

Independent Commission to Review Members' Compensation and Benefits

TERMS OF REFERENCE

Pursuant to Section 35.1 of the *Legislative Assembly and Executive Council Act*, within one year after the polling day for a general election, the Speaker, on the recommendation of the Board of Management, shall establish an independent commission and appoint as its members three individuals who are independent, neutral, and knowledgeable.

The last comprehensive review of Members' compensation and benefits occurred in 2017 with a report tabled on October 11, 2018. The recommendations from this report resulted in a number of changes to legislation, regulations and Board of Management policies.

1. PURPOSE

The Commission shall:

- 1) Review and assess the indemnities, additional indemnities, allowances, expenses and benefits provided to Members to determine the adequacy and appropriateness of the amounts provided by way of:
 - *Legislative Assembly and Executive Council Act*;
 - *Indemnities, Allowances and Expense Regulations*;
 - *Legislative Assembly Retiring Allowances Act*;
 - *Supplementary Retiring Allowances Act*;
 - Board of Management Policies
- 2) Review and assess specific items referred to the Commission by the Board of Management;
- 3) Review and assess the reporting requirements and procedures for Members' expenditures to determine the level of accountability acceptable to the public,
- 4) Review any other matter that the Commission considers relevant respecting the compensation, allowances, and benefits provided to all Members and Ministers, and;
- 5) Provide to the Speaker a report setting out any recommendations for change that the Commission determines should be made to Members' indemnities, allowances, reimbursements, and other benefits.

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2. GUIDING PRINCIPLES

- 1) No Member should seek to serve in public office for purely financial gain. Although reasons may vary considerably, the underlying motivation for election must be to serve and improve the well-being of the people of the Northwest Territories.
- 2) The system of remuneration must be transparent, open, and provide an easy-to-understand system of remuneration to the Members of the Legislative Assembly, while providing a high degree of accountability to the people they serve.
- 3) Remuneration packages, particularly with respect to living, travel and transportation costs, need to be sensitive to the regional differences of job-related expenses in order to ensure these factors do not become prohibitive for any Member to represent their constituents.
- 4) The requirement to be available and accountable 24 hours a day, seven days a week, coupled with the lack of job security associated with an election every four years, ensures that only certain individuals can consider running for public office. A position of such importance in our democratic system, with such wide-ranging responsibility, should be fairly compensated in order to attract qualified and committed individuals.

3. COMPOSITION

The Commission shall consist of three individuals who are independent, neutral, and knowledgeable. Preferably, the Commission shall consist of a former Member, a professional with relevant financial or legal designations and experience, and an interested member of the public. Appointment to the Commission will also take into account regional representation within the NWT.

The Speaker, on the recommendation of the Board of Management, shall appoint one of the three Commission Members to serve as Chair.

4. RESPONSIBILITIES

The Commission will be responsible for:

- 1) Collecting and analyzing research materials from previous Commissions, other legislative jurisdictions and positions of comparable responsibility within the public and private sectors.

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- 2) Seeking public input and soliciting Members submissions.
- 3) Reviewing and making recommendations on the following areas of Members' remuneration or any other areas the Commission considers relevant, including, but not restricted to:
 - Indemnities Payable to Every Member;
 - Indemnities Payable to Office Holders;
 - Taxable Allowance for Expenses;
 - Constituency Work Expense Allowance and Permissible Expenditures;
 - Constituency Assistants;
 - Duty Travel & Meals;
 - All Travel Allowances;
 - Northern Living Allowance;
 - Leave and Vacation Allowance;
 - Transition Allowance;
 - Pension & Benefits Entitlements;
 - Telecommunications & Computer Equipment Allowances;
 - Acquisition of Office Inventory Items on Expiry of Office;
 - Capital Accommodation and Furniture Allowances;
 - Constituency Assistant Compensation and Benefits;
 - Automatic Adjustment to All Allowances; and
 - Specific Items Referred by the Board of Management.

5. REPORT

The Commission shall, within ten months after the day the Commission is established:

- 1) review the indemnities, allowances and reimbursements for expenses payable, and any other benefits available, to members and to members holding offices; and
- 2) provide to the Speaker a report setting out any recommendations for changes that the commission determines should be made to the indemnities, allowances, reimbursements and other benefits.

6. FINANCE AND ADMINISTRATION

The Clerk of the Legislative Assembly will provide administrative services and support to the Commission as required. The Commission may seek the assistance of consultants to provide it with advice and analysis and to ensure an arm's-length relationship with the Legislative Assembly.

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The Speaker, on the recommendations of the Board of Management, will approve funding for the Commission. The Commission will ensure expenditures do not exceed the allotted funds.

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7. REMUNERATION

The Speaker, on the recommendations of the Board of Management, may approve honoraria and reasonable expenses to attend meetings for Members of the Commission, including the Chair.

8. TERMINATION

The appointment of an individual to the Commission terminates on the earliest of:

- (a) six months after the day on which the report is laid before the Legislative Assembly under subsection (3);
- (b) the day the Legislative Assembly is dissolved or the session is prorogued prior to the report being considered; or
- (c) the day the appointment is revoked or otherwise terminated.