



Newfoundland &  
Labrador

## HOUSE OF ASSEMBLY MANAGEMENT COMMISSION

### DIRECTIVE

Directive Number: 2011-007

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| <b>Effective Date:</b> June 13, 2011  | <b>Commission Minute:</b> CM 2011-026                                    |
| <b>Subject:</b><br>Severance Pay for Members of the House of Assembly   | <b>Reference:</b><br>HOAMC Meeting: June 7, 2011<br>Agenda Item: Tab # 7 |
| <b>Issued To:</b><br>All 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; Office Managers of Government Caucus, Official Opposition Caucus, NDP Caucus; Assistant Deputy Clerk, Executive Council; Director of Operations, Office of the Premier. | <b>Contact:</b><br>Marlene Lambe<br>Chief Financial Officer<br>729-2923  |

### BACKGROUND

Under the *House of Assembly Accountability, Integrity and Administration Act*, a Member's indemnity, including the former tax-free allowance, was converted to a fully taxable salary which resulted in an increase in gross salary while net take-home salary remained the same.

Effective July 1, 2007, in keeping with recommendation # 62 of the Green Report, severance benefits are calculated based on 81.2% of current gross salary to ensure that a Member does not receive greater benefits than the Member would have been entitled to under the former pay structure.

The *House of Assembly Accountability, Integrity and Administration Act* also established the Members' Compensation Review Committee to address such benefits as severance pay, pension and salaries. The current provisions for the payment of severance to an MHA remain unchanged until a review by the next appointed Members' Compensation Review Committee to be established no later than the Spring of 2012.

### DIRECTIVE

The Commission directed that severance benefits for Members are calculated and paid based on 81.2 % of gross Member salary as established by s. 11 (1) of the *House of Assembly Accountability, Integrity and Administration Act*.

William MacKenzie  
Clerk of the House of Assembly