

Honourable Danielle Barkhouse
Speaker of the Nova Scotia House of Assembly
Province House, PO Box 1617
1726 Hollis Street, Halifax, NS B3J 2Y3

February 14, 2025

Dear Madam Speaker:

Pursuant to your mandate letter and subsection 45(1) of the *House of Assembly Action* ("the Act"), we confirm we have reviewed remuneration of Members of the Legislative Assembly (MLA), including salaries, pension, allowances and benefits.

We are confident that these recommendations are based on objective, impartial research and that they reflect a fair and equitable approach to compensating MLAs for the work they are expected to do on behalf of Nova Scotians.

We have attached our final report, with binding and non-binding recommendations for your consideration.

Yours sincerely,



Tracey Taweel
Executive Deputy Minister to the Office of the Premier, Clerk of the Executive Council, Head of the Public Service



Kelliann Dean
Executive Deputy Minister, Finance and Treasury Board and Deputy Minister Growth and Development



Jennifer Glennie, K.C.
Deputy Minister of Justice and Deputy Attorney General

2025 MEMBER OF THE LEGISLATURE REMUNERATION REVIEW: REPORT AND RECOMMENDATIONS

February 14, 2025

The Mandate

We respectfully submit this report and its recommendations as panelists of the Member of the Legislative Assembly (“MLA”) Remuneration Review Panel. We were appointed for this task on December 18, 2024, by the Speaker of the House of Assembly (see Appendix A).

As part of our mandate, we were asked to review MLA compensation and their office budgets. We engaged Deloitte to support this work and their report is attached. (see Appendix B).

Compensation includes salaries and benefits.

There are 55 MLAs in Nova Scotia. They currently earn a base salary of \$89,235 and can enroll in a defined benefit pension. For those who live 100 km from Halifax (“outside members”), they receive a monthly rent allowance of between \$1,499 and \$1,700. MLAs who resign, do not re-offer or are defeated may receive a transition allowance, comprised of a severance payment based on their years of service, and a lump sum of \$7,500 for retraining.

We were also tasked with reviewing the “salary increment,” which is provided to MLAs in leadership positions, including the Premier, Cabinet Ministers, the Speaker and Deputy Speaker of the House of Assembly, and leaders of recognized opposition parties. A salary increment is the amount, above and beyond the base salary, to reflect an MLA’s increased responsibilities. Salary increments range from \$12,500 - \$101,545 depending on the role. Currently, Ministerial Assistants do not receive salary increments; we were asked to explore whether they should. Finally, we were mandated to review the amount provided to MLAs to operate their constituency offices and the salary of Constituency Assistants. Office budgets are currently \$65,448-\$69,948 per year and Constituency Assistant salary, \$49,195-\$67,642.

The Panel

We are public servants. We provide impartial and non-partisan advice to advance the public good. It is a role we take very seriously. Over the course of our careers, we have served governments of all parties represented in the House of Assembly and regularly engage with MLAs at standing committees.

We understand the scope and time commitment of these important roles.

We are also employers. As Deputy Ministers and Executive Deputy Ministers, we approve hiring into the public service within a public sector compensation framework and have a robust understanding of Nova Scotia's labour market conditions.

The Approach

To support our work, we engaged Deloitte to conduct independent research and analysis, beginning with a review of relevant legislation. The key statute, the *House of Assembly Act*, is important in establishing the extent and authority of the recommendations we, the panel, can make.

On compensation and benefits, Deloitte conducted a jurisdictional scan of MLA salaries and salary increments in other provinces; reviewed recommendations from previous MLA remuneration reports, including the 2006, 2014 and 2022 reviews in Nova Scotia; reviewed annual reports of the MLA Pension Plan; and reviewed market data on housing costs in the Halifax area.

On MLA office expenses and Constituency Assistant salaries, Deloitte reviewed MLA expense claims filed with the Speaker's Office and outline the process for which Constituency Assistant salaries are set.

In parallel, we conducted a literature review to better understand if, and to what extent, compensation plays a role in attracting experienced and diverse candidates to elected office. We interviewed Caucus Chairs representing the three parties in the House of Assembly. We also reviewed MLA benefits (see Appendix E) to gauge whether they are comparable to public servants' benefits.

Applicable Legislation

MLA compensation and office budgets are established in legislation or regulations. The following four statutes are most pertinent to our review:

House of Assembly Act

House of Assembly Management Commission Act and Regulations

Members' Retiring Allowances Act

Executive Council Act

CONTEXT AND CURRENT STATE

Past Reports

Our recommendations considered the results of three previous reports by independent panels on this topic, along with an independent analysis conducted by Deloitte and a review of relevant research.

In 2014, a comprehensive review of salaries, expenses and benefits including pensions was carried out. This resulted in amendments to several areas of compensation, but the panel did not recommend an increase to the MLA base salary. At the time, salaries were in line with other jurisdictions across Canada ([link to report](#)).

In 2022, another panel assessed MLA salaries and salary increments for key positions, including the Premier, Minister with portfolio (i.e. a Minister responsible for a particular department or office), Minister without portfolio, Speaker, Deputy Speaker, Leader of the Opposition, and leaders of recognized opposition parties ([link to report](#)). The panel recommended a 12.6% increase to the MLA base salary, which was not implemented.

The reports underscored the critical role compensation packages play in encouraging qualified individuals to consider running for public office. The 2022 report suggested that this is particularly true for underrepresented Nova Scotians.

“For a healthy democracy, the MLA base pay must be sufficient on its own to attract qualified candidates with skills and experience that would benefit the legislative process. “...we must acknowledge the disproportionate costs to individuals from equity-deserving groups and under-represented communities in giving up their earned tenure and seniority in their chosen career with no assurance they will be able to re-enter at the same level they left.”

-2022 Nova Scotia Remuneration Panel Review of MLA Salaries

The reports also highlighted the importance of aligning salaries and expenses with the rising cost of living and providing a Canadian context for comparative analysis.

The 2022 review recommended utilizing the automatic mechanism in the *House of Assembly Act* (subsection 45A(7)), which would see the MLA base salary rise with civil service wages, avoiding future salary gaps for those in elected office. The mechanism was not applied.

Literature Review

Several jurisdictions have conducted reviews of elected official compensation. Of note, is Manitoba in [2024](#), which considered independent reviews including Newfoundland (2024), Nova Scotia (2022), and New Brunswick (2022). Commissioner Michael D. Werier stated that there is “...widespread acceptance amongst independent commissioners or committees who have conducted reviews. They have all concluded that Members must be compensated fairly for the role they play and the duties they perform.”

As part of our review, we also examined articles and studies on compensation for elected officials (see Appendix C). A study referenced by Canadian economist Bret Garner provides a thorough comparison of decision makers’ salaries across the public and private sector and the significant gaps (lesser pay) for provincial elected officials.

Most of the studies the panel reviewed suggest higher pay results in more qualified candidates running for office, and in some cases better results for citizens:

- Salary increases increased the number of highly educated female candidates by approximately 5% (Kotakorpi and Poutvaara 2010). A 20% increase in salaries leads to a 5.3% increase in the share of elected politicians from a high skilled occupation.
- Higher remuneration is associated with increased political performance (Hoffman and Lyons).

- Higher wages not only attract individuals with more education, but also more females and those from white-collar professions (Ferraz and Finan).
- A 33% wage increase attracted more educated candidates and more educated mayors (Gagliarducci, and Nannicini).

Of note, one study (Zale 2018) warned against underpaying elected officials, based on public pressure. The author suggested the unintended consequence is elected office only being open to those wealthy enough to afford it, resulting in potential conflicts of interest and under representation.

The Role of the MLA

Deciding to run for public office often means leaving a full-time position, with a risk that employment as an MLA could be short-lived. Providing a compensation package that addresses some of that risk is key, particularly if society wishes to encourage future generations to consider a career as a publicly elected official.

The following quote was noted in the 2014 review to demonstrate the breadth of MLA responsibilities.

“It is perhaps less well understood that legislative work is only a small portion of what MLAs do. MLAs are expected – and rightly so – to serve the interests of their constituents: those who voted for them and those who did not. MLAs must anticipate demands for new roads or schools or environmental controls and work with government departments to produce results. They are expected – and rightly so – to attend Rotary lunches, charity auctions, school Christmas concerts, supermarket openings and other ribbon cuttings, to be present at the funerals and weddings of people they may hardly know and to listen to demands, rational or irrational, by constituents whose grant applications have been rejected. They are usually double or even triple booked for most weekends in the constituency, having driven for several hours to return from Halifax late on Friday.”

-2006 NS Commission of Inquiry on the Remuneration of Elected Provincial Officials

ADDITIONAL CONSIDERATIONS

The panel interviewed the three Caucus Chairs to understand the perspectives and experiences of MLAs broadly (see interview guide in Appendix D). Several themes emerged from these conversations.

Recruitment and Retention

- Recruiting candidates for elected office is difficult due to the low level of compensation.
- The current level of compensation affects diversity of representation by limiting those interested in public office to people who can afford to take lower compensation or have other financial means.
- Some MLAs have chosen to leave office because of the level of compensation.
- Concern was expressed regarding Constituency Assistant salaries.

Financial Process and Pressures

- The process for reimbursing MLAs for eligible expenses was highlighted. The current process was described as complicated and cumbersome.
- It was noted that MLAs are paying for some expenses out of pocket. In some cases, between \$500-\$1,000 a month is required to fill the gap in current expense thresholds, particularly related to rent for outside members.
- Stipends provided to MLAs for additional roles should be incorporated into salaries and included as pensionable earnings.
- Losing the transition allowance at age 55, was expressed as a concern.

Demands of the Office

- MLAs are expected to be available for constituents “24/7”. Office allowances need to be sufficient to ensure constituents’ requests can be addressed in a timely manner.
- Time away from family was noted as a pressure experienced by members, particularly when the House of Assembly is in session.

RECOMMENDATIONS

Interviews, the literature review, past reports, and jurisdictional information have provided important context and information for the examination of salaries and benefits for elected officials. The table below contains Deloitte's recommendations, the panel's decisions and clarification regarding which recommendations are considered binding pursuant to section 45A of the *House of Assembly Act*.

MLA Base Salary and Additional Increments

Deloitte Recommendation	Panel Recommendation	Definition
Increase the MLA base salary to \$115,000, reflecting the Canadian provincial average and civil service wage increases, retroactive to December 1, 2024.	We agree with this recommendation.	Binding
Increase the total salary of the Premier from \$190,780 to \$275,000.	We partially agree with this recommendation. We have looked at the increase a Minister with portfolio is receiving which is \$39,968 and recommend the Premier receive the same amount. The total recommended salary for the Premier is \$230,748.	Binding
Maintain the additional increment for Ministers with portfolio at 55% of the MLA base salary as it reflects the Canadian provincial average.	We agree with this recommendation.	Binding
Decrease the additional increment for Ministers without portfolio from 55% of the MLA base salary to 35% to align with Canadian provincial average.	We agree with this recommendation.	Binding
Increase the additional increment for Ministerial Assistants from 0% of the MLA base salary to 14% to align with the Canadian provincial average.	We agree with this recommendation.	Non-binding
Maintain the additional increment for the Speaker at 55% of the MLA base salary as it reflects the Canadian provincial average.	We agree with this recommendation.	Binding
Increase the additional increment for the Deputy Speaker from 14% of the MLA base salary to 23% to reflect the Canadian provincial average.	We agree with this recommendation.	Binding
Maintain the additional increment for the Leader of the Opposition at 55% of the MLA base salary as it reflects the Canadian provincial average.	We agree with this recommendation.	Binding
Increase the additional increment for the Leader of any other recognized opposition party from 27% of the MLA base salary to 33% to reflect the Canadian provincial average.	We agree with this recommendation.	Binding
Consistently follow existing legislative provisions and mechanisms for future increases so that the MLA base salary increases align with civil service economic wage increases.	We share Deloitte's concern about stagnating wages. We note that an automatic mechanism is already in legislation and recommend it be applied.	Non-binding

Rent allowance

Deloitte Recommendation	Panel Recommendation	Definition
Make the rent allowance available to MLAs who live 50 km or more from Province House, rather than 100 km or more.	We agree with this recommendation and propose it take effect on April 1, 2025.	Non-binding
Increase the rent allowance from \$1,499 to \$2,100 per month to reflect the average costs of a one-bedroom rental in the Halifax area and additional components.	We agree with this recommendation and propose that it take effect on April 1, 2025. We note that there is an existing mechanism to automatically increase the rent allowance with CPI. It has not been used in recent years. We recommend that it no longer be used. Instead, the House of Assembly Management Commission should consider regularly reviewing the allowance.	Non-binding
Eliminate the additional rent allowance of \$201 per month for Ministers, to reflect the approach in most other provinces.	We agree with this recommendation and propose that it take effect on April 1, 2025.	Non-binding

Pension and Transition Allowance

Deloitte Recommendation	Panel Recommendation	Definition
Make no adjustments to the MLA Pension Plan.	We partially agree with this recommendation. We agree that the fundamentals of the Plan should not change. However, we recommend that all forms of MLA compensation become pensionable, including the roles listed in the <i>House of Assembly Management Commission Regulations</i> (sections 29 and 31).	Non-binding
Make no adjustments to the formula used to calculate the transition allowance.	We agree with this recommendation.	Non-binding
Make no adjustments to the additional allowance for career counselling or retraining.	We agree with this recommendation.	Non-binding
Adjust the transition allowance paid to all MLAs until the age of 65, with a reduction based on all source of income otherwise earned, including pension payments and outside employment.	We agree we this recommendation and further request the Speaker's Office determine implementation.	Non-binding

Constituency Office Expenses and Constituency Assistants

Deloitte Recommendation	Panel Recommendation	Definition of Recommendation
Make no adjustment to constituency office budgets.	We disagree with this recommendation. Instead, we propose that office budgets increase to \$76,506 to align with the national median. This should take effect on April 1, 2025.	Non-binding
Consistently follow existing legislative provisions and mechanisms for future increases so that office budgets increase with CPI.	We note that there is an existing mechanism to automatically increase office budgets with CPI. It has not been used in recent years. We recommend that it no longer be used. Instead, the House of Assembly Management Commission should consider regularly reviewing the allowance.	Non-binding
Eliminate geographic groupings, which provide additional funds to 22 of 55 constituency offices.	We agree with this recommendation as office budgets should be applied consistently.	Non-binding
Make no adjustments to the salary of Constituency Assistants.	We partially agree with this recommendation. We note that, like civil servants, Constituency Assistants are eligible for step increases within their salary band. We encourage the Speaker's Office to ensure this is being applied and consult with the Public Service Commission to request a position evaluation.	Non-binding

Additional Recommendations

Recommended Next Steps for the House of Assembly Management Commission

As noted earlier, we were not mandated to review the positions and processes overseen by the Management Commission, including House Leaders, Whips, Caucus Chairs, and Chairs and Vice Chairs of standing, select, and special committees of the House of Assembly. However, we believe the compensation model and expense reimbursement process would benefit from further review, including a jurisdictional analysis. As a result, we are recommending the Management Commission conduct a review of the current compensation and expense process.

Benefits

We also recommend that other existing benefits available to MLAs remain the same, as they are generally comparable to those provided to the public service.

CONCLUSION

We were honoured to be appointed to the independent panel asked to inquire and report on MLA remuneration. We are confident that these recommendations are based on objective, impartial research and that they reflect a fair and equitable approach to compensating MLAs for the work they are expected to do on behalf of Nova Scotians.

Appendix A - Mandate Letter



The Speaker
House of Assembly
Nova Scotia

Ms. Tracey Taweel
Executive Deputy Minister to the Premier
1700 Granville Street
Halifax, NS B3J 3N7

Ms. Kelliann Dean
Deputy Minister, Finance and Treasury Board
1723 Hollis Street
Halifax, NS B3J 1V9

Ms. Jennifer Glennie
Deputy Minister, Justice
1690 Hollis Street
Halifax, NS B3J 1V7

December 18, 2024

Dear Deputies Taweel, Dean and Glennie,

I am writing to confirm your appointments, pursuant to Section 45A(1) of the House of Assembly Management Act (the "Act"), to make an inquiry and a report respecting MLA remuneration.

Thank you for accepting these appointments. You are all highly respected Deputy Ministers and with your collective 67 years of service to the Province, there is no one who better understands the role, responsibilities and commitment of MLAs to the Province. There is also no one better equipped for this role, given your experience and lens of relativity in looking at compensation packages across government. Finally, I have the utmost respect for your independence and the non-partisan element of your jobs.

It is for these reasons; you are the appropriate individuals to oversee the report on the future of MLA remuneration.

PO Box 1617, Halifax
Nova Scotia, Canada B3J 2Y3
Bus 902-424-5707 Fax 902-424-0632 nslegislature.ca

To support your work and in the interest of time during this transition period, I have taken the liberty of asking Deputy Glennie to engage an outside professional firm to research and prepare a report of MLA remuneration for your consideration. Deloitte Canada, an internationally recognized, independent financial firm will be preparing this report. I have worked with Deputy Glennie on the scope of this report, but should you wish to amend the scope, you are able to do so at your discretion.

Should this committee determine that the Deloitte report is not valuable or relevant, you are empowered to obtain alternative support, pursuant to Section 45A(4) of the Act. The Act requires the delivery of your report no later than 90 days following the date of the election. In this case, that deadline would fall on February 24, 2025. The Act also allows for extensions, should that be necessary. Should you determine that an extension is required, please notify me by January 31, 2025 and we can work together to determine an appropriate timeline.

I appreciate that this is a big ask given the high profile nature of this file and thank you for your tireless contributions to our Province.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Danielle Barkhouse', is positioned above the typed name.

Hon. Danielle Barkhouse
Speaker, Nova Scotia House of Assembly

Appendix B - Deloitte Report



Report on Nova Scotia MLA Remuneration

February 13, 2025

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Background and terminology

Background

In Nova Scotia, Members of the Legislative Assembly (“MLAs”) receive remuneration consisting of several distinct components, including a base salary, a pension, and allowances. Components of this remuneration are evaluated periodically. For 2007 and subsequent years, per the *House of Assembly Act* subsection 45A (1):

“Within sixty days after ordinary polling day in each general election, the Speaker shall appoint three persons to make an inquiry and a report respecting the annual indemnity to be paid to members of the House pursuant to this Act, the salaries to be paid to the Speaker, the Deputy Speaker, the Leader of the Opposition and the leader of any other recognized opposition party pursuant to this Act and the salaries to be paid to members of the Executive Council pursuant to the Executive Council Act.”

The most recent Nova Scotia provincial general election was held on November 26, 2024. Subsequently, on December 18, 2024, the Honourable Danielle Barkhouse, Speaker of the House of Assembly, appointed the following three-person independent panel (the “Remuneration Panel”) pursuant to subsection 45A (1) of the *House of Assembly Act*:

- Tracey Taweel, Executive Deputy Minister to the Office of the Premier, Clerk of the Executive Council, Head of the Public Service;
- Kelliann Dean, Executive Deputy Minister, Finance and Treasury Board, Deputy Minister Growth and Development; and
- Jennifer Glennie, KC, Deputy Minister of Justice, Deputy Attorney General.

Deloitte has prepared this report on MLA remuneration. The mandate and scope of work assigned to Deloitte by the Remuneration Panel involved reviewing multiple components of remuneration for the following roles:

- MLA;
- Premier;
- Minister with portfolio;
- Minister without portfolio;
- Ministerial Assistant;
- Speaker;
- Deputy Speaker;
- Leader of the Opposition; and
- Leader of any other recognized opposition party.

The following components of remuneration were analyzed, and recommendations to the Remuneration Panel on suggested adjustments (if and where applicable) to each were developed:

- Salaries;
- Rent allowance;
- Pensions;
- Transition allowance;
- Constituency office costs; and
- Constituency assistant salaries.

Definitions and terminology

Throughout this document, the term “elected officials” is used frequently, as comparative analysis considers the role equivalent to MLA in each jurisdiction as per the following:

- Members of the Legislative Assembly (MLAs) in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, and Nova Scotia;
- Members of the House of Assembly (MHAs) in Newfoundland & Labrador;
- Members of Provincial Parliament (MPPs) in Ontario;
- Members of the National Assembly (MNAs) in Quebec; and
- Members of Parliament (MPs) serving Canada at the federal level.

Similarly, comparative analysis considers the role equivalent to “Ministerial Assistant” in each jurisdiction as per the following¹:

- Ministerial Assistants in Nova Scotia;
- Parliamentary Secretaries in Newfoundland & Labrador, Ontario, Alberta, and British Columbia;
- Legislative Secretaries in Saskatchewan; and
- Legislative Assistants in Manitoba.

In the context of this document, the term “remuneration” refers holistically to the monetary components included in this review (i.e., base salaries, rent allowance, pensions, transition allowance, constituency office costs, and constituency assistant salaries). The terms “salary” or “base salary” refer solely to the base amounts elected officials receive, and do not include other components of remuneration unless specified.

The term compound annual growth rate (“CAGR”) is also used in this document. The CAGR is a valuable metric for assessing a consistent annual growth rate over a specified period.

¹ New Brunswick and Quebec currently do not have a role equivalent to ‘Ministerial Assistants’.

Methodology and approach

Data sources

The research, analysis, and recommendations herein are based upon publicly available data and information at the time of writing. Sources consulted included, but were not limited to:

- Relevant Nova Scotia legislation and regulations, such as the *House of Assembly Act*, *House of Assembly Management Commission Act*, and *Members' Retiring Allowances Act*, and comparable equivalents in other jurisdictions;
- Policy manuals and reference guides (e.g., House of Commons Members' Allowances and Services Manual, Nova Scotia Members' Compensation, Expenses, and Constituency Administration Manual);
- Pension plan documentation (e.g., annual reporting, guides for members) published on corresponding plan websites;
- Other documentation available via legislative websites and libraries;
- Past reports from previous reviews of remuneration for elected officials (e.g., 2022 Report of Nova Scotia Remuneration Review Panel, Newfoundland & Labrador Members' Compensation Review Committee 2024);
- Nova Scotia MLA monthly expense claim data (posted on the Nova Scotia Legislature website);
- Current and historical rent data published by the Canada Mortgage and Housing Corporation (CMHC) via the Housing Market Information Portal (e.g., Primary Rental Market Statistics);
- Market research reports on commercial real estate; and
- Statistics Canada ("StatsCan") data products.

Analysis method

Qualitative and quantitative comparisons of Nova Scotia and its jurisdictional peers form the bulk of the analysis, and corresponding recommendations contained herein. Focused comparative analysis was performed for each major component of elected officials' remuneration, i.e., salaries, rent allowance, pensions, transition allowance, constituency office costs, and constituency assistant salaries.

Given that the role of an MLA (and its equivalents in other jurisdictions) is unique in the labour market, and that there is a relatively small cohort of these officials across Canada, all Canadian provinces² (e.g., rather than a smaller subset) were considered as part of this comparative analysis.

² Prince Edward Island and the territories were excluded from analysis given their size relative to other jurisdictions examined.

Based on sound remuneration practices, recommended salaries or increments were never decreased from current levels, i.e. recommendations would not be made to compensate a role at a level below what they are compensated today.

In addition, the StatsCan intercity price index (where a value of 1.00 represents the national average cost of living) value for Halifax of 0.98 suggests that the city's cost of living is 98% of the national average, and therefore comparable overall to other cities in Canada. Because cost-of-living differences in Halifax relative to provincial comparators are minimal, examining all provinces rather than a smaller subset based on size or population is warranted.

For additional clarity, subsequent references in this document to the "Canadian average" or "provincial average" include all Canadian provinces, excluding Nova Scotia (to enable comparative analysis) and Prince Edward Island and the territories (given small sizes relative to other jurisdictions examined). In some cases, remuneration components for Canadian MPs, and Halifax Regional Municipality (HRM) City Councilors are included for additional comparative purposes (given proximity, and to enable comparisons across levels of government).

MLA salaries

Introduction

The MLA base salary in Nova Scotia of \$89,235³ has remained unchanged since January 1, 2013. The last remuneration review was completed on July 15, 2022, following the previous review conducted in 2014. The 2014 review advised that all elements of MLA remuneration should stay at their 2013 base levels. In contrast, the 2022 review recommended that the base salary payable to all MLAs should be increased from \$89,235 to \$100,481, representing a 12.6 per cent increase. The recommendations from the 2022 review were not implemented.

All jurisdictions, including Nova Scotia, have legislative provisions in place to automatically adjust MLA salaries on an annual or periodic basis. Despite having a mechanism for salary increases within the *House of Assembly Act*, Nova Scotia has not raised the MLA base salary for more than a decade.

Comparative analysis

This analysis focuses on the base salary for MLAs, and the incremental amounts paid to those elected members who take on additional roles.

Table 1 Current Roles and Salary/Increment

Role	Current Salary/Increment	Percentage of MLA Base Salary ⁴
MLA Base Salary	\$89,235	-
Minister with portfolio	\$49,047	55%
Minister without portfolio	\$49,047	55%
Ministerial Assistant	\$0	0%
Speaker	\$49,047	55%
Deputy Speaker	\$12,500	14%
Leader of the Opposition	\$49,047	55%
Leader of any other recognized opposition party	\$24,523	27%

To ensure Nova Scotia MLA salaries are comparable to those across Canada, the annual salary for Nova Scotia MLAs was compared to the average MLA salary across Canada (excluding Prince Edward Island and the Territories, as noted above) as shown in Table 2.

³ Rounded to the nearest dollar.

⁴ Rounded to the nearest whole percentage point.

Table 2 Elected Officials' Annual Base Salary Across Jurisdictions, December 2024

Role	NS	NL	NB	QC	ON	MB	SK	AB	BC	Avg. (excl. NS)
MLA Base Salary	\$89,235	\$95,357	\$93,126	\$131,766	\$116,550	\$106,603	\$109,576	\$120,936	\$119,533	\$111,681
Year of Last Adjustment	2013	2017	2024	2024	2008	2023	2023	2019	2024	N/A

Nova Scotia offers the lowest MLA base salary of all provinces. The average MLA salary across Canadian provinces is \$111,681, with a significant range of \$42,531 from lowest to highest.

It is important to note that most jurisdictions have increased their base salaries within the past two years; however, three jurisdictions (Newfoundland & Labrador, Ontario, and Alberta) have not had increases in five years or more. Additionally, Saskatchewan, Manitoba, Alberta⁵, British Columbia, and Quebec have all followed their automatic mechanisms for salary adjustments.

Table 3 Executive Council Member Role Increments (Percentage of Base Salary)

Role	NS	NL	NB	QC	ON	MN	SK	AB	BC	Avg. (excl. NS)
Minister with portfolio (% of base salary)	55%	51%	67%	75%	42%	55%	51%	50%	50%	55%
Minister without portfolio (% of base salary)	55%	N/A	50%	N/A	19%	46%	N/A	23%	35%	35%
Ministerial Assistant (% of base salary)	0%	0%	N/A	20%	14%	5%	15%	0%	15%	14%
Speaker (% of base salary)	55%	51%	67%	75%	31%	55%	51%	50%	50%	54%
Deputy Speaker (% of base salary)	14%	13%	33%	35%	15%	11%	17%	25%	35%	23%
Leader of the Opposition (% of base salary)	55%	51%	70%	75%	55%	55%	51%	50%	50%	57%
Leader of any other recognized opposition party (% of base salary)	27%	26%	50%	35%	36%	46%	25%	23%	25%	33%

In terms of increments for the roles listed above, Nova Scotia differs from the provincial average for Minister without portfolio, Ministerial Assistants, Deputy Speaker, and the Leader of any other recognized opposition party by (+/-) five percentage points. Ministerial Assistants in Nova Scotia have not received an increment since the position was originally established via an amendment to

⁵ The Legislative Assembly of Alberta has not increased its annual compensation since its reduction in 2019. However, the Province continues to observe its automatic mechanism.

the *Executive Council Act* assented to on November 5, 2009.

Mechanism for future increases

As mentioned previously, all jurisdictions have mechanisms in place to increase elected officials' salaries regularly. In Nova Scotia, a legislative mechanism exists to annually adjust MLA base salaries and additional amounts in line with any increases in civil service pay. This mechanism is outlined in subsection 45A (7) of the *House of Assembly Act*:

"In each subsequent year on January 1st, the annual indemnity and salaries shall be increased by the percentage increase in salary provided to civil servants for the current fiscal year."

Table 4 Mechanisms for Future Increases in Canadian Provinces

Province	Definition	Is the mechanism being used?
NS	Annual increases tied to the percentage increase in salary provided to civil servants for the current fiscal year.	No
NB	Adjusted by the percentage change, if any, provided for in the Management and Non-union Pay Plan of Part 1 of the Public Service.	No
NL	Compensation review committee recommendation and bill amendment.	No
SK	Annual – on April 1 of each year, compensation is increased or decreased by the annual change in the CPI for Saskatchewan, to a maximum of 3% and a minimum of 0%.	Yes
MB	The Legislative Assembly Management Commission appoints a Commissioner to decide on the appropriate salary, allowances and retirement benefits.	Yes
BC	Members' Remuneration and Pensions Act - increased on April 1 of each year in accordance with the CPI for BC for the preceding calendar year.	Yes
AB	Annual – determined by Members' Services Committee.	Yes
ON	The Integrity Commissioner appointed under the Members' Integrity Act, 1994 shall, at such intervals as he or she considers appropriate, review the salary paid to members under subsection (1) and determine the appropriate salary.	No
QC	Annual – increased by any amount equal to any increase in the maximum rate of the salary scale of holders of a level 4 senior position.	Yes

There are three different types of mechanisms for increase observed across Canadian provinces:

1. Annual adjustments based on civil service agreements and/or other guidelines in Nova Scotia, New Brunswick, Alberta, and Quebec;
2. Annual adjustments based on changes in the Consumer Price Index (CPI) in Saskatchewan⁶ and British Columbia; and

⁶ Saskatchewan amended its formula in 2023 to cap the increase at 3%, despite the CPI measurement indicating a 6.8% pay raise.

- Review processes resulting in reports and recommendations for salary adjustments in Newfoundland & Labrador, Ontario, and Manitoba.

The Nova Scotia mechanism for increase is aligned with automatic mechanisms seen across Canadian provinces. Of the Canadian provinces, Nova Scotia, New Brunswick, Newfoundland & Labrador, and Ontario do not consistently observe the legislative mechanisms for future increases.

Recommendations

MLA base salary

Table 5 – Nova Scotia MLA Salary Recommendation

Role	MLA Current Base Salary	2024 Provincial Average (excl. NS)	Indexed to December 1, 2024	Recommendation for NS
MLA Base Salary	\$89,235	\$111,681	+3% (<i>NS civil service increase</i>)	\$115,000

It is recommended that Nova Scotia increase its MLA base salary to \$115,000, which reflects the Canadian provincial average indexed to December 1, 2024 (rounded to the nearest \$100). This represents a 29% increase overall and a CAGR of 2.1% from 2013 to 2024.

When considering the implementation of this recommendation, per subsection 45A (6) of the *House of Assembly Act*, recommendations within this report, if accepted by the Remuneration Panel, are effective retroactively to December 1, 2024.

The Province may wish to consider whether this increase should be implemented as a one-time measure, or gradually over multiple years. Based on Deloitte's experience, adjustments of more than 10% are regarded as significant, and are often phased over multiple years. However, we note that it is rare for organizations to have wage freezes for a decade, which may influence the relevance of such comparatives.

Regardless of which approach the Province pursues, it is recommended that the existing legislative provisions and mechanisms for future increases are followed consistently. Given that the Nova Scotia mechanism for increase is consistent with other automatic mechanisms observed across Canadian provinces, it is recommended to retain and utilize subsection 45A(7) of the *House of Assembly Act*. In turn, it is recommended that the Nova Scotia MLA base salary of \$115,000 be adjusted on January 1, 2026, and every subsequent year, according to the percentage adjustments in civil service pay.

We further recommend that the legislative increases in 45(7) of the *House of Assembly Act* remain, and that consideration be given to additional measures to ensure that the legislative provisions are not overridden, other than under extraordinary circumstances.

Additional increments

Table 6 Executive Council Roles and Recommended Incremental Remuneration

Role	Current Increment (% of base salary)	Average across provinces (% of base salary)	Recommendation
Minister with portfolio	55%	55%	55%
Minister without portfolio	55%	35%	35%
Ministerial Assistant	0%	14%	14%
Speaker	55%	54%	55%
Deputy Speaker	14%	23%	23%
Leader of the Opposition	55%	57%	55%
Leader of any other recognized opposition party	27%	33%	33%

It is recommended that the percentage increments for the roles of Minister with portfolio, Speaker, and Leader of the Opposition remain unchanged as they are currently within (+/-) two percentage points of the Canadian average. In contrast, increments for the positions of Minister without portfolio, Ministerial Assistant, Deputy Speaker, and Leader of any other recognized opposition party are (+/-) five percentage points away from Canadian average. It is therefore recommended that the increments for each of these roles be changed to the Canadian average. We note that this represents a decrease for the Minister without portfolio. We further note that this may appear contrary to compensation best practice described in the approach section of this report whereby recipients should not be compensated at a level below what they are compensated today. However, as there are no Ministers without portfolio with the Government of Nova Scotia, no individuals would be negatively impacted by this recommendation.

Premier salary

The role of Premier is unique. Most Provinces have not undertaken a fulsome review of the compensation for the Premier, with the exception of Quebec, which increased the Premier's salary from \$208,200 to \$270,120 in 2023. The salary of the Premier of Nova Scotia is currently \$190,780, consisting of the current MLA base salary of \$89,235 and an increment of \$101,545.

Nova Scotia has a history of recognizing the unique role of the Premier. In 2006, the Commission of Inquiry on the Remuneration of Elected Officials recommended that the Premier, as the most senior executive in the legislative process, be paid equivalent to the most senior executive position in the judiciary system – the Chief Judge of the Province of Nova Scotia. Those recommendations were largely implemented.

Since 2006, the remuneration of the Chief Judge of the Province of Nova Scotia has increased and is currently approximately \$333,500. This is nearly 75% more than the Premier's current salary.

To address the imbalance, there is a range of options the Panel could consider:

- Maintain the Premier increment at the present level of \$101,545, relying on the proposed MLA increase to address the imbalance. This would result in the Premier having a total salary of \$216,545.
- Set the Premier's total salary as equivalent to the salary of the Chief Judge of the Province of Nova Scotia, which is currently approximately \$333,500.

In the view of Deloitte, a total salary of \$216,545 is inadequate for the role of the Premier as the head of government. Equating the most senior leadership roles of different branches of government, as outlined by the 2006 Commission, has merit. However, given the significant range in the resulting salary based on the differing options, one common approach in recommending compensation is to select a midpoint, which equates to a salary for the Premier of Nova Scotia of approximately \$275,000. This would put the Premier of Nova Scotia's salary within the same range as the Premier of Quebec.

Implications of recommendations

The implications of implementing these recommendations to the total salary for each role are shown in the table below.

Table 7 Implications of Recommendations

Role	Total Current Salary	Total Recommended Salary
MLA Base Salary	\$89,235	\$115,000
Premier	\$190,780	\$275,000
Minister with portfolio	\$138,282	\$178,250
Minister without portfolio	\$138,282	\$155,250
Ministerial Assistant	\$89,235	\$131,100
Speaker	\$138,282	\$178,250
Deputy Speaker	\$101,735	\$141,450
Leader of the Opposition	\$138,282	\$178,250

Role	Total Current Salary	Total Recommended Salary
Leader of any other recognized opposition party	\$113,758	\$152,950

Rent allowance

Introduction

In addition to base salaries for elected officials, jurisdictions across Canada typically provide a rent allowance (also referred to as a “living allowance” or “accommodation allowance”) to cover rent and other related living expenses (e.g., utilities, parking, tenant’s insurance)⁷. In Nova Scotia, subsection 27(1) of the *House of Assembly Management Commission Regulations* specifies that an “outside member” is entitled to be reimbursed up to \$1,499 per month for accommodation expenses in the Halifax-Dartmouth metropolitan area. This is also referred to as the “Outside Member Living Allowance”.

It is of note that Nova Scotia has an existing legislative mechanism for future increases to this allowance. As specified in the *House of Assembly Management Commission Regulations* subsection 52(1), the allowance is intended to be increased annually, on April 1st of each year, by CPI for Nova Scotia or core CPI for Canada (whichever is lower), for the previous year. However, despite the existence of this mechanism, the allowance in Nova Scotia has not been increased since 2011.

Comparative analysis

Across Canadian jurisdictions, eligibility for these allowances is typically defined based on either a kilometric travel distance, or a geographic proximity to the corresponding legislative building and/or city, defined qualitatively rather than via a precise distance. For example, the Nova Scotia *House of Assembly Act* defines an outside member as “a member of the House who is ordinarily resident more than one hundred kilometres from the place where the House ordinarily sits”.

Table 8 Rent Allowance Eligibility Definitions

Jurisdiction	Eligibility Definition
NS	"A member of the House who is ordinarily resident more than one hundred kilometres from the place where the House ordinarily sits."
NL	"Commuting distance from the Member's permanent residence to the Capital region must be at least 60 kilometres. "
NB	"...if the member's residence is greater than 50 kilometres from Fredericton. "
QC	"...principal residence is located outside the territory constituted by that of the city of Québec and the electoral districts contiguous to the territory of that city or, (for Members with principal residences within the electoral district of Charlevoix–Côte-de-Beaupré) at a distance, by the shortest land route, of more than 50 kilometres from the Parliament Building."

⁷ Note - for additional clarity, in most jurisdictions, this allowance is handled separately from travel expense allowances.

Jurisdiction	Eligibility Definition
ON	"A member of the Assembly whose principal residence is more than 50 kilometres from the seat of government at Toronto... "
MB	"Members ... whose residences in their constituencies are further than 50 kilometres from the Legislative Building... "
SK	"Every Member who represents a constituency wholly outside the city of Regina... "
AB	"Member's permanent residence is located 60 kilometres or more by primary highway from the Legislature Building..."
BC	"Members whose primary residence is located 40km or more by road or ferry from the Legislative Precinct."

In analyzing the definitions shown in Table 8, it could be argued that Nova Scotia has the strictest criteria of all jurisdictions: it specifies a precise physical location (rather than broadly referring to a city or geographic catchment), and measures proximity based on a travel distance of at least 100 kilometres (where most other provinces range between 40 and 60 kilometres).

Table 9 below summarizes comparative analysis of rent allowances across jurisdictions. Given that both Newfoundland & Labrador and New Brunswick pay nightly allowance rates that are tied to the number of legislative sitting days and/or committee days (i.e., rather than a flat monthly rate), these jurisdictions were not considered in comparing the value of the Nova Scotia rent allowance against other Canadian jurisdictions. Additionally, though not shown in Table 9, a small subset of jurisdictions provides an additional increment for Ministers: \$201 per month in Nova Scotia, \$250 per month in Quebec⁸, and \$1,000 per year in Ontario.

Table 9 Rent Allowances

	NS	QC	ON	MB	SK	AB	BC
i. Base Allowance	\$1,499	\$1,583	\$2,438	\$1,410	\$1,520	\$2,200	\$2,110
ii. Date of Most Recent Increase in Base Allowance	April 1, 2011	April 1, 2024	June 1, 2024	April 1, 2024	April 1, 2024	April 1, 2025 (recommended)	April 1, 2024
iii. Average One-Bedroom Rent in Provincial Capital⁹	\$1,619	\$997	\$1,715	\$1,179	\$1,185	\$1,237	\$1,528
iv. Allowance Dollars Above Average Rent	\$(120)	\$586	\$723	\$231	\$335	\$963	\$582

⁸ Applies only to certain elected officials (e.g., Premier, Speaker, opposition leaders).

⁹CMHC Primary Rental Market Statistics, October 2024.

Per row iv in Table 9 above, all other jurisdictions provide a rent allowance that exceeds the average one-bedroom rent in the city where the corresponding legislative building is located, therefore leaving room to cover additional living expenses such as utilities, parking, and tenant's insurance. Nova Scotia is an outlier in that, despite having the second-highest average rent across provinces (per Table 9), its current allowance does not cover average rent, and the allowance has not been increased in the past 12 months. Notably, at the time of the last increase in Nova Scotia, the average one-bedroom rent in Halifax was \$934¹⁰ – amounting to a difference of \$565 to cover additional living costs beyond rent. Research into typical parking and utilities costs for downtown Halifax in 2024 suggests an average range of \$400-500 for these components in total.

Recommendations

Eligibility for rent allowance

To align with the average distance in other Canadian provinces, it is recommended that subsection 2(1) (ea) of the *House of Assembly Act* be amended to read as follows:

““outside member” means a member of the House who is ordinarily resident more than fifty kilometres from the place where the House ordinarily sits.”

Base rent allowance

It is recommended that Nova Scotia increase its rent allowance to cover average one-bedroom rent (i.e., \$1,619 at the time of writing), plus room for additional components (i.e., \$500 to cover utilities and parking expenses), for a rounded total of \$2,100 per month. In addition, to align with most other provinces, it is recommended that the additional increment for Ministers currently provided in NS be eliminated.

To align with the existing legislative mechanism for annual increases to this allowance (i.e., *House of Assembly Management Commission Regulations* subsection 52(1)), it is recommended that this change be made effective April 1, 2025. In addition, to support sustainable long-term implementation and reduce the need for large one-time increases like the recommendation above, it is recommended that, beginning in 2026, and for each subsequent year, Nova Scotia consistently follows the existing legislative mechanism for increase on an annual basis. Consideration should also be given to additional measures to ensure that this legislative provision is not overridden, other than under extraordinary circumstances.

¹⁰CMHC Rental Market Survey, October 2011, Peninsula (South).

Pensions

Introduction

Per the Nova Scotia *Members' Retiring Allowances Act*, MLAs receive a pension as part of their total remuneration. Providing a pension to elected officials is standard across jurisdictions examined in this report (including provinces and municipalities). However, there is considerable variation in the overall design and eligibility of these pensions relative to each other, with perhaps the most prominent difference being defined benefit ("DB") versus defined contribution ("DC") retirement plans:

- **Defined Contribution ("DC")** requires employees and/or employers to contribute a fixed amount or percentage of the employee's salary to an individual account, with the retirement benefit based on the account's investment performance.
- **Defined Benefit ("DB")** promises a specified monthly benefit upon retirement, typically based on factors such as salary history and years of service. While the employee may be required to contribute at a specified rate, the ultimate cost of providing the promised benefit is borne by the employer regardless of the investment performance of any underlying assets.

For the past decade plus, many private sector organizations have been moving away from DB plans towards DC plans. This is due to the global trend to limit risk exposure and exposure to potential fluctuating regulatory costs and account impacts to plan sponsors, who bear essentially all financial risk in a DB plan. Today in Canada, DB plans for current service are almost exclusively found in the public sector.

Comparative analysis

To qualitatively analyze the relative value of pensions for elected officials across Canadian jurisdictions, the framework below was developed and applied to publicly available data gathered on these pension plans. Plans were analyzed across the following four categories, which are based on key pension plan features:


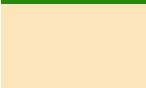

1. **Accrual Formula:** The accrual formula determines the amount of pension benefits an employee earns, based on factors such as years of service, salary, and a specified accrual rate.
2. **Commencement of Benefit Payments:** Benefit payments commence at a normal retirement age, which can differ from plan to plan. Plans may permit retirement before the normal retirement age with reduction, often supported by the employer to ease the transition.
3. **Cost of Living Adjustments:** Cost of living adjustments are periodic increases in pension benefits designed to offset inflation and maintain the purchasing power of retirees' income.

4. **Member Contributions:** Member contributions are the portion of pension funding directly deducted from employees' salaries, which are invested to support future retirement benefits.

Saskatchewan, Alberta, and Ontario were excluded from the analysis shown below in Table 10; they were ultimately considered separately given they do not offer defined benefit ("DB") plans like Nova Scotia. Saskatchewan, which had originally pursued public sector pension reform beginning in the late 1970s¹¹, ultimately transitioned MLAs to a defined contribution plan (the Public Employees Pension Plan) via the *Legislative Assembly Benefits Act* introduced in 2002. While Alberta originally offered pensions to MLAs beginning in 1969, the plan was closed to new members in 1989 (with active participation ending in 1993), and MLAs have not received a pension since. Similarly, Ontario eliminated its existing MPP pension via the *MPPs Pension and Compensation Reform Act, 1996*.

DB plans are often seen as more generous or valuable than DC plans, because they provide predictable, lifetime retirement income, with the employer bearing the investment risk, and often include higher benefit levels and inflation protection. This offers retirees financial security and stability, which can be less certain with DC plans. As such, comparative analysis of the pension component of Nova Scotia MLA remuneration considered only DB plans across jurisdictions examined in preparing this report.

Qualitative 'rankings' were assigned across each analysis category (i.e., items #1-4 in Table 10 below) per the following definitions:

	Good: The pension benefit within this category is good, intended to offer an incremental level of financial security for plan participants.
	Fair: The pension benefit within this category is fair, intended to offer a reasonable level of financial security for plan participants.
	Modest: The pension benefit within this category is modest, ultimately focused upon covering the basic needs of plan participants.

¹¹ <https://www.fraserinstitute.org/commentary/controlling-soaring-public-sector-pension-costs-lessons-saskatchewan-ndp>

Table 10 Pension Analysis

	NS	NL	NB	QC	MB	BC	Canada	HRM
1. Accrual Formula	3.5% Final Average	2.5% Final Average	2% Career Average	4% Career Average	2% Final Average	3.5% Final Average	2.6%/3% Career Average	2% Best Average
2. Commencement of Benefit Payments	Unreduced at 55 6% reduction per year from 50-55	Unreduced at 60 Actuarial equivalent reduction	Unreduced at 65 5% reduction per year from 55-65	Unreduced at 60 2% reduction per year from 50-55 1% reduction per year from 55-60 3% per year before Age 50	Unreduced at Age 60 3% per year from Age 55	Unreduced at Age 65 3% per year from 60-65	Unreduced at Age 65 1% per year from Age 55	Unreduced at Age 65 6% per year from 55-65
3. Cost of Living Adjustments	Plan indexing tied to Funded Status Review CPI or a percentage thereof	No indexing or adjustments	Plan indexing tied to Funded Status Review CPI plus prior increases, if not made	Automatic based on CPI	Plan indexing tied to Funded Status Review Capped at 2/3rds of CPI	No indexing or adjustments	Automatic based on CPI	Ad-hoc at discretion of Pension Committee
4. Member Contributions	10%	9%	Under YMPE¹²: 7.5% Over YMPE: 10.7%	9%	9%	11%	23%	12%
Overall:	Good	Fair	Fair	Good	Fair	Fair	Fair	Fair

Based on the above comparative analysis, the pension provided to Nova Scotia MLAs offers an incremental level of financial security relative to most other jurisdictions that provide a DB pension plan to elected officials. The Nova Scotia MLA pension features an accrual formula and early commencement of benefits whereby benefit amounts exceed those in most other provinces with DB

¹² YMPE refers to "Years Maximum Pensionable Earnings".

pensions, while cost of living adjustments and the member contribution rate for the NS pension are comparable to other DB plans for elected officials. In addition, DB pensions can be considered a uniquely valuable element of remuneration, relative to both the private sector (where DC plans are the norm) and provinces that have moved away from DB plans.

Recommendations

Given that the Nova Scotia plan is a DB pension, and that other key plan features are competitive with, and/or exceed, corresponding benefit amounts in other provincial DB pension plans, it is recommended that Nova Scotia does not make changes to the pension provided to its MLAs at this time.

Transition allowance

Introduction

Per section 40 of the Nova Scotia *House of Assembly Act*, MLAs who are members immediately before the House is dissolved or ended by the passage of time and who either resign, are defeated in the next election, or do not seek re-election, are entitled to a transition allowance. Providing this allowance to elected officials is common across most jurisdictions examined in this report. It is usually referred to as either a transitional allowance, transitional assistance, or severance. This component of elected officials' remuneration typically includes:

- An amount calculated via an **allowance formula** based on earnings (i.e., akin to severance payments) paid as a lump sum and/or installments; and
- An **additional allowance** amount for eligible expenses (often requiring receipts to be submitted) to support career transitions, including counselling, retraining, and education services.

However, there is considerable variation across jurisdictions with respect to both allowance calculation formulas, and the quantum of additional allowance for career counselling and retraining. As a result, there is a range in the overall value of these benefits to eligible elected officials.

Comparative analysis

To analyze the relative value of transition supports for elected officials across Canadian jurisdictions, the allowance formula and additional allowance amounts (as defined above) were considered. Qualitative 'rankings' were assigned across each analysis category (i.e., items #1-2 in Table 11 below).




	Good: The benefit tied to this component of transition allowance is good, intended to offer an incremental level of financial security for recipients.
	Fair: The benefit tied to this component of transition allowance is fair, intended to offer a reasonable level of financial security for recipients.
	Modest: The benefit tied to this component of transition allowance is modest, ultimately focused upon covering the basic needs of recipients.

Table 11 - Transition Allowance Analysis

	NS	NL	NB	QC	ON	MB	SK	AB	BC	Canada
1. Allowance Formula	Min. 3 months' pay, max. 12 months' pay	Based on term of General Assembly ¹³	Max. 6 months' pay	Max. 24 months' pay	Min. 6 months' pay, max. 15 months' pay	Min. 3 months' pay, max. 12 months' pay	Max. 12 months' pay	Max. 6 months' pay ¹⁴	Min. 4 months' pay, max. 15 months' pay	Max. 6 months' pay
2. Additional Allowance	\$7,500	\$2,500	\$5,000	\$1,700	\$7,000	-	\$7,000	\$3,000	\$9,000	\$15,000
Overall:	Good	Fair	Fair	Fair	Good	Fair	Good	Fair	Good	Fair

Based on the above analysis, the transition allowance provided to Nova Scotia MLAs offers a comparable level of financial security relative to other Canadian provinces. The transition allowance in Nova Scotia is based on a formula that is relatively standard across provinces. However, a key area where these formulas differ is in the maximum pay determined via the calculation. While most provinces (including Nova Scotia) provide a maximum of 12 months' pay, others use a more modest formula with a maximum of six months' pay. In contrast, Quebec, Ontario, and British Columbia use approaches that consider either more than 12 months' pay, or a multiplier on base earnings in calculations.

Like the allowance formula, the additional allowance Nova Scotia offers to MLAs to cover eligible expenses for counselling or retraining service is comparable relative to what is offered in other Canadian provinces. Considering that the average amount of additional allowance across provinces (excluding Nova Scotia and those that do not provide this additional amount) is just over \$5,000, Nova Scotia offers an incremental level of financial security specific to counselling and retraining, relative to other provinces.

As a further point of comparative analysis, some jurisdictions have considered the integration between transition allowances and pensions. A choice to integrate a transition allowance (akin to a severance payment) and a pension (a retiring allowance which has been partially funded through contributions by the MLA) combines two different concepts. Some provinces incorporate reductions to a transition allowance with reference to other sources of income, but do not eliminate it entirely. Certain other provinces eliminate the transition allowance if the member is receiving income from other public sources (e.g. other elected offices, employed full time within the public sector).

¹³ If service ends at conclusion of MHA's 1st General Assembly, 20% of annual salary.

If service ends at conclusion of MHA's 2nd General Assembly, 50% of annual salary.

If service ends at conclusion of MHA's 3rd General Assembly, 75% of annual salary.

¹⁴ Transition allowance not currently provided – will be introduced effective April 1, 2025.

Currently, Nova Scotia MLAs are not entitled to receive any transition allowance when they are eligible for an unreduced pension at age 55, regardless of the amount of the pension.

Recommendations

Allowance formula

Given that the approach to calculating transition allowance in Nova Scotia is comparable to most other provinces, and following the rationale applied in other recommendations within this report (i.e., aligning Nova Scotia remuneration components more closely with Canadian averages), it is recommended that Nova Scotia does not make changes to the MLA transition allowance formula at this time.

Additional allowance

Given that this remuneration component in Nova Scotia is competitive with, and/or exceeds, corresponding amounts in other provinces, it is recommended that Nova Scotia does not make changes to the additional allowance for counselling and retraining at this time.

Relationship with other income

Given that a transition allowance is intended to provide financial security during a period where an individual may experience a reduction or loss of income, the full elimination of such a payment in the event of receiving what could be a modest amount of pension income, can result in certain MLAs having a lower amount of financial security during this period.

To remedy this, it is recommended that all MLAs are eligible for a transition allowance until the age of 65 (i.e. the age at which they are eligible for an unreduced amount of the Canada Pension Plan). The amount of the transition allowance should be reduced by all sources of income otherwise earned, including, but not limited to, pension payments and outside employment, regardless of the source. Furthermore, the amount of the transition payment should be, in no case, less than the minimum established in the formula (i.e. 3 months). Such an approach would be generally consistent with principles for salary continuance and align with the approach taken by British Columbia.

Constituency office costs

Introduction

All Canadian provinces provide elected officials with an allowance to cover constituency office operations. In Nova Scotia, section 43 of the *House of Assembly Management Commission Regulations* specifies that MLAs are entitled to receive, net of sales tax, up to \$5,454 per month (\$65,448 annually) for expenses incurred on account of items and services in the member's constituency. More specifically, these items and services include:

- **Constituency office accommodation expenses**, including rent, utilities, taxes, insurance, and security;
- **Office operations, supplies and communications**, including advertising, printing, photocopies, newspapers, telephones, and staff professional development;
- **Donations**, including memberships in community service organizations, and items to recognize or commemorate significant events within a constituency;
- **Travel**, including expenses incurred on account of travel within the member's constituency or in relation to the member's duties as a member; and
- **A standard office allocation**, which includes items such as authorized furniture and equipment, computer equipment and internet services and cable television.

One differentiation across provinces is whether salaries for constituency assistants are handled together with, or separately from, constituency office allowances. In Nova Scotia, per section 24 of the *House of Assembly Management Commission Regulations*, MLAs are entitled to engage the services of one full-time (or full-time equivalent) constituency assistant. Salaries and benefits for these constituency assistants are set by the House of Assembly Management Commission via directive and are paid directly by the Office of the Speaker. As such, Nova Scotia handles constituency assistant salaries through a separate funding stream, rather than as a component of a broader constituency office allowance (i.e., the allowance outlined in subsection 43(3) of the regulations).

Additionally, several provinces including Nova Scotia consider geography in their approaches to constituency office allowances. As further detailed below in Table 13, this is generally defined via geographic groupings of electoral districts, or a formula based on electoral district populations and number of electors. In Nova Scotia, a series of geographic groupings are currently defined under subsection 43A (2) of the regulations.

It is also of note that the legislative mechanism for future increases as previously described in this document in the context of the rent allowance (i.e., subsection 52(1) of the regulations) also applies to the constituency office allowance in Nova Scotia. However, this mechanism has similarly not been followed on a consistent annual basis for the constituency office allowance. Although corresponding subsections of the regulations have been reorganized over time, MLAs have received a base

constituency office allowance of \$5,454 per month (\$65,448 annually) since the original introduction of the *House of Assembly Management Commission Regulations* in 2012.

Comparative analysis

While all Canadian provinces provide constituency office allowances, there is variation across approaches to calculating base amounts, as well as expense items and categories that are included and excluded. As mentioned previously, the most prominent variation is whether constituency assistant salaries are included in the base allowance amount, or are considered separately (e.g., via a dedicated subsection in corresponding legislation, regulations, and/or policies).

Table 12 - Approaches to Constituency Office Allowances

Jurisdiction	Calculation Approach
NS	<ul style="list-style-type: none"> • Base allowance including office rent - all MLAs regardless of electoral district. • Additional increment - varies across groupings of electoral districts. • Constituency assistant salaries funded separately.
NL	<ul style="list-style-type: none"> • Base allowance excluding office rent - all MLAs regardless of electoral district. • Constituency assistant salaries funded separately.
NB	<ul style="list-style-type: none"> • Base allowance including office rent - all MLAs regardless of electoral district. • Constituency assistant salaries funded from base constituency office allowance.
QC	<ul style="list-style-type: none"> • Base allowance including office rent - varies across groupings of electoral districts. • Constituency assistant salaries funded separately.
ON	<ul style="list-style-type: none"> • Actual expense data available only (<i>see additional detail below</i>).
MB	<ul style="list-style-type: none"> • Base allowance including office rent - varies across groupings of electoral districts. • Constituency assistant salaries funded separately.
SK	<ul style="list-style-type: none"> • Base allowance including office rent - all MLAs regardless of electoral district. • Constituency assistant salaries funded separately.
AB	<ul style="list-style-type: none"> • Base allowance including office rent - varies across urban and rural electoral district groupings, as well as via formula considering number of electors and population in each individual district. • Constituency assistant salaries funded from base constituency office allowance (up to a set maximum).
BC	<ul style="list-style-type: none"> • Base allowance including office rent - all MLAs regardless of electoral district. • Constituency assistant salaries funded from base constituency office allowance.

Table 13 below summarizes comparative analysis of constituency office allowances across jurisdictions. Given that publicly available information with respect to constituency office allowances in Ontario is limited, and that, per Table 12 above, approaches in New Brunswick¹⁵ and

¹⁵ While New Brunswick, British Columbia, and Alberta fund constituency assistant salaries from base constituency office allowances, New Brunswick was excluded from comparative analysis due to challenges in extracting an estimated constituency assistant salary from the overall allowance.

Newfoundland & Labrador differ from that in Nova Scotia, these three jurisdictions were not considered in comparing the value of the Nova Scotia constituency office allowance against other Canadian jurisdictions.

Table 13 - Constituency Office Allowance Comparative Analysis

	NS	QC	MB	SK	AB	BC	Median ¹⁶ (excl. NS)
Base allowance	\$65,448-\$69,948 ¹⁷	\$63,200-\$74,000 ¹⁷	\$67,465-\$75,577 ¹⁷	\$76,506	\$81,585 ¹⁸	\$98,767 ¹⁹	\$76,506
Variation by geography	Five groups of electoral districts	Five groups, defined by square kilometres of district	Three groups – North, South, and Winnipeg	None	Formula based on electoral counts and population size	None	N/A
Date of most recent increase	2012 ²⁰	April 1, 2024	April 1, 2024	April 1, 2024	April 1, 2024	April 1, 2024	N/A
Overall average asking gross office rent per square foot (all classes, Q4 2024)²¹	\$30.64 (Halifax)	\$36.57 (Montreal)	\$28.99 (Winnipeg)	\$35.88 (Saskatoon)	\$33.07 (Edmonton)	\$53.64 (Vancouver)	\$35.88 (N/A)
Annual rent (assuming 1,000 square feet)	\$30,640	\$36,570	\$28,990	\$35,880	\$33,070	\$53,640	\$35,880
Annual rent as percentage of allowance	44%	49%	38%	47%	41%	54%	47%

Based on the above analysis, the constituency office allowance provided to Nova Scotia MLAs offers a comparable level of remuneration relative to similar allowances in other Canadian provinces.

¹⁶ Median used rather than average to account for British Columbia's allowance as an outlier. Median calculation considers upper limit where ranges in base allowance exist (i.e., Nova Scotia, Quebec, and Manitoba).

¹⁷ Denotes ranges based on geographic groupings of electoral districts.

¹⁸ Given that the "Members Services Allowance" in the Alberta *Legislative Assembly Act* Revised Members' Services Committee Orders, Section 1(3) is calculated via a formula based on individual characteristics of each electoral district, the urban electoral district of "Edmonton-City Centre" was used for comparative purposes.

¹⁹ Given that the Constituency Office Allowance of \$166,604 in British Columbia is intended to cover both office expenses and constituency assistant salaries, this amount is adjusted to extract a proxy of \$67,928 for these salaries based on the Collective Agreement between the British Columbia NDP MLAs and the British Columbia General Employees Union.

²⁰ The base constituency office allowance has remained unchanged in Nova Scotia since the original introduction of the *House of Assembly Management Regulations* in December 2012.

²¹ Cushman & Wakefield Canada Office Marketbeat Q4 2024.

While the base allowance in Nova Scotia is lower than the median of Canadian provinces analyzed above in Table 13, so too is office rent. Furthermore, when considering average annual constituency office rent as a share of the total constituency office allowance, Nova Scotia is closely aligned with the provincial median (i.e., within +/- three percentage points).

However, it is of note that, in comparison to Nova Scotia, where the base allowance amount appears to have been unchanged since the *House of Assembly Management Commission Regulations* were originally introduced in 2012, other provinces follow their existing mechanisms for annual increases more consistently (e.g., indexed according to provincial CPI changes), typically adjusting allowances each year effective on April 1st.

Recommendations

Base allowance

Given that the constituency office allowance provided to MLAs in Nova Scotia is reasonably comparable to the allowance provided to elected officials in most other provinces, and following the rationale applied in developing other recommendations within this report (i.e., aligning Nova Scotia remuneration components more closely with Canadian averages/medians), it is recommended that Nova Scotia does not make changes to the base constituency office allowance at this time.

However, to support sustainable long-term implementation and mitigate the potential need for large one-time increases in future, it is recommended that Nova Scotia consistently follows the existing legislative mechanism (i.e., subsection 52(1) of the *House of Assembly Management Commission Regulations*) for annual increases to this allowance. Consideration should also be given to additional measures to ensure that this legislative provision is not overridden, other than under extraordinary circumstances.

Geographic groupings

While Nova Scotia, like several other provinces, incorporates adjustments to the base constituency office allowance based on geography, how these adjustments have been handled within the *House of Assembly Management Commission Regulations* has shifted over time. In the original version (N.S. Reg. 43/2013, dated December 19, 2012), five groups of electoral districts (a baseline group, plus four with slightly higher increments) were defined as part of subsection 42, which covers travel expenses.

However, as part of a March 2015 amendment, these groupings were shifted to subsection 43 of the regulations, which covers a broader range of constituency office expenses (e.g., office accommodation, supplies, communications, donations), along with travel. As a result, these geographic increments now apply to additional expense items beyond travel, that may or may not vary across electoral districts of the province. In addition, analysis of actual Nova Scotia MLA expense data from calendar years 2023 and 2024 does not suggest a strong correlation between riding size (in square kilometres) and constituency office expenses, nor a strong correlation between the geographic groupings as currently defined and actual expenses.

Based on the above analysis, there does not appear to be a strong rationale for retaining these geographic adjustments as part of the overall MLA constituency office allowance. It is therefore recommended that subsection 43A (2) in the *House of Assembly Management Commission Regulations* is repealed in its entirety.

Constituency assistant salaries

Introduction

Constituency assistants (“CA”) provide administrative assistance to MLAs in carrying out duties to constituents. Their role includes communications, public relations and marketing, organization, scheduling, casework, and advocacy services. Across Canadian provinces, MLAs receive support for CA services either through a designated allowance or via HR/payroll provisions. In Nova Scotia, CAs are paid via payroll provisions as stated in section 24(4) of the *House of Assembly Management Commission Regulations*: “constituency assistant salaries and benefits must be paid directly to constituency assistants by the Office of the Speaker, pursuant to the pay levels and benefits as exist as of March 1, 2010, until altered by directive of the Commission”.

The CA salary in Nova Scotia is tied to a civil service equivalent. The Nova Scotia Public Service Commission (“PSC”) previously completed an impartial evaluation of the CA position and equated it to an EC 06 level. This equivalency was recommended to the House of Assembly Management Commission. The rating was approved and included in the House of Assembly Management Commission Regulations. To facilitate this equivalency, the qualifications and experiences of CAs are reviewed to determine their placement on the EC 06 pay scale. A personal service contract is then signed between the Member and the CA, with the CA receiving bi-weekly payments based on an annual salary.

Across Canada, the salary for CAs varies among provinces. Some provinces have standardized pay scales and benefits, while others allow for greater flexibility. Despite the differences in CA pay, the CA role and responsibilities are similar across Canadian provinces.

Comparative analysis

Table 14 below provides a comparative analysis of Canadian provinces’ approaches to CA salaries. Approaches to determining CA salaries are either based on provincial legislation or influenced by factors such as budget allocations, collective bargaining agreements, and the specific needs of the constituency office.

Table 14 Approaches to Constituency Assistants Salaries

Jurisdiction	Calculation Approach
NS	<ul style="list-style-type: none"> Constituency assistant salaries funded separately from constituency office allowance. Based on provincial legislation and a civil service equivalent.
NL	<ul style="list-style-type: none"> Constituency assistant salaries funded separately from constituency office allowance. Based on a civil service equivalent.
NB	<ul style="list-style-type: none"> Constituency assistant salaries funded from base constituency office allowance. Based on provincial legislation.
QC	<ul style="list-style-type: none"> Constituency assistant salaries funded separately from constituency office allowance. Based on a budget allocation for the remuneration of a Member's staff.
ON	<ul style="list-style-type: none"> Actual expense data available only (<i>see additional detail below</i>).
MB	<ul style="list-style-type: none"> Constituency assistant salaries funded separately from constituency office allowance. Based on provincial legislation.
SK	<ul style="list-style-type: none"> Constituency assistant salaries funded separately from constituency office allowance. Based on a collective bargaining agreement.
AB	<ul style="list-style-type: none"> Constituency assistant salaries funded from base constituency office allowance (up to a set maximum). Based on a budget allocation for the remuneration of a Member's staff.
BC	<ul style="list-style-type: none"> Constituency assistant salaries funded from base constituency office allowance. Based on the specific needs of the constituency office or based on a collective bargaining agreement²².

Given that publicly available information with respect to constituency office allowances and salaries in Ontario is limited, and that, per Table 14, approaches in New Brunswick, Quebec, Manitoba, and Alberta differ considerably from that in Nova Scotia, these jurisdictions were not considered in comparing the value of the Nova Scotia CA salaries against other Canadian provinces.

Nova Scotia, Newfoundland & Labrador, Saskatchewan, and British Columbia use either a civil service equivalent or collective bargaining agreement when determining the salaries of CAs. Table 15 provides a comparison of minimum and maximum salaries across these provinces.

Table 15 Comparison of Constituency Assistant Salary Across Provinces

CA Salary	NS	NL	SK	BC	Avg. (excl. NS)
Minimum Salary - Annual	\$49,195	\$53,126	\$51,312 ²³	\$59,588 ²⁴	\$54,675
Maximum Salary - Annual	\$67,642	\$69,064	\$61,259	\$67,928	\$66,084

²² Both Saskatchewan and British Columbia NDP MLAs observe a collective bargaining agreement when hiring CAs.

²³ Saskatchewan's Annual Salary based on the Collective Agreement between the SK NDP Caucus and the Canadian Office and Professional Employees union (COPE), Local 397

²⁴ British Columbia's Annual Salary based on the Collective Agreement between the BC NDP MLAs and the BC General Employees Union

Despite observed differences in the minimum salary, the maximum salary is similar across provinces.

Recommendations

It is important to note, that the Nova Scotia PSC evaluated the CA position at an EC 06 level and the House of Assembly Management Commission approved this equivalency. Having the role tied to a civil service equivalent enables regular reviews and salary adjustments. Considering the PSC's previous impartial evaluation and the similarities in provincial salaries, it is recommended to keep NS CA salaries and the current mechanism for adjustment unchanged.

Summary of recommendations and transition to implementation

As detailed in the preceding sections, and in alignment with the mandate and scope of work assigned by the Remuneration Panel, Deloitte’s recommendations are organized across the following individual components of MLA remuneration and roles:

Remuneration components	Roles
<ul style="list-style-type: none"> Salaries Rent allowance Pensions Transition allowance Constituency office costs Salaries for constituency assistants 	<ul style="list-style-type: none"> MLA Premier Minister with portfolio Minister without portfolio Ministerial Assistant Speaker Deputy Speaker Leader of the Opposition Leader of any other recognized opposition party

Recommendations are summarized as follows:

Salaries

1. Increase the MLA base salary to \$115,000, reflecting the Canadian provincial average indexed to December 1, 2024 (rounded to the nearest \$100).
2. Consistently following existing legislative provisions and mechanisms for future increases (subsection 45A (7) of the *House of Assembly Act*) – i.e., adjust the recommended base salary on January 1, 2026, and each subsequent year.
3. Adjust the additional increments paid to MLAs who assume additional role(s) as follows:
 - a. 35% of the MLA base salary for Ministers without portfolio.
 - b. 14% of the MLA base salary for Ministerial Assistants.
 - c. 23% of the MLA base salary for the Deputy Speaker.
 - d. 33% of the MLA base salary for Leader of any other recognized opposition party.
 - e. No changes to the increments for Minister with portfolio, Speaker, and Leader of the Opposition.
4. Consider increasing the Premier’s salary to the midpoint of the options provided, or approximately \$275,000.

Rent allowance

1. Align eligibility for the rent allowance based on the average travel distance used to define eligibility in other provinces by adjusting the distance specified in the definition of “outside

member” in subsection 2(1) (ea) of the *House of Assembly Act* from one hundred kilometres to fifty kilometres.

2. Increase the rent allowance to cover average one-bedroom rent, plus room for additional components, to \$2,100 per month.
3. Eliminate the additional increment (i.e., \$201 monthly) currently provided to Ministers, in alignment with the approach in most other provinces.

Pensions

1. Make no adjustments to the pension provided to MLAs at this time, given that key plan features are competitive with, and/or exceed, corresponding benefit amounts in other provinces offering defined benefit plans.

Transition allowance

1. Make no adjustments to the formula used to calculate the transition allowance for MLAs at this time, given that it is comparable to the approach used in most other provinces.
2. Make no adjustments to the additional allowance provided for career counselling or retraining at this time, given that it is competitive with, and/or exceeds, corresponding amounts in other provinces.
3. Adjust the transition allowance to be paid to all MLAs until the age of 65, with a reduction based on all sources of income otherwise earned, including pension payments and outside employment.

Constituency office costs

1. Make no adjustments with respect to the constituency office allowance for MLAs in Nova Scotia, given that it is comparable with what is provided in other jurisdictions.
2. Consistently following existing legislative provisions and mechanisms for future increases (subsection 52 of the *House of Assembly Management Commission Regulations*).
3. Eliminate geographic groupings by repealing subsection 43A (2) in the *House of Assembly Management Commission Regulations* in its entirety.

Constituency assistant salaries

1. Make no adjustments with respect to salaries for constituency assistants in Nova Scotia, given that these are generally competitive with what is provided in other jurisdictions.
2. Make no adjustments to the current approach in determining the CA salary, given that it is based on a civil service equivalent (EC 06).

Concluding remarks

Implementing each of the recommendations summarized above will better align Nova Scotia's MLA remuneration with what is provided to elected officials in other Canadian jurisdictions. To ensure that Nova Scotia does not fall behind its peers once again over the long-term, it is particularly important that the existing legislative mechanisms for annual increases to various components of MLA remuneration are consistently followed.



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Appendix C - Literature Review

Literature Review: Role of Compensation in Attracting Qualified, Diverse and Experienced Elected Officials and in their Performance

This literature review provides an overview of relevant articles examining the role compensation plays in the attraction of a qualified, diverse and experienced group of elected government officials and the role compensation plays in the performance or outcomes of elected officials in power.

Below is a summary of each study with links to the full reports, and key findings for each.

1. **The Real Effects of Politicians' Compensation**

Authors: Igor Cunha and Paulo Manoel (University of Texas and Kentucky)

September 14, 2022

This study focused on local government in Brazil. The paper includes a literature review and analysis to determine the correlation between elected official compensation and economic growth/activity. Brazil is chosen for this study, because population-based wage salary caps were implemented for local legislators in 2005.

Key Findings:

- This study references past research and surmises: “The existing literature shows that higher wages benefit local administration’s quality. Higher salaries improve both the caliber of candidates who seek political office and the actions of officials who are elected (Finan and Ferraz (2011), Braendle (2015), and Fisman, Harmon, Kamenica, and Munk (2015)).”
- The study suggests that higher legislator wages are “consequential for local business activity.” In one example, an increase in wages led to a 7.2% increase in the number of local firms during the political cycle. In these same municipalities, job generation was 17% higher.
- The study also suggests that higher wages is associated with a 6% increase in the number of candidates in the race.
- Higher wages are associated with higher levels of education, but the increase is minimal (+0.05)
- Local legislators who receive higher wages manage government more efficiently by reducing patronage and bringing more resource from the stat to the city.
- The authors warn the public and government should better understand the impact of lowering elected officials’ salary, when making decisions on setting wages, and noted the results show “that saving on politicians salaries can negatively affect local firms.” the losses in real economic activity can offset the savings of reduced wages for elected officials.”

2. **You Get What you Pay For**

Author: Brett Garner, Canada West Foundation

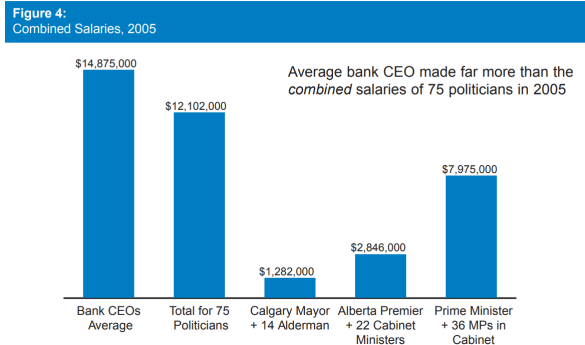
March 2007

This paper by Economist Brett Garner is the lone Canadian article referenced in this document. It is a bit outdated (2007) but included here are some updated references. The paper examines the disparity between the private and public sector. Garner argues that in order for the pubic service to attract and retain high quality people, pay packages must be at least somewhat competitive.

Key Findings:

- The author compares the Prime Minister of Canada’s Pay to the highest paid bank CEO, which at the time (2005) the CEO made 100 times more than the Prime Minister.

- The average salary of bank CEOs was higher than the combined salaries of 75 elected officials on Calgary's City Council, the Alberta government, and the federal Cabinet. (see Figure 4 below.)



- As a more recent comparison, the salary for the CEO of Emera was 8.4M in 2022, compared to the Premier of NS's salary of \$190k, the NS Minister of Finance, \$138k and the Mayor of Halifax at \$196k.
- Garner suggests that *"When it comes to protecting the public interest-our interest – Canadians should accept nothing short of the best. And, whether we like it or note, we're going to have to pay for it."*

3. **Who Should We Pay More?**

Authors: Sergio Fernandez and Onkgopotse Madumo
 Indiana University, USA and University of Johannesburg, South Africa
November 2022

This study is theoretical in nature, exploring organizational performance of South African local government (2011-2015). The authors wanted to explore impacts of choosing to either pay elected officials or bureaucrats more and whether increases in compensation impact attraction and performance.

Key Findings:

- According to the authors, their analysis offers no evidence that pay for elected officials is linked to organizational performance. However, cautioned on interpretation, as the importance of pay likely depends on context. In South Africa, elected officials play a lesser role in the implementation of the services reviewed (water, electricity, and sanitation), which was at the heart of the study.
- When launching new initiatives or programs, the authors state that pay for elected officials may be more critical by attracting more competent and innovative citizens to run for office.

4. **Pay for politicians and candidate selection: An empirical analysis**

Authors: Kaisa Kotakorpi and Panu Poutvaara

University of Munich, Germany and University of Tampere, Finland

July 2010

This study examined Finish MP compensation, which increased by 35% in 2000, using municipal candidates as a control group to determine if the higher salary increased the number of candidates with higher education. According to this report, political representatives in Finland were among the lowest paid politicians in the European Union in 1999. Reform was

recommended and salaries increased in 2000 by 35%. This study looked to determine if the increase resulted in a more educated or experienced politician.

Key Findings:

- The salary increase increased the fraction of highly educated female candidates by approximately 5 percentage points.
- The same was not true for male candidates. However, the authors caution that the effect of change in pay for elected politicians is dependent on the starting level of politicians' salaries relative to the outside earnings of potential candidates.
- Authors noted that more research is required to better understand the correlation of pay to candidate strength and performance.

5. Stanford Law Review article: Compensating City Councils

Author: Kellen Zale, University of Houston
March 2018

This particular study talked about the dangers of elected officials having the decision-making power to accept a recommendation to increase pay for its members. The article states that in many American municipalities, recommendations for increases have not been recommended because of fear of public perception. This article examines the institutional design of compensation procedures.

Key Findings:

- The article outlines the risks of overcompensation (risk to taxpayers, risk of financial incentive rather than civic duty) and under compensation (elected office only being open to those wealthy enough to afford it, which can result in conflict of interest and under representation).

6. Citizen Attitudes On Politicians' Pay: Trust Issues Are Not Solved By Delegation

Authors: Rasmus T. Pedersen, the Danish Center for Social Science Research and Lene H. Pedersen, University of Copenhagen and VIVE)
May 2019

This study is peer reviewed and examines the reason behind citizens' aversion to politicians receiving a high pay. The authors wanted to determine the source of this aversion, given the impact compensation has on the recruitment and behavior of politicians. The study also examines the benefits of delegation of the decision-making authority for salaries to aide in transparency and accountability.

Key Findings:

- The authors conducted a survey of citizens with a variety of scenarios regarding politicians' pay. It concluded that:
 - Attitudes towards pay is closely related to trust, not economic equality, however "People with low trust towards politicians clearly want politicians to make less than they currently do but lowering the salaries of politicians—or delegating such decision to independent entities—does not seem to abate the distrust towards them."
 - Delegation of decision making can affect citizen reactions to changes in pay positively but weaker if the delegation was aligned with politicians or not independent.

7. Do Higher Salaries Lead to Higher Performance? Evidence from State Politicians



Authors: Mitchell Hoffman and Elizabeth Lyons
Rothman School of Management, University of Toronto
October 26, 2013

This paper examines the impact of salaries for legislators and governors in the United States on political performance and quality of candidates.

Key Findings:

- Effects are modest, the study concludes that higher paid politicians report spending significantly more time on constituent services, such as “keeping in touch with constituents and helping constituents with problems.”
- The authors note that the salaries are too small to be meaningful.
- The study found that salary increases did lead to less moonlighting for officials, which could lead to more time spent on the job.

8. Do Better Paid Politicians Perform Better? Disentangling Incentives from Selection

Authors: Stefano Gagliarducci, and Tommaso Nannicini
University of Rome and Bocconi University, Italy
January 2010

This study looked at the pay provided to municipal elected officials in Italy. The authors used data on all Italian municipal governments from 1993-2001. In Italy, the wage of the mayor is passed on population size, so the study focused on communities with 5,000 residents.

Key Findings:

- The report references the standard efficiency wage theory which states a salary increase could both attract more skilled candidates and enhance performance, as a result of the cost of not being re-elected. ([Efficiency wage - Wikipedia](#))
- The estimates found a 33% wage increase attracted more educated candidates and more educated mayors.
- The authors state there is also some evidence that a higher wage attracts relatively more politicians employed in high-skilled occupations, pointing to the fact that the time devoted to the office is an important component of the opportunity cost of entering politics (the gross labor income per month for high-skilled people being on average 1,622 euros in 2000)
- The study also looked at performance. It found that paying a mayor more, utilizing their empirical approach, reduced the size of the municipal budget by about 20%. The authors credit this to more experienced mayors and improved ability to find bureaucratic efficiencies. (page 26 Table 10)

9. Motivating Politicians: The Impacts Of Monetary Incentives On Quality And Performance

Authors: Claudio Ferraz Frederico Finan
National Bureau of Economic Research, Cambridge MA USA
April 2009

The authors took an empirical approach to studying the impacts of higher wages on performance and attraction of candidates for municipal political office in Brazil. The paper also reviewed a variety of research papers and studies, some are also referenced in this review.

Key findings:

- Higher wages increase political competition and attract wealthier and more educated candidates.
 - 20% increase in salaries leads to 5.3% increase in the share of elected politicians from a high skilled occupation.
- Higher remuneration is associated with increased political performance.
- Higher wages not only attract individuals with more education, but also more females and those from white-collar professions.

- Local legislatures that pay elected officials higher wages have more bills submitted and approved. It is unclear if this performance is rooted in increased pay, or the improvement in the candidates and their level of education.



Appendix D

MLA Remuneration

Engagement with Caucus Chairs

1. In your experience/opinion, what role does compensation play in recruiting candidates for your party? Is there a difference when you consider underrepresented groups or women?
2. Are you aware of the existence of the automatic mechanism in the current *House of Assembly Act* that would match MLA salaries with increases given to other civil servants?
3. In your opinion, what has prevented the House from using this mechanism?
4. What are some of the impacts on you, as it relates to the financial compensation you receive?
5. Based on what you have heard from your colleagues and your own perspective, specifically, can you comment if the following allowances are sufficient:
 - a. Housing allowance
 - b. Pension
 - c. Constituency office allowance
 - d. Constituency Assistant Salaries
 - e. Transition Allowance
 - f. Other Benefits
6. Many Nova Scotians may be unaware of the demands, or the hours required as an elected official. What's been your experience, and do you feel constituents have views on MLA Compensation?

Appendix E - MLA Benefits at a Glance

Province of Nova Scotia – MLA Benefits at a Glance

My Health & Wellness

Health*

Benefit	Coverage	Details
Hospital/ Ambulance	Semi-Private Hospital Accommodation; Ground ambulance to or from nearest hospital	
Prescription Drugs	Member pays pharmacy dispensing fee; Mandatory Generic Substitution (Plan reimburses to the lowest cost interchangeable drug). (Drug coverage ceases at age 65)	Overall maximum drug card dispensing fee co-payment of \$492 per fiscal year per family
Vision	Exam covered, \$150 towards contacts, lenses, frames and Laser eye surgery.	Every 2 years
Travel	Out of province/country subject to plan maximums. Pre-existing conditions – “stability” Exclusions for travel to high risk areas/locations	\$5 million Max/per incidence
Psychologist	Must be a licensed Psychologist or Master Social Worker (MSW), or Registered Counselling Therapist (RCT)	\$1000/ combined/ calendar yr.
Paramedical Practitioners	\$1500 combined max/cal. year for: Speech Therapist, Chiropractor/Podiatrist, Occupational Therapist, Physiotherapist, Acupuncturist, Massage therapist and Chiropractor. (\$500 individual max for Chiropractor and Massage therapist).	\$1500 combined max/ calendar yr.
Other Paramedical Practitioners	Naturopath, Homeopath & Osteopath	\$300 per year per practitioner
Medical Supplies	Diabetic supplies (includes Continuous Glucose Monitoring Supplies, needles, syringes, insulin pump supplies and strips). Elastic stockings, ostomy supplies, irrigating sets & pouches etc.	Subject to internal plan maximum
Medical Prosthesis and Orthotics	Prosthetic limbs, eyes or other prosthetic appliances. Molded arch supports up to \$200 per calendar year. Orthopedic Shoes & Shoe modification \$100 per calendar year	Subject to internal plan maximum
Medical Equipment	Standard wheelchair, hospital bed, walkers, canes, insulin pumps (including infusion pumps), Prosthetic limbs etc.	Subject to internal plan maximum
Hearing Aids	\$750 per ear	Per 5 years
Supports	Braces, cervical collars, splints, trusses, rigid custom braces and traction devices etc.	Subject to internal plan maximum
Nursing Services	Private Duty Nursing. Services must be pre-approved by Medavie Blue Cross	\$5000/12 months

Dental *

The plan pays a percentage of the eligible expenses as indicated below. The eligible expense is subject to plan maximums, as well as the current Nova Scotia Dental fee guide.

Benefit	Payment	Coverage*	Max
Basic Services	100%	Cleanings, polishing, recall exams (1/yr). Fluoride for children under 18. Pit and fissure sealants. Simple extraction etc.	\$1000 per calendar year
Additional Basic/ Major Restorative	80%	Services required for reconstruction of teeth, replacement of missing teeth, etc. endodontic, periodontal, prosthodontics, bridges, root canals and dentures etc.	\$1000 per calendar year
Orthodontics	50%	Observation, braces & adjustments	\$2000 lifetime

* For a complete list, refer to plan booklet. All benefits are subject to insurer's reasonable and customary limits and the Plans' internal maximums.

Employee and Family Assistance Program (EFAP): The Province of Nova Scotia is committed to making sure that provincial government employees and their families have the supports and services they need to live a healthy and balanced life. The Employee and Family Assistance Program, administered by Telus Health is available to provide you and your family with the support you need, when you need it.
For more details, refer to page 2, “Where Do I Find More Information”

For more detailed information about your benefits, see the benefits booklet at <http://novascotia.ca/nsc/employeeCentre/benefits/booklets.asp> or MyHR at <https://sharepoint.novascotia.ca/myhr/Pages/default.aspx>.