions

ARTICLE 14

MARRIAGE BREAKDOWN

- 14.01 If a court, on application to divide marital property under a provincial marital property law, makes an order in relation to benefits under the Plan, the commuted value of the benefits shall be determined in accordance with the *Civil Service Superannuation Act* as of the date of marriage breakdown.
- 14.02 If a Participant, Former Participant or Pensioner and a Spouse or former Spouse has entered into a written separation agreement or marriage contract that provides for the division of benefits under the Plan on marriage breakdown, the commuted value of the benefits shall be determined in accordance with the *Civil Service Superannuation Act*, as of the date of marriage breakdown and shall be divided in accordance with the separation agreement or marriage contract.
- 14.03 A division of benefits shall not result in a reduction of the commuted value of the Participant's, Former Participant's or Pensioner's benefit by more than fifty percent.
- 14.04 A division of benefits shall be effected by making a lump sum payment equal to the commuted value of the benefits to which the spouse or former spouse is entitled. Such amount shall be adjusted for interest and pension payments in respect of the period between the date of marriage breakdown and the date of transfer of the spouse's or former spouse's entitlement is made.
- 14.05 Where the benefits of a Participant, Former Participant or Pensioner have been divided under this Article, the Spouse or Former Spouse has no further right under the Plan and the benefits and accumulated contributions of the Participant, Former Participant or Pensioner shall be revalued in accordance with the *Civil Service Superannuation Act*.
- 14.06 Where the benefits of a Participant, Former Participant or pensioner have been divided under this Article, no further division of benefits may be made under this Article in respect of that period. *2008-1, s.8.*
- 14.07 If a lump sum payment is made to a spouse or former spouse, such amounts shall be treated as locked-in funds in accordance with the *Civil Service Superannuation Act*.

ARTICLE 15**FUNDING AND INVESTMENT**

- 15.01 The Plan Sponsor shall establish and maintain a Pension Fund for the accumulation and investment of all contributions in accordance with the provisions of the Plan and any applicable legislation.
- 15.02 Subject to the Administrator's right to purchase annuities in accordance with Article 19.04, and any individual's rights to transfer the Commuted Value of the Deferred Pension under Article 12.01, all Plan obligations, with the exception of Supplemental Benefits described in Article 13, shall be provided by the Pension Fund.
- 15.03 The Pension Fund shall be invested as permitted in accordance with the Statement of Investment Policies and Goals as approved by Executive Council on the recommendations of the Investment Advisory Committee of the Prince Edward Island Master Trust. The Speaker shall recommend a representative from current or past Legislative Members to sit on the Investment Advisory Committee of the Prince Edward Island Master Trust.
- 15.04 All reasonable fees and expenses, both internal and external for administrative services, accounting and auditing services, investment and actuarial services, custodial and legal fees under the Plan may be paid or reimbursed (if first paid by the Administrator) from the Pension Fund. For the purpose of paying internal fees and expenses, the Administrator shall present such accounts and reports as may be necessary to document such costs.
- 15.05 The Administrator shall cause the actuary to perform an actuarial valuation of the plan in respect of benefits under Part II at least once every three years. In the event the actuarial valuation reveals an excess of assets over liabilities, with the approval of the Plan Sponsor, the Administrator may use such surplus:
- to reduce or eliminate any or all future Government contributions;
 - to establish or increase a contingency reserve subject to any limitations contained in the Income Tax Act and Regulations;
 - to provide a cash refund of the surplus to Government provided that the amount of surplus retained in the Pension Fund shall be at least equal to the greater of two years of Government current service cost or 25% of the liabilities of the Plan in respect of benefits under Part II; and
- (I) if required, Canada Revenue Agency consents to the refund; and/or
 - (ii) a court so orders.

ARTICLE 16

ADMINISTRATION

- 16.01 The Administrator shall be responsible for the overall day-to-day operation and administration of the Plan and shall have the power to decide all matters concerning the operation, administration and interpretation of the Plan except as specified in 15.03 and Article 16.1.
- 16.02 The Administrator shall keep or cause to be kept any and all such records as it may deem necessary for the performance of its functions.
- 16.03 The Administrator, in addition to the powers otherwise conferred on it in this Plan, shall have the authority to:
- a) give written directions to make payments out of the Pension Fund for such purposes as the Administrator may certify;
 - b) determine any dispute, difference or question of any kind arising with respect to the administration of the Plan;
 - c) request such information and elections, in any prescribed form, from the Participants, Former Participants and Pensioners as are deemed necessary to enable it to administer the Plan;
 - d) consult with and obtain opinions, advice and information from any lawyer, auditor, accountant, Actuary or other expert;
 - e) delegate any and all of its authorities to such agents or employees as it deems reasonable; and
 - f) exercise any and all such powers, take such acts and employ such persons as the Administrator may deem necessary, desirable or proper to the performance of the Administrator's functions.
- 16.04 The Administrator shall report to the Commission on Plan activity not less than once a year or as requested by the Commission.

ARTICLE 16.1

COMMISSION

- 16.1.01 The Commission shall be responsible for establishing and amending the benefit provided under the Plan.
- 16.1.02 The Commission shall keep or cause to be kept any and all such records as it may deem necessary for the performance of its functions.
- 16.1.03 The Commission, in addition to the powers otherwise conferred on it in this Plan, shall have the authority to:
- a) determine any dispute, difference or question of any kind arising with respect to the benefits provided under the Plan (such decisions of the Commission shall be final and binding on all persons);
 - b) consult with and obtain opinions, advice and information from any lawyer, auditor, accountant, Actuary or other expert;
 - c) direct the Administrator to implement and administer any benefit changes it may determine.
- 16.1.04 The Commission may make recommendations to the Administrator respecting the operation, administration and interpretation of any aspect of the Plan.

ARTICLE 17

EXPLANATION AND DISCLOSURE

17.01 The Administrator shall:

- a) Provide each Legislative Member with an explanation of the terms of the Plan and the Legislative Member's rights and obligations thereunder within 60 days following to the date on which the Legislative Member will become eligible for membership in the Plan.
- b) Provide each Participant in the plan or other person affected by an amendment to the Plan with a notice and explanation of the amendment within 60 days after the adoption of the amendment.
- c) Provide each Participant in the plan with a written annual statement outlining the Participant's status in a form acceptable to the Administrator. Such annual statement shall be provided within nine months of the end of the plan year.
- d) Upon termination, retirement or death, provide a statement in a form acceptable to the Administrator, to the Participant, to the Participant's Spouse or other persons as appropriate in the circumstances.

17.02 Any person who has an entitlement under the Plan, or any agent of any such person, may attend the Administrator's office, or such other place agreed upon by the person and the Administrator, to examine or make extracts of copies of those documents constituting and supporting the Plan, once during each plan year. Any request to release documents shall be made in writing to the Administrator.

The documents that constitute and support the Plan include:

- a) pension plan documents that contains the provisions of the Plan, including any amendments to it;
- b) pension plan documents that contains the provisions of a previous plan, including amendments to it;
- c) the Statement of Investment Policies and Goals;
- d) any actuarial valuation report prepared in accordance with Paragraph 15.05;
- e) any document that delegates the administration of the pension plan or pension fund.

ARTICLE 18**AMENDMENT OR TERMINATION OF THE PLAN**

- 18.01 The Plan Sponsor intends to maintain the Plan in force indefinitely but reserves the right to amend or terminate the Plan unilaterally at any time, either in whole or in part, subject to the Rules and Regulations of Income Tax Act, to reflect the recommendations in its report provided to the Government, reviewing and determining the benefits payable to the Participants and Former Participants under the Plan. In such event, the liability of the Plan Sponsor shall be limited to the contributions that have been made to the date of amendment or discontinuance.
- 18.02 If the Plan is amended, any Participant or other person's entitlement under the amended Plan in respect of Continuous Service prior to the date of amendment of the Plan shall not be less than the person's entitlement at the date of amendment as provided under the Plan. Replacement of the Plan by another pension plan shall be considered an amendment to the Plan.
- 18.03 If the Plan is terminated and not replaced by a new pension plan, the assets of the Pension Fund shall be first used to provide the Deferred Pension and pension to which the Participants, Former Participants and Pensioners are entitled at the date of termination. Any assets remaining after the satisfaction of all Plan obligations and after payment of all expenses shall be paid to the Government.
- 18.04 In the event that the Plan is terminated and the assets in the Pension Fund at that time are insufficient to meet all Plan obligations, such obligations shall be payable to the extent and in the priority as determined by the Administrator, subject to the provisions of the Income Tax Act.

ARTICLE 19**GENERAL**

- 19.01 Benefits payable under the Plan shall not be assigned, charged, anticipated, alienated, surrendered or given as security except in respect to payments regarding a division of property on marriage breakdown under a provincial family property law.

Benefits payable under the Plan shall not be subject to execution, seizure or assignment except in regards to support of maintenance orders made under a provincial family property law.

- 19.02 The Administrator shall have the right to require satisfactory proof of age for the purposes of the calculation of payment of the Commuted Value of any Deferred Pension and the commencement of any pension or annuity and proof of survival on the due date of each payment, in respect of the life or lives upon which the pension or annuity depends. No payment or transfer shall be made until such proof of age or survival is submitted.

If the age of any Participant, Former Participant, Pensioner, or that person's Spouse or Beneficiary is found to have been incorrectly stated, the Government shall be empowered to make or cause to be made such adjustments respecting the pension, deferred pension or lump sum amount due or paid to such person under the Plan as the Administrator deems equitable.

The policies and practices of the Civil Service Superannuation Act shall be used when determining proof of cohabitation and entitlement in administering spousal benefits under this plan.

- 19.03 If the records of the Administrator or Commission are required for use for the purposes of the Plan, such records shall be presumed to be conclusive unless shown to be in error.
- 19.04 The Administrator reserves the right to purchase an annuity, if it so elects, from a Life Insurance Company of its choice in the amount and form of any pension described herein and as elected by the Participant, Former Participant or Pensioner which shall be in accordance with the Plan. Delivery by the Administrator of the annuity contract shall constitute a complete discharge of all such Plan obligations.
- 19.05 Subject to any applicable legislation, a Participant may, by written notice, satisfactorily to the Administrator, designate a Beneficiary or Beneficiaries to receive any death benefits payable under the Plan and alter or revoke such a designation from time to time.
- 19.06 All contributions and payments under the Plan shall be made in lawful currency of Canada.
- 19.07 Notwithstanding anything to the contrary herein, no language in the Plan shall be construed to give rise to a double payment of entitlements.

ARTICLE 20**MODIFICATIONS TO THE PENSION SCHEME CONTAINED IN
THE *LEGISLATURE AND EXECUTIVE PENSION ACT*, STATS.
P.E.I. 1994, CAP. 35 AS APPLIED BY THE INDEMNITIES AND
ALLOWANCES COMMISSION”**

- 20.01 Effective September 1, 2003, Dependent under the L.E.P.A. shall have the same meaning as defined under Article 1.10 of the Pension Plan for Members of the Legislative Assembly Province of Prince Edward Island.
- 20.02 Effective September 1, 2003, Spouse under the L.E.P.A. shall have the same meaning as defined under Article 1.33 of the Pension Plan for Members of the Legislative Assembly Province of Prince Edward Island.
- 20.03 Effective September 1, 2003, Articles 7 and 11 of the Pension Plan for Members of the Legislative Assembly Province of Prince Edward Island apply to all Members entitled to benefits under the L.E.P.A. who were not in receipt of a pension from the L.E.P.A. at September 1, 2003.
- 20.04 Effective September 1, 2003, Article 14 of the Pension Plan for Members of the Legislative Assembly Province of Prince Edward Island shall apply to the L.E.P.A.
- 20.05 Effective September 1, 2003, the annual increase (indexing) of pension (allowance) under the L.E.P.A. shall be calculated using the provisions under the Plan in lieu of the similar provisions under the L.E.P.A. For the annual increase in pension (allowance) earned under the L.E.P.A. effective January 1, 2004, the increase shall be calculated as nine-tenths (9/10) of the increase in the average CPI for the ten (10) month period ending October 31, 2003 over the average CPI for the twelve (12) month period ending December 31, 2002. At each January 1 following January 1, 2004, the annual increase in pension (allowance) under the L.E.P.A. shall be calculated as per the provisions of the Plan. *2003-1,s.11.*

SCHEDULE A

Afterword

The pension and benefits described in this Plan Text apply only to Participants who retire on or after April 1, 2001.

Pension and benefits accruing prior to April 1, 2001 are governed by the *Legislature and Executive Pensions Act, Stats. P.E.I. 1994, c.3*, (the "L.E.P.A.") which replaced the *Legislative Assembly Retirement Allowances Act, Stats. P.E.I. 1971, c.24*, (the "Old Act") retroactive to April 7, 1971.

The retroactive effect of the L.E.P.A. was challenged by participants in the pension scheme legislated under the Old Act resulting in three decisions of the Supreme Court, namely *Canfield v. Prince Edward Island (Government of)*, considered by both the Trial and Appeal Divisions, and *Rossiter v. P.E.I. (Attorney General of)*, considered by the Trial Division only.

The decisions of *Canfield* and *Rossiter* provide a thorough analysis of the legislative history of the Old Act and the introduction of the L.E.P.A. in upholding the retroactive effect of that legislation to April 7, 1971. In particular, the decision of the Appeal Division in *Canfield* confirms that those participating in the pension scheme under the L.E.P.A. who retired prior to July 1, 1994, and the survivors of any such deceased former members, get their pension entitlements pursuant to the L.E.P.A. even though this legislation ceased to have effect on June 30, 1994.

Section 20(2) of the L.E.P.A. also empowered the board administering the legislation (the Indemnities and Allowances Commission) with broad discretion to wind-up the pension scheme legislated there under and make appropriate arrangements for the transition to a replacement pension scheme, resulting in this Plan Text effective April 1, 2001. An interim pension arrangement established on July 1, 1994 as part of the transition contemplated under the L.E.P.A. and modified several times until the establishment of the current pension arrangement on April 1, 2001 was in place between July 1, 1994 and March 31, 2001.

In order to clarify the entitlements of Participants whose pension and benefits accumulated under the L.E.P.A. and under the interim pension arrangement and prior to April 1, 2001, this Plan Text sets out how these pension and benefits will be calculated and, in some circumstances, provides for minor adjustments for the purpose of properly administering the Plan without affecting the benefits accruing prior to April 1, 2001. The Plan Text also provides those with deferred pension accumulated under the L.E.P.A. (service prior to July 1, 1994) with options which would not otherwise be available.

The accrued benefits for each active, deferred and retired member were calculated in accordance with the Plan rules in effect prior to April 1, 2001. For purposes of this calculation, benefits for active members between July 1, 1994 and March 31, 2001 were calculated independently for each type of service using years of service and salary levels for the type of service rendered. The service categories are MLA service; Minister service which includes Leader of the Opposition; Premier service; Speaker service; Deputy Speaker service which includes Leader of a Third Party; and Non-Ministerial Appointee service. The amount of pension accrued under the L.E.P.A. for service prior to July 1, 1994 are unchanged from that available under that Act except for the annual pension index adjustment since July 1, 1994.

More specifically, the initial benefit for active members who had not started to receive their annual pension from the Plan as at April 1, 2001 for service between July 1, 1994 and March 31, 2001 were calculated by taking 2% of the

Average Indemnity for the years 1999, 2000 and 2001 multiplied by the years of service as a Member of the Legislative Assembly plus 2% of the Average Salary for the years 1999, 2000 and 2001 multiplied by years of service in an additional capacity such as Premier, Minister, Non-Ministerial Appointee or other similar positions. The accrued pension was calculated separately for each of those types of Appointment. For example, for someone who served as Minister in one period and Non-Ministerial Appointee in another period, the benefit was calculated for service as a Minister based on Salary as a Minister plus the benefit for service as Non-Ministerial Appointee based on the salary for Non-Ministerial Appointee.

The definitions and terms and conditions regarding ancillary benefits for the portion of the pension earned between July 1, 1994 and March 31, 2001 under the interim pension arrangement are the same as those contained in this plan document for benefits earned on or after April 1, 2001. The definitions and terms and conditions for benefits earned prior to July 1, 1994 are the same as contained in the L.E.P.A. except as modified by amendments adopted by the Indemnities and Allowance Commission since July 1, 1994. None of these amendments reduce in any way the benefits accrued under the L.E.P.A.

The benefits accrued under the L.E.P.A. and under the interim pension arrangement will be indexed in January 1 of each subsequent year until retirement at the rate of increase in the CPI subject to a maximum of 8% each year. *2003-1, s.1.*

APPENDIX A

Legislature and Executive Pensions Act

LAWS OF PRINCE EDWARD ISLAND

Legislature and Executive Pensions Act



Charlottetown
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1994

CHAPTER 35

Legislature and Executive Pensions Act

(Assented to May 19, 1994)

BE IT ENACTED by the Lieutenant Governor and the Legislative Assembly of the Province of Prince Edward Island as follows:

- | | |
|--|--------------------|
| 1. In this Act | Definitions |
| (a) "allowance" means an allowance under this Act; | allowance |
| (b) "board" means the board under section 3; | board |
| (c) "former Act" means the <i>Legislative Assembly Retirement Allowances Act</i> Stats. P.E.I. 1971, c.24; | former Act |
| (d) "Fund" means the M.L.A. Pension Fund; | Fund |
| (e) "General Assembly" means all the sessions of the Legislative Assembly held subsequent to a general provincial election until the dissolution of the Legislature by the Lieutenant Governor; | General Assembly |
| (f) "indemnity" means the indemnity payable to a member under section 40 of the <i>Legislative Assembly Act</i> R.S.P.E.I. 1988, Cap. L-7 and includes the expense allowance payable under section 41 of that Act, the daily allowance payable under section 44 thereof, the salary received under subsection 45(3) thereof and remuneration received as a member of any board or committee established under the <i>Executive Council Act</i> R.S.P.E.I. 1988, Cap. E-12; | indemnity |
| (g) "member" means a member of the Legislative Assembly; | member |
| (h) "Minister" means a member who is a member of the Executive Council and includes, for the purposes of this Act, the Speaker, Deputy Speaker, the Leader of the Opposition and any member who was formerly a member of the Executive Council, the Speaker or the Deputy Speaker or the Leader of the Opposition; | Minister |
| (i) "salary" means salary payable to a Minister and includes expense allowances paid under section 45 of the <i>Legislative Assembly Act</i> ; | salary |
| (j) "service" means service as a member or as a Minister, as the case may be, for which indemnity or salary was paid. | service |
| 2. (1) This Act applies to every member and to every Minister who holds office or has held office after April 7, 1971 or who made contributions pursuant to section 5 or 8 of the former Act. | Application of Act |
| (2) This Act applies in substitution for the former Act and as if that Act and the amendments to that Act had not been enacted. | <i>Idem</i> |

Administration of Act	3. This Act shall be administered by a board comprised of a chairman, who shall be the Provincial Treasurer, and two other members, the Speaker of the Legislature and the Leader of the Opposition if an elected member, and if not, the Opposition House Leader.
Deductions, rate of	4. (1) There shall be deducted from the indemnity payable to a member an amount equal to six and one half per cent thereof as the member's contribution under this Act to the Fund.
Maximum contributions, members	(2) Notwithstanding subsection (1), contributions under this section shall not be deducted from the indemnity of a member after the total amount contributed by him or her is sufficient to provide an allowance equal to the amount of his or her indemnity.
Eligibility for allowance, members	5. (1) A member who has contributed in respect of eight or more years of service or two General Assemblies is entitled to an annual allowance during his or her lifetime upon his or her <ul style="list-style-type: none"> (a) ceasing to be a member; (b) attaining the age of fifty years, whichever is the later event.
Calculation of allowance at age 50, members	(2) The amount of a person's annual allowance under this section shall be an amount equal to seventy-five per cent of the total of his or her contributions as a member, but the amount of his allowance shall not exceed the average annual indemnity received during his or her last five years of service.
Annual increase in allowance	(3) The Provincial Treasurer shall annually on or before the first day of April increase the annual allowance otherwise being paid under subsection (2) to any person by the percentage increase in the Consumer Price (all items) Index for Canada for the previous year, less two per cent, subject to a maximum increase of eight per cent.
Disability	(4) A member who is entitled to a pension under subsection (1) or a member who has been elected to two General Assemblies and has attended five sessions, and who is afflicted with a permanent infirmity that renders him or her incapable of performing the duties of his or her office or incapable of pursuing regularly and substantially gainful occupation commensurate with his or her qualifications is entitled to an immediate pension in the amount of one hundred per cent of the pension payable at age fifty under subsection (1) and under section 7, upon becoming so afflicted, but the pension is payable only upon proof of the affliction by a certificate of a duly qualified medical practitioner and is payable thereafter monthly only so long as the affliction continues, but proof of the continuation of the affliction by a certificate of a duly qualified medical practitioner shall be given upon each succeeding anniversary date of the commencement of the pension, until age fifty.

6. (1) There shall be deducted from the salary payable to a Minister an amount equal to six and one half per cent thereof as such Minister's contribution under this Act to the Fund. Current contributions, Ministers

(2) Notwithstanding anything in subsection (1), contributions under this section shall not be deducted from the salary of a Minister after the total amount contributed by him or her is sufficient to provide an allowance equal to one-half the annual salary of a Minister. Maximum contributions, Ministers

7. (1) A Minister who has contributed under section 6 and who has contributed in respect of eight or more years of service or two General Assemblies as a member is entitled to an annual allowance during his or her lifetime upon his or her Eligibility for allowance, Ministers

- (a) ceasing to be a member; or
- (b) attaining the age of fifty years,

whichever is the later event.

(2) The amount of a person's annual allowance under this section shall be an amount equal to seventy-five per cent of the total of his or her contributions as a Minister, but the amount of his or her allowance shall not exceed one-half of the highest annual salary of the Minister. Calculation of allowance, Ministers

(3) The Provincial Treasurer shall annually on or before April 1 increase the annual allowance otherwise being paid under subsection (2) to any person by the percentage increase in the Consumer Price (all items) Index for Canada for the previous year, less two per cent subject to a maximum increase of eight per cent. Annual increase in allowance

8. (1) Subject to subsection (2), upon the death of a person who at the time of his or her death Spousal allowance

- (a) was receiving, or would, if he or she had ceased to be a member or had attained the age of fifty years immediately preceding his or her death, have been entitled to receive an annual pension;

- (b) was a member on or after April 7, 1971, and who had to his or her credit five or more sessions of pensionable service,

his widow or her widower is entitled to receive immediately a widow or widower's pension equal to sixty per cent the amount calculated under subsection 5(2) and subsection 7(2).

(2) Subject to section 11, a widow or widower's pension ceases to be payable upon her or his death. Cessation of pension

(3) In addition to the pension payable to the widow or widower of a member under subsection (1), an allowance equivalent to one-tenth of the pension paid to the widow or widower of the member shall be paid to the surviving parent or guardian on behalf of each child of the member, up to a maximum of three, until the child attains the age of Children's allowance

eighteen years or if attending on a full-time basis at an institution of post-secondary education, until the child attains the age of twenty-one years, and, in respect of a child who is physically or mentally incapable of earning, for so long as the child remains so incapable.

Children's
pension

9. Where a person described in subsection 8(1) does not leave a widow or widower or where a widow's or widower's pension ceases to be payable, a children's pension equal to the widow's or widower's pension is payable immediately in equal shares to the children if they have not attained the age of eighteen years until they attain that age or, if attending on a full-time basis at an institution of post secondary education, until they attain the age of twenty-one years or, in the case of a child who is incapable, by reason of physical or other handicap, of pursuing on a regular basis any substantially gainful employment, for life.

Election of refund
or deferred
pension

10. (1) Where a person ceases to be a member before attaining the age of fifty years and would on attaining that age be entitled to receive an annual allowance pursuant to subsection 5(1) or 7(1), he or she may elect

- (a) pursuant to section 12, to receive a refund of all moneys paid by him or her under this Act; or
- (b) to receive an annual allowance deferred until he or she attains the age of fifty years.

Increase in
deferred pension

(2) Where a person ceases or has ceased to be a member and has not elected to receive a refund under section 12, the deferred annual allowance that would have been payable if he or she had attained the age of fifty years is increased annually by the same percentage as an allowance is adjusted pursuant to subsection 5(3) or 7(3).

Payments, how
made

11. Where a pension becomes payable under this Act, it is to be paid in equal monthly instalments in arrears and continues, subject to this Act, during the lifetime of the recipient and thereafter until the end of the month in which he or she dies and any amount in arrears thereof that remains unpaid at the time of his or her death is to be paid

- (a) to his widow or her widower; or
- (b) if there is no widow or widower or such cannot be found, to their children.

Refunds

12. A person who makes contributions under this Act and who ceases to be a member before being eligible for an allowance is entitled to a refund of all moneys paid by him or her under this Act with interest thereon at the rate of six and one-half per cent per year and, in the event of his or her death, his or her estate is entitled to the same refund.

13. A person who has received a refund under section 12 and who again becomes eligible to contribute under this Act may pay to the Fund the amount of the refund with compound interest at the rate of six and one half per cent per year and thereupon he or she is entitled to credit for the amount so paid. Reinstated after refund
14. All contributions and interest received under this Act shall be credited to the Fund and all payments and allowances and refunds and interest are a charge against the Fund. Payments into and out of Fund
15. The Fund shall be invested in such securities as the board may determine.
16. Notwithstanding anything in the *Legislative Assembly Act* or any other Act, the application of this Act to a person does not render him or her ineligible as a member of the Legislative Assembly or disqualify him or her from sitting and voting therein, but he or she is not eligible to receive the pension while sitting as a member. Recipients of allowances, etc. not disqualified
17. Where, subject to section 11, for any reason, a recipient of a benefit is unable to manage his or her own affairs, the board may designate a proper person to receive payment on his or her behalf of any amount that is payable to him or her under this Act. Person under disability
18. (1) The interest of any member in the Fund and his or her entitlement to any benefit under this Act are not subject to garnishment, attachment, seizure or any legal process and are not assignable. Benefits not attachable
- (2) Notwithstanding subsection (1), where any member is indebted to the province in a specific amount of money, the Provincial Treasurer may retain by way of deduction or set-off the amount of any such indebtedness out of any benefit payable to him or her under this Act. Indebtedness to province
19. Each year the chairman of the board shall lay before the Legislative Assembly a report on the administration of this Act during the preceding fiscal year including a statement showing the amounts paid out of the Fund during that year and the number of persons receiving benefits under this Act. Report to Legislature
20. (1) Where a member or Minister has made contributions under the former Act but has not qualified for an allowance pursuant to section 5 or 7, the member or Minister shall be deemed to have a vested interest and, upon attaining the age of fifty or ceasing to be a member or Minister, if later, is entitled to an allowance calculated *pro rata* in accordance with this Act in respect of the period for which the contributions were made. Transitional, service insufficient for allowance, allowance to be calculated *pro rata*
- (2) Where, pursuant to section 4 and 7 of the former Act, a member or Minister has made contributions in excess of the contributions required by sections 4 and 6 of this Act, the amount of the excess shall be refunded to the member or Minister with interest thereon at the rate of six and one-half per cent per year. Refund of excess contributions

- Winding up (3) The board shall cause the pension scheme established by this Act to be wound up with effect from June 30, 1994, and may make such arrangements as it considers appropriate for the transition from the pension scheme established by this Act to the pension scheme in replacement of it.
- Declarations regarding repayment and compensation for reduction in pension
- 21.** For greater certainty it is declared that
- (a) no person shall be required to repay to the Fund any amounts received pursuant to the former Act which exceed those provided for by this Act;
 - (b) subject to section 7 of *An Act to Amend the Legislative Assembly Act*, which relates to compassionate allowances, no compensation of any nature or kind or other offsetting consideration is payable to any person for the reduction in his or her allowance or pension under this Act from that payable under the former Act.
- Commencement **22.** (1) This Act is deemed to have come into force on April 7, 1971.
- Termination (2) This Act shall cease to have effect on June 30, 1994.