



Legislative Assembly  
of Prince Edward Island

---

---

## 2014 Report of the Indemnities & Allowances Commission

December 1, 2014

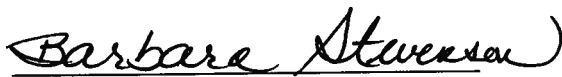

Hon. Carolyn Bertram, MLA  
Speaker of the Legislative Assembly  
Province House  
PO Box 2000  
Charlottetown PE C1A 7N8

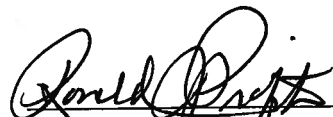
Dear Madam Speaker,


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

The Commission is pleased to submit its 2014 report, which includes the Commission's decisions effective April 1, 2015.

Respectfully submitted,

  
Barbara Stevenson, Q.C, Chair  


  
Ronald Profit, Q.C/Commissioner

  
Stan MacPherson, F.C.A., Commissioner

## Table of Contents

I. Legislation, Mandate, and Commissioners .....	3
II. Research .....	4
i. Analysis of MLA remuneration and benefits	
ii. Review of previous Commission decisions and reports	
iii. Comparison of MLA remuneration levels with those of New Brunswick and Nova Scotia	
iv. Review of Consumer Price Index (CPI) and Gross Domestic Product (GDP) for Prince Edward Island	
v. Trends in public sector negotiated salary increases	
vi. Written submissions to the Commission	
III. Review.....	7
i. MLA base salary	
ii. Additional salaries	
a) Premier	
a) Minister	
b) Speaker	
c) Deputy Speaker	
d) Leader of the Opposition	
e) Government House Leader	
f) Opposition House Leader	
g) Government Whip & Opposition Whip	
h) Non-Ministerial Members of Executive Council Committees	
i) Leader of a Third Party	
iii. Totals	
IV. Decision.....	8
V. Conclusion.....	9
VI. Appendices.....	10
A. Section 46 of the Legislative Assembly Act	
B. Full text of the <i>Pension Plan for Members of the Legislative Assembly of the Province of Prince Edward Island as amended and restated at January 1, 2015</i>	
C. Comparison of New Brunswick, Nova Scotia, and Prince Edward Island Base MLA Remuneration Levels	
D. October 2014 Consumer Price Index (CPI) and 2013 Provincial Gross Domestic Product (GDP) for Prince Edward Island	

## ***I. Legislation, Mandate, and Commissioners***

---

The Commission's authority arises from a 1994 amendment to the *Legislative Assembly Act*, which established the independent Indemnities and Allowances Commission. 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.

The Honourable Carolyn Bertram, Speaker of the Legislative Assembly, appointed Barbara Stevenson, Q.C., Chair; Stan MacPherson, FCA, and; Ronald Profit, Q.C., as Commissioners to the Indemnities and Allowances Commission.

## **II. Research**

---

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

- i Analysis of MLA remuneration and benefits
- ii Review of previous Commission decisions and reports
- iii Comparison of MLA remuneration levels with those of New Brunswick and Nova Scotia
- iv Review of Consumer Price Index (CPI) and Gross Domestic Product (GDP) for Prince Edward Island
- v Trends in public sector negotiated salary increases
- vi Written submissions to the Commission

### **i. Analysis of MLA remuneration and benefits**

MLA salaries remained at 2009 levels until January 1, 2013, as illustrated below:

<b>Year</b>	<b>Base salary in \$ as at April 1 of year noted</b>
2009	65,344
2010	65,344
2011	65,344
2012	65,344

As of April 1, 2014, the base salary for an MLA is \$67,906. Additional salaries and allowances are provided for the Premier, Ministers, Speaker, Deputy Speaker, Leader of the Opposition, Government House Leader, Opposition House Leader, Government Whip, Opposition Whip, Non-Ministerial Member of Executive Council Committees, and Leader of a Third Party (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.

## **ii. Review of previous Commission decisions and reports**

Previous Commission decisions were reviewed to provide an overview of MLA remuneration over the past decade. Commission reports were reviewed to carry forward any previously-noted issues requiring the Commission's attention. Accordingly, the full text of the *Pension Plan for Members of the Legislative Assembly* is included in Appendix B, which incorporates the changes outlined in the Commission's *2014 Report of the Indemnities & Allowances Commission on the Pension Plan for Members of the Legislative Assembly*, as follows:

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

## **iii. Comparison of MLA remuneration levels with those of New Brunswick and Nova Scotia**

The Commission compared the base salaries received by MLAs in New Brunswick and Nova Scotia to the base salary of MLAs in Prince Edward Island and has included, in Appendix C, a summarized comparative table of the base salaries received by MLAs in these jurisdictions.

In reviewing the base salaries of legislators in New Brunswick, Nova Scotia, and Prince Edward Island, the Commission noted that Prince Edward Island MLAs continue to receive the lowest base salary in the region, equal to 78% of the average of New Brunswick and Nova Scotia (see Appendix C).

## **iv. Review of Consumer Price Index (CPI) and Gross Domestic Product (GDP) for Prince Edward Island**

The All Items Consumer Price Index information for Prince Edward Island for October 2014 (most recent data available), was considered by the Commission as a measure of increases in the cost of living for consumers over the past year. In considering the matter of MLA Compensation, the Commission noted that CPI has been increasing steadily on PEI.

The Gross Domestic Product for PEI was reviewed by the Commission as a measure of how the provincial economy has performed. The Commission notes that PEI has had continuous GDP growth since 2002.

Both the All Items Consumer Price Index chart and the Provincial Gross Domestic Product Data release are included in Appendix D.

#### **v. Trends in public sector negotiated salary increases**

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

#### **vi. Written submissions to the Commission**

The Commission canvassed public opinion on the subject of MLA remuneration; accordingly, advertisements were placed in local newspapers inviting written submissions on the subject of MLAs' salaries and allowances.

The Commission acknowledges the input of those who made submissions and thanks them for their efforts. These include Vivian Moore, Lorraine Barlow, Jay McNair, George Clark-Dunning, Jean Burch, Richard Savidant, Astrid Johnson, Marion Profit, Elda Boucher, Carol Lang, Gary MacKay, Kevin Holloway, New Democratic Party of Prince Edward Island, Chris Ortenberger, Derrick Biso, James Cosgrave, Janet Gaudet, Marion Copleston and Tony Reddin, the Union of Public Sector Employees, and one anonymous submission.

A total of twenty submissions were received, and are summarized as follows:

- MLA remuneration levels should be reduced to better reflect income levels achievable by Island workers;
- MLA remuneration should not be increased given recent departmental cuts, the state of the economy, and the provincial deficit;
- MLA remuneration levels should be compared to provincial benchmarks rather than regional ones, and;
- MLA remuneration should be based on established performance evaluation criteria that takes into account a measure of constituents' satisfaction with their MLA's legislative and representative performance.

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

### **III. Review**

---

Following are current salaries for MLAs, which became effective April 1, 2014.

Position	Base Salary	Additional Salary	Total
MLA	\$67,906	n/a	\$67,906
Premier	\$67,906	\$73,749	\$141,655
Minister	\$67,906	\$47,453	\$115,359
Speaker	\$67,906	\$39,897	\$107,803
Deputy Speaker	\$67,906	\$19,949	\$87,855
Leader of the Opposition	\$67,906	\$47,453	\$115,359
Government House Leader	\$67,906	\$12,795*	\$80,701
Opposition House Leader	\$67,906	\$4,433*	\$72,339
Government Whip & Opposition Whip	\$67,906	\$3,728*	\$71,634
Non-Ministerial Member of Executive Council Committees	\$67,906	\$6,247*	\$74,153
Leader of a Third Party	\$67,906	\$18,941	\$86,847

*\*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.*



#### **IV. Decision**

---

The Commission has concluded, based on its research, that there shall be a 1.2% increase (rounded to the nearest dollar) to the base salary and additional salaries of Members of the Legislative Assembly for the fiscal year beginning April 1, 2015.

Position	Base Salary	Additional Salary	Total
MLA	\$68,721	n/a	\$68,721
Premier	\$68,721	\$74,634	\$143,355
Minister	\$68,721	\$48,022	\$116,743
Speaker	\$68,721	\$40,376	\$109,097
Deputy Speaker	\$68,721	\$20,188	\$88,909
Leader of the Opposition	\$68,721	\$48,022	\$116,743
Government House Leader	\$68,721	\$12,949*	\$81,670
Opposition House Leader	\$68,721	\$4,486*	\$73,207
Government Whip & Opposition Whip	\$68,721	\$3,773*	\$72,494
Non-Ministerial Member of Executive Council Committees	\$68,721	\$6,322*	\$75,043
Leader of a Third Party	\$68,721	\$19,168	\$87,889

*\*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. Conclusion***

---

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

## ***VI. Appendices***

---

- A. Section 46 of the *Legislative Assembly Act*
- B. Full text of the *Pension Plan for Members of the Legislative Assembly of the Province of Prince Edward Island as amended and restated at January 1, 2015*
- C. Comparison of New Brunswick, Nova Scotia, and Prince Edward Island Base MLA Remuneration Levels
- D. October 2014 Consumer Price Index (CPI) and 2013 Provincial Gross Domestic Product (GDP) for Prince Edward Island

**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.

(10) Notwithstanding anything contained in this section, there shall be no increase in the remuneration and benefits paid to the Premier or nonministerial members of the executive council committees or to any person referred to in subsection (1) in accordance with this section until January 1, 2013. 1994,c.34,s.5; 1997,c.28,s.3; 2010,c.39,s.1; 2012,c.23,s.1.

## Appendix B

Full Text of the Pension *Plan for Members of the Legislative Assembly of the Province of Prince Edward Island as amended and restated at January 1, 2015*

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

**As amended and restated at January 1, 2015**

**January, 2015**



## TABLE OF CONTENTS

<u>Page</u>		
<b>PART I</b>		
Article 1	Definitions	3
<b>PART II</b>		
Article 2	Eligibility and Membership	9
Article 3	Contributions	10
Article 4	Interest	11
Article 5	Retirement Dates	12
Article 6	Basic Retirement Pension	13
Article 7	Normal and Optional Forms of Retirement Pension	15
Article 8	Government Cost Sharing	17
Article 9	Commutation of Deferred Pension	18
Article 10	Vesting Provisions	19
Article 11	Death Benefits	20
Article 12	Termination of Employment or Membership	22
<b>PART III</b>		
Article 13	Supplemental Retirement Benefits	23
<b>PART IV</b>	<b>General Provisions</b>	
Article 14	Marriage Breakdown	28
Article 15	Funding and Investment	29
Article 16	Administration	31
Article 16.1	Commission	32
Article 17	Explanation and Disclosure	33
Article 18	Amendment or Termination of the Plan	34
Article 19	General	35
Article 20	Modifications to the Pension Scheme contained in the Legislature and Executive Pension Act	37
Schedule A	Preamble	38

## **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(Iy) 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 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 31<sup>st</sup> 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 1<sup>st</sup> and ending on December 31<sup>st</sup> 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 31<sup>st</sup> 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 Effective April 13, 2014, a Participant shall make Required Contributions to the Plan each year, by payroll deduction, of an amount equal to 9% 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. *2014-1,s.1.*

**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 60<sup>th</sup> 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.

5.01.1 For participants elected for the first time after the 64<sup>th</sup> General Assembly,

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 62<sup>nd</sup> birthday; or
- b) the date on which the Participant's age plus Pensionable Service as a Legislative Member equals 84.

For purposes of 5.01.1 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; 2014-1.s.2.*

ARTICLE 6

BASIC RETIREMENT PENSION

6.01 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 from April 1, 2001 up to and including April 12, 2014, plus 22.22% of the Required Contributions made by the Participant on and after April 13, 2014.

6.01.1 Indexation for Participants

The annual pension payable shall be increased each January 1, prior to January 1, 2015, by the rate of increase in the CPI subject to a maximum of 8%, and thereafter shall be increased each January 1 by a percentage equal to the indexing provided to active members under the *Civil Service Superannuation Act*.

Effective January 1, 2015, where the last day of employment for which a member has credited pensionable service is a date other than January 1 of a calendar year, the indexation percentage shall be prorated so as to be proportionate to the part of the calendar year from January 1 to the last day of that year for which the member is credited with pensionable service.

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 31<sup>st</sup> 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 any applicable limitations contained the Income Tax Act and associated regulations.

6.05 Indexation for Pensioners

Effective January 1, 2015, 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 1<sup>st</sup> of the calendar year following the calendar year of pension commencement and on each subsequent January 1<sup>st</sup> thereafter, by a percentage equal to the indexing provided to pensioners under the *Civil Service Superannuation Act*.

Where the last day of employment for a member is a date other than January 1 of a year, indexation in respect of the year shall be prorated so as to be proportionate to the part of the year from the last day of employment to January 1. *2006-1,s.1; 2008-1,s.5; 2014-1,s.3,s.4,s.5,s.6.*

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 Dependent Children at the date of death of the Participant. If the participant has Dependent 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.

11.01 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 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 member'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.
- 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 member's contributions plus interest, then the difference shall be paid to the personal representatives, or estate, of the Participant, Former Participant, Pensioner, or the children of the Participant, Former Participant, or Pensioner in a lump sum. *2003-1, s.10.*

**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
- a) each January 1, prior to January 1, 2015, by the rate of increase in the CPI subject to a maximum of 8%, and
  - b) thereafter shall be increased each January 1 by a percentage equal to the indexing provided to pensioners under the *Civil Service Superannuation Act*.
- Effective January 1, 2015, where the last day of employment for a member is a date other than January 1 of a year, indexation in respect of the year shall be prorated so as to be proportionate to the part of the year from the last day of employment to January 1.
- The Deferred Pension shall be increased as described herein until the Participant elects to receive the pension. *2005-1,s.1; 2008-1,s.6; 2014-1,s.7.*

**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 35th 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 13.02 b), the Participant's age shall be the age at the Retirement Date and not the age at the date of Termination.
- 13.02.1 For participants elected for the first time after the 64<sup>th</sup> General Assembly,
- 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 57th birthday; or
  - b) the date on which the Participant's age plus Continuous Service as a Legislative Member equals 74, to the extent the Participant has attained the age of 50.
- For purposes of 13.02.1 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 Article 13.02 and 13.02.1 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 Article 13.02 and 13.02.1, 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 and 13.02.1.

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 12.01c) 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) The sum of
  - i. an amount equal to two times the amount accrued as at April 1, 2001, plus
  - ii. 50% of the Required Contributions and Special Contributions made by the Participant from April 1, 2001 to April 13, 2014, plus
  - iii. 44.44% of the Required Contributions made by the Participant from April 13, 2014 to the start of the 65<sup>th</sup> General Assembly, plus
  - iv. 38.89% of the Required Contributions made by the Participant after the start of the 65<sup>th</sup> General Assembly

indexed in the manner described in 6.01.1,

less

- b) the Early Retirement Pension Reduction if applicable.

less

- b) 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 and 13.02.1. The deferred pension shall be indexed in the same manner as that outlined in Article 12.02.

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).

##### 13.11.1 Indexation of Supplemental Pension

The amount of supplemental pension payable to a pensioner shall be indexed in the same manner as that outlined in Article 6.05.

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, 2014-1, s.8,s.9,s.10,s.11,s.12,s.13,s.14.*

## **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.
- 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, 2008-1, s.8*.

## 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 benefits levels 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 benefit levels 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 level 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 Provincial Treasurer'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.

Where 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 used under the *Civil Service Superannuation Act* to determine co-habitation rules, proof of entitlement, etc, shall be used when administering spousal benefit entitlements under this plan.

- 19.03 Where 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

*Preamble*

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 C

Comparison of New Brunswick, Nova Scotia, and Prince Edward Island  
Base MLA Remuneration Levels

## Comparison of New Brunswick, Nova Scotia, and Prince Edward Island Base MLA Remuneration Levels

---

The following is a table that compares the MLA base salaries of New Brunswick, Nova Scotia, and Prince Edward Island.

	PEI	NB	NS	NB & NS Average
<b>Base salary:</b>	\$67,906	\$85,000	\$89,235	\$87,118
<b>2014 Annual CPI change by province*:</b>	1.2%	1.4%	1.7%	1.6%
<b>PEI base salary as a % of :</b>		80%	76%	78%
<b>\$ difference:</b>		\$17,094	\$21,329	\$19,212

\* 2014 Annual All-items Consumer Price Index, annual percent change for each province, as of September. Provided by Economics, Statistics and Federal Fiscal Relations, based on most recent release of Statistics Canada data.



## Appendix D

October 2014 Consumer Price Index (CPI) and  
2013 Provincial Gross Domestic Product (GDP) for Prince Edward Island



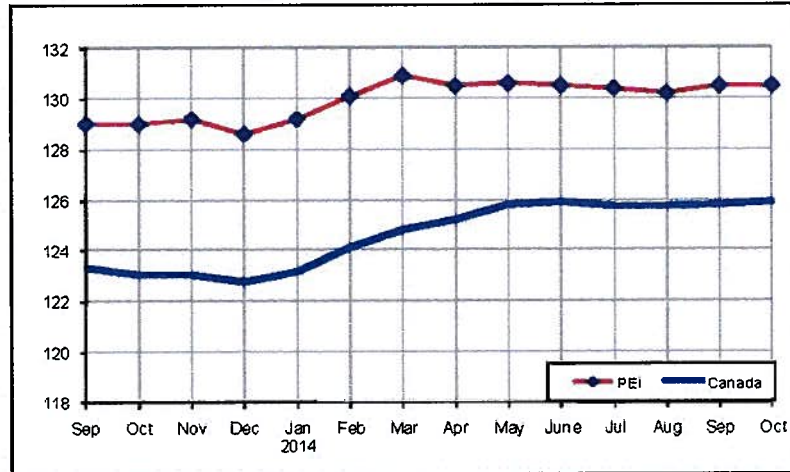
Prince Edward Island Statistics Bureau  
 Department of Finance, Energy  
 and Municipal Affairs  
 Economics, Statistics and  
 Federal Fiscal Relations



Tel / tél. : (902) 368 4035  
 Fax / téléc. : (902) 368 4034  
 Email / courriel : cdmosley@gov.pe.ca

November 21, 2014

### PEI / CANADA CONSUMER PRICE INDEX, OCTOBER 2014



### OCTOBER 2014 ALL-ITEMS CONSUMER PRICE INDEX (2002=100)

	CAN	NL	PE	NS	NB	QC	ON	MB	SK	AB	BC
Oct-14	125.9	129.0	130.5	129.4	125.5	124.3	126.8	125.6	129.9	133.2	119.0
Sep-14	125.8	129.1	130.5	129.5	125.2	123.9	126.7	125.8	129.2	132.9	119.5
Oct-13	123.0	126.7	129.0	126.7	123.5	121.6	123.3	124.0	126.7	129.3	117.7
Year Over year Change (%)	2.4%	1.8%	1.2%	2.1%	1.6%	2.2%	2.8%	1.3%	2.5%	3.0%	1.1%
Monthly Change (%)	0.1%	-0.1%	0.0%	-0.1%	0.2%	0.3%	0.1%	-0.2%	0.5%	0.2%	-0.4%

### SUMMARY

Statistics Canada reported that the year-over-year change in the *All-Items Consumer Price Index* for P.E.I. was 1.2 per cent in October 2014. This compares to a rise of 2.4 per cent for Canada. Year-over-year price increases for P.E.I. were led by *cablevision and satellite services including pay per view television* (10.7%), followed by *telephone services* (6.1%), *fresh or frozen beef* (30.6%), *gasoline* (1.8%), *cigarettes* (6.3%), *purchase and leasing of passenger vehicles* (1.3%), and *processed meat* (9.2%). Year-over-year declines included *fresh vegetables* (-14.0%), *children's clothing including infants* (-16.0%), *fuel oil and other fuels* (-2.6%), *homeowners' replacement cost* (-2.3%), *fresh fruit* (-8.6%), *recreational equipment and services excluding recreational vehicles* (-4.0%), and *footwear* (-4.4%).

There was no change in the All Items CPI for P.E.I. in October 2014. Lower prices for *gasoline* (-2.0%), *fresh fruit* (-11.2%), *traveler accommodation* (-4.1%), *fresh vegetables* (-7.3%), *passenger vehicle insurance premiums* (-2.0%), *recreational equipment and services excluding recreational vehicles* (-2.3%), and *fuel oil and other fuels* (-1.0%) were offset by higher prices for *purchase and leasing of passenger vehicles* (2.1%), *women's clothing* (3.6%), *property taxes including special charges* (2.1%), *fresh or frozen pork* (17.5%), *men's clothing* (2.4%), *processed meat* (3.0%), and *footwear* (2.4%).



Prince Edward Island Statistics Bureau  
 Department of Finance, Energy  
 and Municipal Affairs  
 Economics, Statistics and  
 Federal Fiscal Relations



Tel / tél. : (902) 368 4035  
 Fax / téléc. : (902) 368 4034  
 Email / courriel : cdmosley@gov.pe.ca

## STATISTICS CANADA RELEASES 2013 GDP DATA

On November 5, 2014 Statistics Canada released Provincial Gross Domestic Product (GDP) data for 2013 and revised data for 2011 and 2012. The PEI GDP at market prices in current dollars was valued at \$5,788 million in 2013. The statistics show that the Prince Edward Island economy grew by 2.0 per cent in chained 2007 dollars. PEI is the only jurisdiction in the country to have continuous GDP growth since 2002. The revised data shows growth of 1.0 per cent in 2012, which is slightly lower growth than previously estimated, and growth of 1.6 per cent in 2011, which is slightly higher growth than previously estimated. Table 2 shows PEI's expenditure based real GDP in chained 2007 dollars from 2009 to 2013.

As Table 1 indicates, the national economy expanded by 2.0 per cent in chained 2007 dollars in 2013, following a 1.9 per cent increase in 2012. Newfoundland and Labrador saw the highest growth in 2013 with an increase of 7.2 per cent. New Brunswick was the only province to show a decline in 2013, at -0.5 per cent.

**Table 1**  
**REAL GDP GROWTH AND NOMINAL GDP**  
**CANADA, PROVINCES AND TERRITORIES**

Province	Chained GDP Growth (%) (Chained \$ 2007)				Nominal 2013 GDP
	2010	2011	2012	2013	\$ millions
Newfoundland	5.9%	3.1%	-4.5%	7.2%	35,832
Prince Edward Island	2.2%	1.6%	1.0%	2.0%	5,788
Nova Scotia	3.0%	0.7%	-0.3%	0.3%	39,145
New Brunswick	2.0%	0.6%	-0.4%	-0.5%	31,900
Quebec	2.3%	2.0%	1.5%	1.0%	362,846
Ontario	3.4%	2.6%	1.7%	1.3%	695,705
Manitoba	2.6%	2.1%	3.3%	2.2%	61,323
Saskatchewan	4.2%	5.8%	3.1%	5.0%	83,222
Alberta	4.5%	5.7%	4.5%	3.8%	338,166
British Columbia	3.3%	2.8%	2.4%	1.9%	229,685
Yukon	4.2%	4.3%	2.6%	-0.9%	2,539
Northwest Territories	2.3%	-8.1%	2.2%	3.5%	4,412
Nunavut	21.6%	4.8%	1.2%	11.2%	2,445
Canada	3.4%	3.0%	1.9%	2.0%	1,893,759

**Table 2**  
**REAL GDP EXPENDITURE BASED, PRINCE EDWARD ISLAND**  
**(chained 2007 dollars)**

<b>in \$ millions (except per capita)</b> <b>Chained 2007 dollars</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Final consumption expenditure</b>	\$4,873	\$5,078	\$5,213	\$5,232	\$5,272
Household final consumption expenditure	\$3,298	\$3,410	\$3,482	\$3,516	\$3,571
Goods	\$1,658	\$1,717	\$1,747	\$1,754	\$1,769
Services	\$1,642	\$1,694	\$1,738	\$1,763	\$1,804
Non-profit institutions serving households' final consumption expenditure	\$71	\$68	\$78	\$78	\$78
General governments final consumption expenditure	\$1,506	\$1,601	\$1,654	\$1,640	\$1,627
<b>Gross fixed capital formation</b>	\$968	\$939	\$1,046	\$922	\$993
Business gross fixed capital formation	\$627	\$632	\$706	\$669	\$731
Residential structures	\$301	\$316	\$330	\$330	\$328
Non-residential structures, machinery and equipment	\$289	\$275	\$340	\$302	\$368
Intellectual property products	\$37	\$40	\$38	\$38	\$38
Non-profit institutions serving households' gross fixed capital formation	\$6	\$9	\$11	\$11	\$11
General governments gross fixed capital formation	\$332	\$285	\$325	\$242	\$251
<b>Investment in inventories</b>	-\$65	\$5	\$20	\$61	\$20
Of which: business investment in inventories	-\$65	\$5	\$20	\$60	\$21
Non farm	-\$65	-\$12	\$39	\$55	\$9
Farm	-\$1	\$14	-\$14	\$6	\$10
<b>Exports of goods and services</b>	\$2,140	\$2,174	\$2,175	\$2,260	\$2,362
Exports to other countries	\$957	\$920	\$905	\$991	\$1,063
Exports to other provinces	\$1,185	\$1,259	\$1,275	\$1,273	\$1,304
<b>Less: Imports of goods and services</b>	\$3,244	\$3,417	\$3,806	\$3,582	\$3,845
Imports from other countries	\$926	\$1,083	\$1,152	\$1,230	\$1,282
Imports from other provinces	\$2,318	\$2,336	\$2,457	\$2,366	\$2,383
<b>Statistical discrepancy</b>	-\$5	-\$7	\$0	-\$4	-\$14
<b>Gross domestic product at market prices</b>	\$4,878	\$4,783	\$4,861	\$4,908	\$5,006
<b>Final domestic demand</b>	\$5,841	\$6,017	\$6,256	\$6,156	\$6,265
<b>Annual Growth in Gross Domestic Product (%)</b>	0.4	2.2	1.6	1.0	2.0
<b>Gross Domestic Product Per Capita (chained 2007 \$)</b>	\$33,436	\$33,760	\$33,748	\$33,788	\$34,404

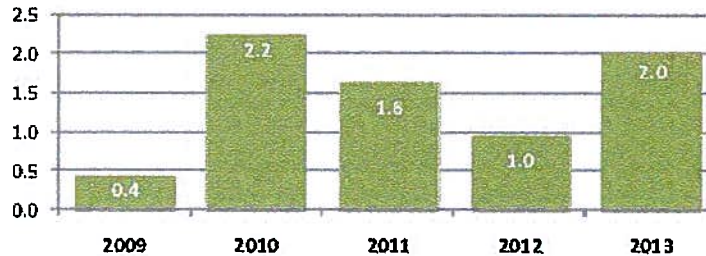
Table 3 shows contributions to change in real GDP for 2013. Final consumption expenditure, the largest component of GDP, contributed 0.8 percentage points to the growth of GDP, while gross fixed capital formation contributed 1.4 percentage points. Investment in inventories subtracted 0.8 percentage points from the growth of GDP in 2013. Exports of goods and services contributed 2.0 percentage points while imports of goods and services subtracted 1.2 percentage points, for a contribution of 0.8 percentage points for net exports.

**Table 3**  
**REAL GDP, EXPENDITURE BASED, CONTRIBUTIONS TO PERCENT CHANGE<sup>1</sup>**  
**PRINCE EDWARD ISLAND, 2013**

<b>Gross domestic product (GDP)</b>	<b>2.0</b>	<b>Gross Fixed Capital Formation</b>	<b>1.4</b>
<b>Final consumption expenditure</b>	<b>0.8</b>	Business gross fixed capital formation	1.2
Durable goods	0.3	Residential structures	0.0
Semi-durable goods	-0.1	Non-residential structures	0.8
Non-durable goods	0.0	Machinery and equipment	0.5
Services	0.8	Intellectual property products	0.0
Non-profit institutions final consumption expenditure	0.0	Non-profit institutions gross fixed capital formation	0.0
General governments final consumption expenditure	-0.3	General governments gross fixed capital formation	0.2
<b>Exports of goods and services</b>	<b>2.0</b>	<b>Investment in inventories</b>	<b>-0.8</b>
Exports to other countries	1.4	Non-farm	-0.8
Exports to other provinces	0.6	Farm	0.1
<b>Deduct: Imports of goods and services</b>	<b>1.2</b>	<b>Statistical discrepancy</b>	<b>-0.2</b>
Imports from other countries	0.9		
Imports from other provinces	0.3	<b>Final domestic demand</b>	<b>2.2</b>

Diagram 1 illustrates provincial economic growth from 2009 to 2013 in chained 2007 dollars.

**Diagram 1**  
**Annual Real GDP Growth**  
**2009-2013**  
**Prince Edward Island**



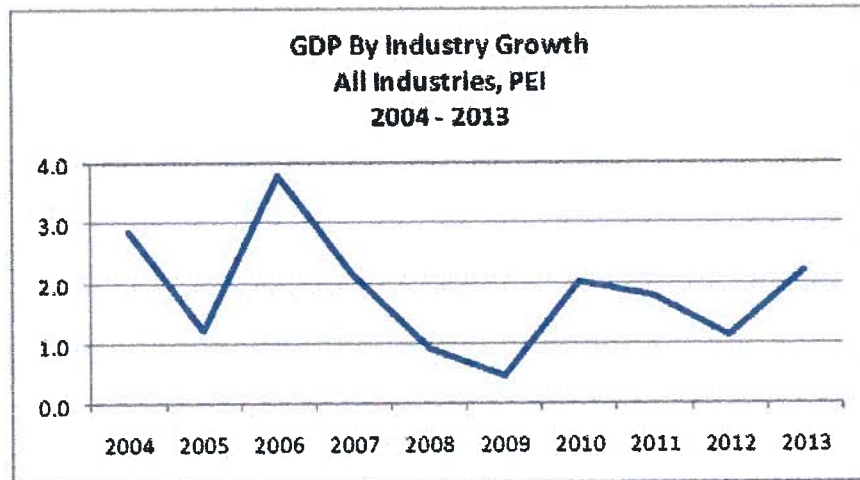
Source: Statistics Canada. Table 384-0038 - Gross domestic product, expenditure-based, provincial and territorial, annual (dollars unless otherwise noted), November 5, 2014

<sup>1</sup> Contributions to percent change are presented as percentage points. For example, of the 2.0% growth in real GDP, 0.8 of a percentage point was contributed by final consumption expenditures. Conversely, investment in inventories reduced GDP by 0.8 of a percentage point.

## GDP BY INDUSTRY

Statistics Canada also released revised Provincial Gross Domestic Product (GDP) by Industry data for 2013. The P.E.I. GDP for all industries in chained 2007 dollars was valued at \$4,585 million in 2013, an increase of 2.2 per cent over 2012. This is an increase of 0.8 percentage points over the preliminary estimates. By this measure, the P.E.I. economy grew by 1.1 per cent in 2012, 0.3 percentage points less than previously estimated, and by 1.8 per cent in 2011, 0.8 percentage points higher than previously estimated. Diagram 2 shows GDP by Industry growth for PEI from 2004 to 2013.

Diagram 2



Source: Statistics Canada, Table 379-0030 - Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories, annual (dollars), November 5, 2014

Table 4 shows GDP By Industry growth by province and territory since 2009.

**Table 4**  
**GDP BY INDUSTRY GROWTH, CHAINED 2007 DOLLARS,**  
**PROVINCES AND TERRITORIES**

PROVINCE	2009	2010	2011	2012	2013
Newfoundland	-10.3	5.6	3.1	-4.6	7.3
P.E.I.	0.4	2.0	1.8	1.1	2.2
Nova Scotia	0.1	2.8	0.5	-0.1	0.4
New Brunswick	-1.2	2.0	0.4	-0.6	-0.6
Quebec	-0.8	2.1	2.0	1.3	1.1
Ontario	-3.2	3.4	2.4	1.6	1.2
Manitoba	-0.4	2.6	2.1	3.2	2.3
Saskatchewan	-4.6	4.4	5.8	2.9	5.0
Alberta	-4.2	4.8	5.8	4.2	4.1
British Columbia	-2.6	3.3	2.8	2.5	2.1
Yukon	7.7	4.4	4.1	2.5	-0.7
Northwest Territories	-12.6	2.5	-8.2	2.3	3.9
Nunavut	-7.4	21.2	4.6	1.1	11.5

Goods production increased 5.8 per cent, led by a 9.7 per cent increase in manufacturing and a 5.7 per cent increase in construction. The manufacturing sector saw accelerated growth following a 5.5 per cent increase in 2012. Food manufacturing increased by 6.9 per cent, with seafood product preparation and packaging falling by 0.4 per cent. Agriculture, Forestry, Fishing and Hunting also contributed positively, increasing by 3.3 per cent. The fishing, hunting and trapping industry increased for the second year in a row, growing by 6.0 per cent. Following a 0.8 per cent increase in 2012, crop and animal production continued to see growth with a 2.2 per cent increase. Although construction increased, residential building construction declined by 0.2 per cent and non-residential construction decreased by 15.1 per cent. The growth in construction was driven by a 37.0 per cent increase in engineering construction. Utilities declined by 5.8 per cent in 2013, following a 4.1 per cent decrease in 2012.

In 2013 the service sector increased by 1.2 per cent, matching the increase seen in 2012. The largest increases occurred in real estate, rental and leasing (2.2 per cent), finance and insurance (5.0 per cent), wholesale trade (6.2 per cent), and transportation and warehousing (2.8 per cent). Declines occurred in management of companies and enterprises (-9.5 per cent), educational services (-0.6 per cent) and professional, scientific, and technical services (-0.4 per cent). Table 5 shows industry detail of the provincial economy from 2010 to 2013.

**TABLE 5**  
**P.E.I. GDP BY INDUSTRY**  
**(in constant chained 2007 dollars, millions)**

INDUSTRY	2010	2011	% Growth	2012	% Growth	2013	% Growth
Agriculture, Forestry, Fishing and Hunting	273.0	263.4	-3.5	280.0	6.3	289.1	3.3
Crop and Animal Production	193.8	187.8	-3.1	189.3	0.8	193.4	2.2
Forestry & Logging	3.4	3.7	8.8	3.7	0.0	4.9	32.4
Fishing, Hunting & Trapping	69.5	62.6	-9.9	83.3	33.1	88.3	6.0
Mining	1.4	1.5	7.1	1.9	26.7	2.0	5.3
Utilities	52.0	55.8	7.3	53.5	-4.1	50.4	-5.8
Construction	265.0	285.9	7.9	257.9	-9.8	272.5	5.7
Residential Construction	90.2	93.0	3.1	92.9	-0.1	92.7	-0.2
Non Residential Building Construction	48.1	47.6	-1.0	39.2	-17.6	33.3	-15.1
Engineering Construction	54.3	70.1	29.1	54.8	-21.8	75.1	37.0
Manufacturing	368.0	364.0	-1.1	383.9	5.5	421.2	9.7
Food Manufacturing	203.6	197.9	-2.8	200.7	1.4	214.6	6.9
Chemical Manufacturing	33.8	38.3	13.3	X		X	
<b>TOTAL GOODS</b>	<b>955.6</b>	<b>968.4</b>	<b>1.3</b>	<b>975.0</b>	<b>0.7</b>	<b>1,031.7</b>	<b>5.8</b>
Wholesale Trade	84.7	91.9	8.5	96.8	5.3	102.8	6.2
Retail Trade	306.7	306.8	0.0	312.9	2.0	315.4	0.8
Transportation & Warehousing	109.6	114.9	4.8	117.2	2.0	120.5	2.8
Information & Culture	131.8	132.3	0.4	133.3	0.8	133.6	0.2
Finance and Insurance	234.2	239.1	2.1	241.8	1.1	254.0	5.0
Real Estate and Rental and Leasing	595.9	614.4	3.1	631.5	2.8	645.4	2.2
Professional, Scientific and Technical Services	117.7	121.0	2.8	122.5	1.2	122.0	-0.4
Management of Companies and Enterprises	34.7	35.5	2.3	28.3	-20.3	25.6	-9.5
Administrative and Support, Waste	128.4	123.6	-3.7	121.6	-1.6	123.1	1.2
Educational Services	332.6	339.8	2.2	343.0	0.9	341.0	-0.6
Health Care and Social Assistance	431.6	441.5	2.3	449.8	1.9	451.1	0.3
Arts, Entertainment and Recreation	48.6	46.8	-3.7	43.9	-6.2	46.5	5.9
Accommodation and Food Services	131.1	132.2	0.8	134.4	1.7	136.4	1.5
Other Services (except Public Administration)	108.9	110.6	1.6	109.8	-0.7	110.4	0.5
Public Administration	606.4	618.7	2.0	625.1	1.0	626.3	0.2
<b>TOTAL SERVICES</b>	<b>3,403.1</b>	<b>3,468.1</b>	<b>1.9</b>	<b>3,510.6</b>	<b>1.2</b>	<b>3,553.5</b>	<b>1.2</b>
<b>ALL INDUSTRIES</b>	<b>4,359.6</b>	<b>4,437.5</b>	<b>1.8</b>	<b>4,486.8</b>	<b>1.1</b>	<b>4,585.0</b>	<b>2.2</b>

Note: the sum of the chained values for each component of an aggregate does not equal the chained value of the aggregate.

Sources: Statistics Canada

Table 379-0036 - Gross domestic product (GDP) at basic prices, by North American Industry Classification System (NAICS), provinces and territories, annual (dollars)

Table 384-0038 - Gross domestic product, expenditure-based, provincial and territorial, annual (dollars unless otherwise noted)

For more information contact Colin Mosley, Economist - Statistics, at 1-902-368-4035

or by e-mail at: [colmosley@gov.pe.ca](mailto:colmosley@gov.pe.ca)





