



HOUSE OF ASSEMBLY MANAGEMENT COMMISSION

DIRECTIVE

2024-001

Effective Date: April 1, 2024	Commission Minutes: CM 2024-016; CM 2024-017; CM 2024-024
Subject: <u>Transitional Allowance Policy for Members of the House of Assembly</u>	Reference: Commission meetings: May 21, 2024; and July 17, 2024
Issued To: Members of the House of Assembly; Comptroller General; Directors of Government Accounting, Professional Services and Internal Audit, Financial Systems Control and Corporate Services; Office of the Auditor General; Government caucus office, Official Opposition caucus office and Third Party caucus office; Deputy Clerk, Executive Council; Deputy Chief of Staff, Office of the Premier.	Contact: Robert Hillier Manager of Human Resources Services & Payroll Administration 709-729-7214 roberthillier@gov.nb.ca

BACKGROUND

Section 16 of the *House of Assembly Accountability, Integrity and Administration Act* (HOAAIAA) requires a review of the salaries, pensions, severance and allowances of Members of the House of Assembly once during each general assembly. The Members' Compensation Review Committee (MCRC) for the 50th General Assembly was appointed by resolution of the House in November 2023, and delivered its final report on March 26, 2024.

The report contained 32 recommendations, which the Commission considered at its meeting on May 21, 2024 in accordance with the process prescribed in subsections 16(5) and 16(6) of HOAAIAA. The Commission accepted all recommendations and further directed, that:

- policy amendments required to give effect to those recommendations with policy implications be prepared and brought forward to the Commission for consideration at a future meeting; and
- legislative amendments required to give effect to those recommendations with legislative implications be prepared and brought forward to the House of Assembly for consideration.

The changes to severance, similar to salary and allowances, are to have retroactive effect to April 1, 2024.

The 2024 MCRC recommended that severance be renamed to transitional allowance to more appropriately reflect its true purpose. In order to give effect to the transitional allowance provisions, the Commission approved the following at its July 17, 2024 meeting.

DIRECTIVE

The Commission approved issuance of a directive to establish the Transitional Allowance Policy for Members of the House of Assembly effective April 1, 2024.

The Policy is attached.

A handwritten signature in black ink that reads "Kim Hawley George." The signature is written in a cursive, flowing style.

Kim Hawley George, KC
Clerk of the House of Assembly (A)



House of Assembly

Transitional Allowance Policy for Members of the House of Assembly

Effective April 1, 2024

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1.0 Introduction

Under the authority of paragraph 11(3)(a) and subparagraph 20(6)(b)(ii) of the *House of Assembly Accountability, Integrity and Administration Act* (the Act), the House of Assembly Management Commission establishes this policy respecting transitional allowance for Members of the House of Assembly, effective April 1, 2024.

2.0 Purpose

The purpose of this policy is to establish a transitional allowance, formerly called severance, to be paid to Members of the House of Assembly in accordance with the recommendations of the 2024 Members' Compensation Review Committee, as accepted and approved by the Management Commission.

3.0 Applicability

The provisions of this policy apply only to those Members who resigned, died, retired or were defeated on or after April 1, 2024.

Members who resigned, died, retired or were defeated before April 1, 2024 are subject to the policy in effect at that time.

4.0 Transitional Allowance Provisions

4.1 Eligibility

A Member who resigns, retires or is defeated is eligible for transitional allowance.

Upon the death of a sitting Member who is eligible for transitional allowance, the transitional allowance shall be paid to the estate of that Member.

A Member whose seat has been declared vacant by the House of Assembly is not eligible for transitional allowance.

4.2 Definition of Salary

For the purpose of calculating a transitional allowance under this policy, "salary" is defined as 100% of the annual salary of a Member established in Section 11 of the Act.

Other remuneration paid to Members under section 12 of the Act and ministerial salaries are not included in the calculation of a transitional allowance.

4.3 Calculation

Transitional allowance shall be calculated at one months' salary for each year of MHA service, prorated by number of days for part-years of service, with a minimum of 3 months and a maximum of 12 months.

4.4 Payment

Transitional allowance shall be paid in no more than two installments in the fiscal year in which the Member resigns, dies, retires or is defeated.

5.0 Breaks in Service

Where a Member is re-elected following a break in service as an MHA, that Member's prior service as an MHA for which transitional allowance or severance has already been paid shall not be counted towards years of service for any future transitional allowance.

The Member shall be considered as commencing their first general assembly, regardless of how many general assemblies in which they have previously served.

6.0 Career Counselling, Training and Education

6.1

A Member who resigns, retires or is defeated is entitled up to \$2,500 (plus tax), with receipts, for career counselling, training and education, under the following conditions:

- The Member must have served at least one general assembly; and
- The career counselling, training and education must be availed of within one year after the departure date of the Member.

This benefit is not available to the estate of a sitting Member who dies or a Member whose seat has been declared vacant.

6.2

For the purpose of this section, “general assembly” means the period of time during which the House of Assembly exercises its powers, from the Speech from the Throne in the first session of the General Assembly to the dissolution of that assembly.