



House of Assembly

Severance Policy for Members of the House of Assembly

December 2017

Table of Contents

1.0 Introduction

2.0 Purpose

3.0 Applicability

4.0 Member's First Elected Before November 30, 2015

5.0 Member's First Elected On/After November 30, 2015

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 severance for Members of the House of Assembly.

2.0 Purpose

The purpose of this policy is to establish guidelines to ensure that severance paid to Members of the House of Assembly is done in accordance with the parameters accepted and approved by the House of Assembly Management Commission.

3.0 Applicability

The severance provisions outlined in **Section 4.0** of this policy apply only to those Members who were **first elected before** November 30, 2015.

The severance provisions outlined in **Section 5.0** of this policy apply only to those Members **first elected on or after** November 30, 2015.

3.1 Breaks in Service

If a Member is re-elected following a break in service, prior service for which severance has already been paid is not counted towards years of service for future severance. The Member shall be considered as commencing his/her first General Assembly, regardless of how many Assemblies he/she may have served previously.

4.0 Members First Elected Before November 30, 2015

4.1 Eligibility

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

4.2 Definition of Salary

For the purpose of calculating severance under this section, salary is 81.2% of the Member's gross salary as established in section 11 of the Act. Salaries paid to a Member for occupying a Legislative Office are not included in the calculation of severance.

4.3 Calculation

Severance shall be calculated at one month salary for each year of MHA service and prorated for part of the year's service, to a maximum of 12 months and with a minimum of 3 months.

4.4 Payment

Severance is paid as a lump sum within the same fiscal year of the Member's termination.

5.0 Members First Elected On/After November 30, 2015

5.1 Eligibility

A Member must serve at least 3 years in order to be eligible for severance.

Any Member who is disqualified from being a Member pursuant to Part V of the Act other than the failure to be re-elected or the resignation of his/her seat, is not eligible to receive severance.

5.2 Definition of Salary

For the purpose of calculating severance under this section, severance is based on the salary payable to a Member as established in section 11 of the Act. Salaries paid to a Member for occupying a Legislative Office are not included in the calculation of severance.

5.3 Calculation

Severance shall be calculated as follows:

- If the Member's service ends at the conclusion of his/her 1st General Assembly, 20% of the Member's salary is payable as severance;
- If the Member's service ends at the conclusion of his/her 2nd General Assembly, 50% of the Member's salary is payable as severance;
- If the Member's service ends at the conclusion of his/her 3rd General Assembly or thereafter, a maximum of 75% of the Member's salary is payable as severance.

If a Member's service ends prior to the end of an Assembly, the severance will be pro-rated for the years of service.

5.4 Deductions

Severance benefits paid to a Member from any other government source including, but not limited to, severance benefits paid by Executive Council (e.g. the receipt by a Minister of payment upon leaving a Ministerial office and an extended car allowance) shall be deducted from the severance payable to an MHA from the House of Assembly.

The overall severance from all sources must not exceed the maximum severance payable pursuant to subsection 5.2 of this policy.

5.5 Payment

Severance shall be paid monthly during the transition period.

5.6 Cessation

Severance benefits shall cease if, during the **transition period***, a Member:

- a. is eligible to receive a pension sponsored by the Government of Newfoundland and Labrador during the transition period;
- b. obtains fulltime employment with the public sector;
- c. is appointed a provincial or federal judge;
- d. is appointed to the Senate of Canada;
- e. is elected as a Member of the House of Commons;
- f. is appointed Lieutenant-Governor of Newfoundland and Labrador;
- g. is appointed Governor General of Canada.

*The Member may select a **transition period** that is **not less than 3 months**, and **not greater than 12 months**.

Members will be required to sign an affidavit declaring their responsibility to notify the Legislature should one of the above occur during the transition period.