



Yukon Legislative Assembly Office

Box 2703, Whitehorse, Yukon Y1A 2C6 • Telephone (867)667-5498
Fax (867)393-6280

NEWS RELEASE

October 9, 2018

Act to Amend the Legislative Assembly Act (2018)

The Hon. Tracy-Anne McPhee, MLA, on behalf of the Members' Services Board, today introduced Bill No. 25, Act to Amend the Legislative Assembly Act, to the Legislative Assembly. Bill No. 25 proposes amendments to the *Legislative Assembly Act* that, if adopted, would change the pay and benefits of Members of the Legislative Assembly (MLAs).

Bill No. 25 is the result of a process that started on June 2, 2017, when the all-party Members' Services Board of the Yukon Legislative Assembly determined that the salaries and benefits of MLAs should be reviewed. The Board's authority to initiate a review is contained in section 54 of the *Legislative Assembly Act*.

The Yukon Legislative Assembly Office, at the Board's direction, hired an independent, non-partisan contractor in 2017 to review the current levels of MLA pay and benefits and submit a report, containing findings and recommendations, to the Members' Services Board. The contractor's report can be viewed on the Legislative Assembly website at <http://www.legassembly.gov.yk.ca/resources/memberspay.html>.

MLA compensation includes three components. All MLAs receive a basic indemnity and an expense allowance. In addition, certain members receive a salary for performing additional duties. The offices that receive additional compensation include the Speaker, the Deputy Speaker, the Premier, other Cabinet Ministers, the Leader of the Official Opposition and the Leader of the Third Party.

Bill No. 25 proposes four amendments to the Legislative Assembly Act:

- The amounts specified for indemnities and salaries are changed to reflect adjustments that have been made since 2007 (the last time the Act was revised for this purpose). The adjustments are based on changes to the Consumer Price Index for Canada and do not represent a net increase.
- The amount specified for the expense allowance has been changed to reflect Consumer Price Index adjustments since 2007 and to compensate MLAs for the loss of tax-exempt status due to changes to the Income Tax Act (Canada). These changes take effect on January 1, 2019 and needed to be addressed. The changes do not represent a net increase. Yukon is one of only three remaining jurisdictions where MLAs still receive a tax-free expense allowance as part of their pay.
- The salaries of the Premier, the Speaker, the Deputy Speaker and the Leader of the Third Party will be increased. The increases will take effect on April 1, 2019. Once they are changed, the salaries will be at a level equivalent to 25 per cent below the national average for each respective office holder. Salaries paid to Yukon office holders remain

the lowest in Canada. The salaries for Cabinet Ministers (other than the Premier) and the Leader of the Official Opposition will not increase as their current compensation is slightly higher than 25 percent below the national average proposed benchmark.

- The formula for calculating the severance allowance for former MLAs has been changed. The new formula links severance payments to completed years of service rather than to fixed service thresholds. This results in significantly lower severance costs going forward and reflects the approach of most other jurisdictions.

Nils Clarke
Chair of the Members' Services Board

Contact
Helen Fitzsimmons
Director, Administration, Finance & Systems
Legislative Assembly Office
867-667-5618