

[Chairman: Mr. Hyland]

[11:10 a.m.]

MR. CHAIRMAN: Okay. We'll get started.

Approval of Agenda: we'll start with that. How does it look to everybody? One thing I want to add, somewhere in Business Arising, is transcript and the release or nonrelease thereof, whatever we decide.

MS BARRETT: Hmm?

MR. CHAIRMAN: Transcripts relating to the subcommittee meeting.

MS BARRETT: So add that in?

MR. CHAIRMAN: Yes.

MS BARRETT: Yes.

MR. CHAIRMAN: It's probably better if we add it as (a), right after, just bump everything down one.

MS BARRETT: Yeah.

MR. CHAIRMAN: How does the rest of the . . .

MR. TAYLOR: Where is it fitted?

MR. CHAIRMAN: Under Business Arising, Nick.

DR. McNEIL: It's the first item under Business Arising.

MR. CHAIRMAN: Okay. How does the rest of it look?

MS BARRETT: Fine.

MR. CHAIRMAN: Do you want to approve it, Pam?

MS BARRETT: Yes.

MR. CHAIRMAN: Okay. All those in favour?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay.

Approval of the minutes of November 15: any errors or omissions that anybody can remember?

MS BARRETT: Not that I can find, and I looked through them. They look good.

MR. CAMPBELL: I move that we adopt the minutes.

MR. CHAIRMAN: Okay. All those in favour?

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Nick? Carried.

Business Arising: transcripts. I had a call from Gary, and I didn't want to do anything with them till we talked about it. There's nothing secretive about them. I just wanted the committee to decide if we should release them or hold them or whatever. I think it's totally up to the committee.

MR. CAMPBELL: Personally, Mr. Chairman, I think we should hold them till we finish with our subcommittee meetings, and then following that, if we come out with some different proposals, of course, at that particular time we could review it, because anything we've discussed so far is just merely discussion.

MS BARRETT: That's right. I've no objection to that.

MR. CHAIRMAN: Nick?

MR. TAYLOR: I agree.

MR. CHAIRMAN: Okay. Once we approve the minutes, they become public anyway.

MS BARRETT: That's right; exactly.

MR. CAMPBELL: Just on a point. The minutes of the subcommittee meetings go to the full meeting and then are approved at the full Members' Services meeting?

MS BARRETT: Yeah, on the assumption that we're making recommendations. We're not making recommendations that are -- they don't really care, do they?

MR. CHAIRMAN: No.

MR. CAMPBELL: Okay.

MS BARRETT: Yeah.

MR. CHAIRMAN: Well, yeah. That does bring up a thing. Do we want other members to have a copy of our minutes, so they're up to date on what we're talking about?

MS BARRETT: Oh, I think so. Oh, yeah. And that's easy enough to do.

MR. CHAIRMAN: Because the minute we do that and file that with them, what we're doing becomes public.

MS BARRETT: That's fine.

MR. CHAIRMAN: So there's nothing hidden about it.

MS BARRETT: Oh, no. I think that's fine. What you were talking about was transcripts. I think the committee's going to have to have the minutes. In fact, it's probably not a bad idea to request that they get them now.

MR. CHAIRMAN: Oh, yeah, I was talking about transcripts. But I'm saying that if anybody says anything, that we're trying to hide something, we're not, because we're submitting the minutes to the main committee.

MS BARRETT: Correct.

MR. CHAIRMAN: In other words, we're more discussion than anything until we get to the recommendation stage.

MR. CAMPBELL: This is the thing. I guess, you know, personally, until we come out with some options, really all we're

doing is discussing around this table.

MS BARRETT: Yeah.

MR. CAMPBELL: So I would suggest that probably as we evolve to the point where we have some options, I'll tell you that we should give it to the Members' Services all at once. I would suggest that it's not much use to them until... You know, we're just in a state of flux. All we're doing is discussing different...

MS BARRETT: On the other hand, I mean, we're not really meant to reinvent the wheel either.

MR. CAMPBELL: No.

MS BARRETT: So I would think if we try to focus on a couple of things -- I mean, if we're going to try to make some recommendations, the sooner the better.

MR. CAMPBELL: Yeah.

MS BARRETT: I don't want you to think I don't love meetings, but...

MR. CAMPBELL: Yeah.

MS BARRETT: So if we were to come up with some recommendations for today, for instance, for our Members' Services meeting at 1, you know, it would be great if we could at least have those very briefly written and submit them, with a copy of the minutes of the last meeting. We can't give them minutes of this meeting, obviously, but it gives some context.

MR. CAMPBELL: Well, would you suggest, then, Mr. Chairman, that possibly we should forward some of the areas that we're discussing in the subcommittee?

MR. CHAIRMAN: That might trigger other thoughts from others.

MR. CAMPBELL: Yeah.

MS BARRETT: Yeah, good idea. I agree. Nick?

MR. TAYLOR: Yeah. I'm easy today.

MS BARRETT: Hey. God, look at this.

MR. TAYLOR: I doubt like hell that they read them anyhow.

MR. CHAIRMAN: What else are we going to try out, Nick?

MR. TAYLOR: We'll at least give them a try.

MS BARRETT: Okay; let's do it.

MR. CAMPBELL: They read them after the fact, if something comes out.

MR. CHAIRMAN: Okay; 4(a). What was (a)?

MRS. KAMUCHIK: Do we have to bring in lunch, because we

need time to make it.

MR. CHAIRMAN: Oh, right. Lunch. What do we want to do about lunch? Our other meeting starts at 1 o'clock; it's 20 after 11 now, so should we have lunch brought in?

MR. TAYLOR: I think so.

MS BARRETT: If we can.

MR. CAMPBELL: I've got another commitment for lunch.

MR. CHAIRMAN: Okay.

MR. TAYLOR: That's all right; I'll eat yours.

MS BARRETT: What time, 12 or 12:30?

MR. CAMPBELL: Twelve o'clock.

MS BARRETT: Twelve o'clock. Oh, my God. Can you get it changed to 12:30 so we can have some time to meet this morning?

MR. CAMPBELL: Sure.

MS BARRETT: Can you?

MR. CAMPBELL: Well, 12:30 and then we go back at 1.

MS BARRETT: Oh, yeah; that's true. Me, I can eat lunch in three minutes flat, you know, and be on the computer at the same time.

MR. CAMPBELL: See, the difference in our size is showing.

MS BARRETT: Or the reasons for it, at least.
I don't know what to do. Let's hurry.

MR. TAYLOR: Well, if he has to leave, there's not much sense...

MS BARRETT: Yeah, well, let's just hurry then.

MR. CHAIRMAN: Yeah. Let's go then, because when I talked to Cheryl about it last week, she said, "Brown bag it." I thought she was bringing the brown bag, but she only brought her own brown bag.

MISS KVIST: Next time I'll know what brown bag means; it's a big brown bag.

MR. CHAIRMAN: Okay.

MR. TAYLOR: Actually, if she had anything, it would be enough for you, because I don't think she eats much.

MS BARRETT: I don't know. I guess we're going to break because I take it you don't want a quorum to exist without you.

MR. CAMPBELL: Sure. We should be able to get through a lot of this anyway.

MS BARRETT: Okay; let's just hurry and break this, seeing as you have to leave.

MR. CHAIRMAN: Okay. Cheryl, do you want to start with a comparison of indemnities and allowances?

MISS KVIST: Okay. From our last meeting there were a lot of outstanding questions and issues that came up, so all of number 4 just addresses giving you some answers to the questions that were asked. Most of what I'm going to refer to, then, is in parts 1 through 5 that's in your binder now.

If we turn to part 1, there is another one of these foldouts, talking about remuneration for elected members. That was just some response in respect to what Whips, et cetera, get over and above what we have in Alberta. You have noticed that there are a couple of provinces that are still -- the columns are missing. We'll do an update to this for the next meeting. But in the interim it gives you, just for your own information, some idea of what other provinces are getting. These are updated figures. We used the *Canadian Legislatures* book as a guide and then went and phoned each of the provinces and asked for their updates.

Right behind that there is an attachment which refers to the Northwest Territories, in terms of their tax-free allowance. That varies, depending on the area they're in.

MR. CHAIRMAN: Do you want to tell us all those names you said?

MISS KVIST: Not on your life.

Okay; (b), Alberta health care information: part 3 in your book. There were questions brought up last week relating to benefits: first off, what seniors get when they retire versus whether we should be looking at an extended health care program, if it's already covered; also, what happens when you travel out of province or out of country. There's a lot of information in all these little brochures, and they answer the questions in bits and pieces, so what I'll do is just try to go through and give you the answers, and you'll have the brochures for future reference.

First off, with respect to what you're entitled to as a senior, in the big brochure called Programs for Seniors -- you may have seen it before -- pages 13 through 24 outline in considerable detail, under both the Alberta health care and the Blue Cross plan, exactly everything that's covered for a senior. So you can use that in comparing it to some alternatives you may choose to come up with with respect to benefits to top up before you hit 65 and are eligible for these. Okay?

With respect to what happens when you travel out of province or out of country, if you're a senior then again it's covered under this book. As long as you're in Canada, you're covered by the health care plans. But if you go out of province or out of country, then there is coverage that continues, but there are instructions about letting Alberta health care or Blue Cross know that you're going to be out of the country, for what period of time, and in some cases suggestions for picking up additional health care at your own cost.

If you're not a senior and you're going to be traveling out of the country on short term, you pick up your own insurance. On a long-term basis, again, if you want to continue medical coverage and hospital coverage, you would be required to buy additional Blue Cross coverage or your own medical insurance coverage.

MR. CAMPBELL: As it stands today.

MISS KVIST: As it stands presently, today.

MR. CAMPBELL: Okay. Do you mind if I just ask a question here? Okay, now, say that we were going to travel to the States, and we're going to be down there two weeks. You are recommending that we take additional coverage.

MISS KVIST: Under the present plan, if you're going to be traveling out of the country from zero to 31 days, then you can buy additional Blue Cross coverage which will cover you, for the most part, at the Alberta rates while you're in the States.

MR. CAMPBELL: At the Alberta rates.

MISS KVIST: At the Alberta rates, yes.

MR. CAMPBELL: There's quite a difference there.

MR. CHAIRMAN: Between the U.S. rates and the Alberta rates.

MISS KVIST: Depending on the kind of coverage that you need, more of the specifics about what is covered, what isn't, and to what extent are in the little brochures.

MR. CHAIRMAN: Because when I went to Malaysia, I asked the same question, and Treasury had said that they wouldn't pay for the extra insurance; that was out of your pocket. We said, "BS; if that's the case, then we're not going to take it." Why should a member go on Legislative Assembly business and have to pay out of their pocket for their insurance? So then they said: "Oh, no, it's covered. We'll cover you; you don't need insurance." That was the answer we got back at that time.

Nick.

MR. TAYLOR: I'm not sure I understand that correctly. I thought you were covered for Alberta rates whenever you traveled; the only purpose of insurance is for . . .

MR. CHAIRMAN: To top it up.

MR. TAYLOR: . . . topping it up. Surely when you leave the country for a week or two, your Blue Cross and Alberta [health care] still continues, doesn't it? My reading of the thing is that until you take up residence somewhere -- you know, it would have to be more than 30; you'd have to be residing somewhere. In other words, Alberta rates are always applicable.

MS BARRETT: I don't think it works that way. When you phone health care, anybody in the province phones up and says, "I'm leaving the country for a couple of weeks; how do I get proper health care coverage?" they tell you, "Go to Blue Cross; you can buy it."

MR. TAYLOR: Yes, I know. But that's for . . .

MR. CHAIRMAN: That's for the difference between . . .

MR. TAYLOR: Oh, that's for the difference between the American rate and our Canadian rate. My assumption is that if you don't buy anything, that . . . Well, I know it's happened to

me. I went in to the doc a couple of times a number of years ago, and they'd give me a hell of a fee. I'd come back here, turn in the bill, and get the Alberta rate back, and I had to make up the difference out of my own pocket. So in other words, I'm almost sure you're covered for Alberta rates no matter where you go in the world.

MISS KVIST: Okay. Maybe I can restate that as it's not clear. The reason for buying the topped up insurance is to give you that added protection while you're in the States. There are limits as to how much protection and for what.

MR. TAYLOR: Yeah, I agree. But I think if you take off without anything, you're always eligible for the Alberta rate.

MR. CHAIRMAN: But that's one thing we should look at. If somebody is traveling on our behalf and if it now is the case that they have to have extra insurance, we should be paying that. The person shouldn't be paying that out of their own pocket. That's not fair. It's like making your employee pay for his insurance when he's on company business, if it's extra insurance. Nobody does that.

MS BARRETT: No. It's a good point.

MR. TAYLOR: I've got a funny story. I was with the family in Cairo one time and had to put a daughter in the hospital for about five days. The bill was so cheap, Blue Cross wouldn't accept it here. We had a helluva fight, so I finally had to bill them for the Alberta rate.

MR. CHAIRMAN: And they paid it.

MR. TAYLOR: Yeah, they paid it. There was no way they were going to take a cheap Cairo hospital.

MR. CHAIRMAN: Okay.
Cheryl.

MISS KVIST: The other question that was asked was just with respect to: what if I move to another province? If you are a senior, then your premiums are, as in Alberta, paid in full, and you don't have to worry about province to province except notifying them what province you're going to be in. If you are not a senior yet, you are responsible for maintaining your coverage in this province, where there's a three-month qualifying period, in essence, when you move to a different province before you can purchase it. So if you move to Ontario, you have to make sure you pay up your Alberta premiums for the three months so that you will be covered; then at that third month you can purchase the Ontario plan.

So it's more a matter of keeping them informed of what provinces you're going to be in if you plan to be moving around half of the year, back and forth, and making sure you have adequate coverage.

MR. CHAIRMAN: Okay. Any questions?

MR. TAYLOR: I've got one. What happens if you go to Arizona or California for the winter, and, say, you're gone out of Canada for six months? When does a visit become . . .

MISS KVIST: A living?

MR. TAYLOR: Yeah.

MR. CHAIRMAN: Six months and one day.

MISS KVIST: From what I've read and interpret through the brochures, whether you're visiting or living isn't an issue. If you're going to be out of Canada for a long period of time, depending on whether you qualify and are under the seniors' plan or are not a senior yet and are paying your own Alberta health care, in both cases you would be wise to obtain additional coverage for medical expenses through Blue Cross, to cover that extended travel out of the country. Now, as a senior there appears to be more covered and more provision.

MR. TAYLOR: But see, even the extra is only -- what? -- 31 days.

MISS KVIST: That is the brochure that covers the short-term travel. But, as well, there is provision to pick up additional coverage for long-term travel.

MR. TAYLOR: For long-term travel?

MR. CHAIRMAN: I know most of the people at home who go down -- a lot of them you know -- make sure it's not over six months. They'll come back one day before the end of six months.

MR. TAYLOR: I think that's the hook that's in there. I think anything's a visit up to . . . This is what I wanted to find out.

MR. CHAIRMAN: It affects medical coverage, plus I think it affects your income tax and stuff like that.

DR. McNEIL: Your residency status, yeah, for your tax.

MR. TAYLOR: That's probably the definition then: you're covered as long as you're a resident of Alberta. What's a resident of Alberta? It's what the income tax people say is a resident of Alberta.

MR. CAMPBELL: Is there any residency stipulation with Alberta? How long do you have to live here? Say that you did live six months, or say that you did have a residence here but lived in both places. Is there any stipulation on that?

MISS KVIST: I'm not sure I follow the question.

MR. CAMPBELL: Okay. Say that I live in Saskatchewan for six months of the year . . .

MR. TAYLOR: You deserve a bonus.

MR. CAMPBELL: . . . and I still have a home in Alberta.

MISS KVIST: I'd have to ask them that question specifically and get their interpretation. They make reference to people moving from one to the other, but they don't give an example specifically about a 50-50 split and how that would be covered or who would cover it, Alberta or Saskatchewan.

MR. CAMPBELL: Yeah. I've got a friend who goes back and forth to Tucson, but he's back here for so much time in order

that he holds dual citizenship. That, I guess, entitles him to Alberta health care. What are the regulations governing someone that has property, is a taxpayer of Alberta, whether he can be here -- maybe he can be out of the province nine months.

MR. TAYLOR: I don't think so. I run a little engineering firm that does work around the world restoring, offshore loading crude. Employees all have their own way of claiming income tax, you know, to establish residences in different places. Every country is different, and there's always quite a game to see where you can live and not live. In other words, if you can live in Panama, the income tax is very good, but if you spend all your time in Canada . . .

It's quite an international game. It's almost a consulting game for engineers. I use about a dozen of them, and they're all over the bloody world, none of them where they're supposed to be. But when you get old, it's pretty nice for Canadians to have that old medicare. I think it establishes you as a resident under income tax laws. That's your ultimate appeal: what the income tax people say. You've got to be fairly careful; if you're drawing a full-time paycheque down there, you're going to have a hard time coming back. But if you're retired or just doing odds and sods, you can get away with just -- well, who's to know? You've got a post office address here and a home, even if you're not in it, as long as you don't rent it, and nobody knows.

MR. CAMPBELL: It's quite interesting. You know, the reason why I've raised it is the fact that even looking at, say, a farm -- if you're not a resident of that farm and it's not used for agricultural purposes, there's a different assessment coming on that land. So whether you're here or there . . . Now, what happens when, say, you own two places in two different provinces? Whether you spend some time here or some time there or whatever, is there any time limit with a maximum that you can be out of this province in order to share in the Alberta health care system?

MR. TAYLOR: I haven't touched it for two years because I used to live back and forth overseas. It had to be six months here.

MR. CAMPBELL: Six months here.

MR. TAYLOR: Yeah.

DR. McNEIL: I think the residency requirement is required under the tax Act. So if you're a resident of Alberta for tax purposes, then qualification for all these other things takes place.

MR. CAMPBELL: Yeah, I guess that's right. That is tied in, isn't it?

DR. McNEIL: But in terms of moving here, there's still that three-month qualifying period.

MR. TAYLOR: To get on?

DR. McNEIL: To get on. Let's say you moved here from Ontario. You'd have to pay, as Cheryl said, three months more of Ontario's to cover for that three-month qualifying period here. Then you're a permanent resident here and can qualify for Alberta health care.

MR. TAYLOR: But even that, you know, is silly. My kids who moved back from another province had three months. I have another daughter who's a professor at university. She comes in from overseas, and she gets on immediately. If you come from outside the country, you go right on immediately.

MR. CHAIRMAN: Because she wasn't on a plan and didn't have coverage.

MR. TAYLOR: But if you come from another province, you've got to wait three months.

DR. McNEIL: But that's the deal among the provinces for administrative purposes.

MR. TAYLOR: That's right. Exactly. Yeah.

MR. CHAIRMAN: Okay, Cheryl.

MR. CAMPBELL: Okay. Thank you.

MR. TAYLOR: My own purpose in bringing it up way back was, I think, from the freedom of retirement, being able to access Alberta privileges. But I guess it's not too much to ask somebody to come back from Tahiti once every six months.

MR. CAMPBELL: Just check in.

MR. TAYLOR: That's right. Check in now and again.

MISS KVIST: Okay. Section 2, for your information, is a copy of information that I have received from the National Conference of State Legislatures. You were asking for comparisons as well down in the States, and this is their most recent updated version of all their information and their comparisons of almost everything.

MR. CAMPBELL: Where are we at, Cheryl?

MISS KVIST: Part 2. So it depends on what type of information you want to compare Canada to the States. There's a section on retirement benefits, pensions, allowances, expenses: the whole works.

MR. CHAIRMAN: There are a lot of figures in this. I looked through it last night, and it varies from nothing to about \$43,000.

MISS KVIST: Quite a range in different states.

MR. CHAIRMAN: It's surprising that some of the states that pay higher aren't the biggest states.

The thought that occurred to me when I was reading it -- and I don't know the answer to it -- is that when they call them full-time Legislatures, I guess they're not like . . . Montana, for example, sits every second year for 90 days. That's written in their constitution.

MR. CAMPBELL: Yeah. That's one of the wrinkles that they have.

MR. TAYLOR: Is that right?

MR. CHAIRMAN: So they can sit, you know, long, long days to get it packed into 90 days, because they'll have 200, 250 Bills. Everybody who's got a brain wave like we put in private members' Bills, they throw a Bill at them. Like one guy described it, he says: "It's like killing snakes. You kill one and it's still moving and another one pops up." So I don't know if New York, at \$43,000, is something like that or if they're sitting more like us, at the call.

MS BARRETT: In New York you'd need that much just to pay half the rent.

MR. TAYLOR: There's no mileage in New Jersey, I guess. Probably pay your mileage in Rhode Island, eh?

DR. McNEIL: They issue everybody with bicycles.

MR. TAYLOR: Yeah. I haven't seen anything new that we'd discover there.

MR. CHAIRMAN: I would think that in Rhode Island one of us travels as far as the whole state Legislature.

This is probably something we'll have to come back to because it's too much to try and digest here in a few minutes.

MR. CAMPBELL: Yeah. It's going to take a little bit of time to look through this.

MR. CHAIRMAN: But you wanted information, Nick; you got 'er.

MS BARRETT: You sure did.

MR. CAMPBELL: Yeah. Excellent.

MR. TAYLOR: Well, it's just something, you know, to run your eye over to see if there's something that catches it. I haven't seen anything we'd want to get yet.

MR. CAMPBELL: This is the problem, you know. I guess when they sit every two years and then come back, the governor more or less runs everything. He does the numbers in between.

MR. CHAIRMAN: Then if he has an overbudget, he can call everybody back.

Okay. Next.

MISS KVIST: Okay. Another question that came up last meeting was with respect to the option on your retiring allowance, or your severance allowance, to roll it over into an RRSP. The information that helps explain that is in part 4, a handout that comes from Revenue Canada on pensions, an RRSP guide.

Basically, with respect to retiring allowances, a retiring allowance may be transferred to another registered retirement pension plan or savings plan, but there are limits on the amount of retiring allowance you can roll over into such.

MR. CHAIRMAN: Did you check with Revenue Canada, with the minister's office, or somebody like that to find out if there are any special circumstances surrounding legislators? Because they're affected by it as well.

MISS KVIST: I didn't ask that question specifically.

MR. CHAIRMAN: I think maybe we should have that checked, because there might be an off chance that there could be a separate agreement or a separate set for Members of Parliament or Legislatures that have that.

MISS KVIST: Separate provisions?

MR. CHAIRMAN: Because it's a distinct cutoff, and anybody else who retires, depending on how old, can access unemployment insurance to an extent. We can't.

MISS KVIST: Okay. I can follow up on that.

MR. CHAIRMAN: So there might be a -- there might not be, but it might be separate too.

MISS KVIST: If you're looking at the normal retiring allowance guidelines, first off, when you get your retiring allowance, or your severance payment, you have two choices. You can either get it paid out to you and choose to take that and put it into an RRSP, or if you wish, you can have it directly rolled over, for instance, from our payroll account into an RRSP and thus save any tax being incurred on it at that time.

MS BARRETT: What is the actual ceiling for . . .

MISS KVIST: How much?

MS BARRETT: Yeah, if you're rolling it over.

MISS KVIST: The amount of retiring allowance that you may transfer is based on the formula of \$2,000 multiplied by the number of years you were employed by that employer.

MR. TAYLOR: What was that formula again, please?

MISS KVIST: Two thousand dollars times the number of years you were employed by that employer.

MR. TAYLOR: You can roll that ahead.

MISS KVIST: That's what you can roll over.

MR. CHAIRMAN: But those are dealing with a full taxable income. We're dealing with partial taxation and partial tax-free allowance.

MISS KVIST: Okay.

MR. CAMPBELL: Yeah, that tax-free allowance.

MR. CHAIRMAN: That's the thing that I wonder about: how that's affected on our retirement. Sometimes our retirements aren't exactly planned or figured.

MISS KVIST: Okay. Under the interpretation here they're assuming that this retiring allowance is totally taxable . . .

MR. CHAIRMAN: Yeah, and I'm not sure that's right.

MISS KVIST: . . . versus what we're calculating our severance pay on, a combination of taxable and nontaxable. So we need a clarification.

MR. CHAIRMAN: Right.

MISS KVIST: Is that the question?

MR. TAYLOR: If it isn't, I think it will be by the time we retire anyway. They're moving that way.

MS BARRETT: I thought we were talking about the severance package itself, aren't we?

MR. CHAIRMAN: Yeah.

MISS KVIST: The retiring allowance.

DR. McNEIL: Yes. The resettlement allowance.

MS BARRETT: The resettlement allowance. Okay. Which is not . . .

MR. CHAIRMAN: Which is not a severance allowance per se.

DR. McNEIL: The formula is based on a percentage of both the members' indemnity and the members' expense allowance.

MS BARRETT: Yes, that's right.

DR. McNEIL: And that expense allowance is tax free.

MS BARRETT: Oh, okay.

MR. CHAIRMAN: See, that's my question.

DR. McNEIL: Alan's question is: does that have any implications in terms of what you can roll over into an RRSP?

MS BARRETT: The thing says: \$2,000.

DR. McNEIL: But do the rules change because a portion of that is tax free? That's your question.

MR. CHAIRMAN: This is what I'm asking; yes.

MISS KVIST: You see, because if you were to get paid the re-establishment allowance outright, unless there's something else to indicate otherwise, you would be taxed on that total amount, which is why you want to look at rolling it over into an RRSP, to beat the tax.

MS BARRETT: Right. Gotcha.

MR. CHAIRMAN: But this was called a severance package, not a re-establishment, and the naming may make a difference, too, in the intent. I don't know.

MISS KVIST: The definition of a retiring allowance is:

A retiring allowance is an amount that is received upon or after retirement from an office or employment in recognition of long service and includes a payment in respect of unused sick-leave credits.

Or may include that.

It also includes any amount received for loss of office or employment, whether it was received as payment of damages or under an order or judgment of a . . . tribunal.

MR. CHAIRMAN: I suppose you could argue that we don't fall into any of those categories really.

MS BARRETT: No. On the other hand, we might be a tribunal that provides an order. I suspect that's the way they would do it.

MR. TAYLOR: My impression was that a re-establishment or a grant to get into business was not as taxable as a reward for past service. In other words, if we call this a re-establishment payment . . .

MR. CHAIRMAN: That's what it is called.

MR. TAYLOR: . . . rather than severance, I think it's better. I don't know. Maybe Cheryl could check that, but I think that's in a better tax position than severance, and it may be worth while checking that.

DR. McNEIL: Mr. Chairman, I think that's an issue we should clarify. If it's treated differently if it's called a resettlement allowance than a retiring allowance for tax purposes, we'd better decide what we want to call it to ensure the most favourable tax rates.

MS BARRETT: It was originally called resettlement.

MR. CHAIRMAN: It was originally called resettlement or re-establishment.

DR. McNEIL: Re-establishment.

MR. TAYLOR: That was my purpose in bringing it up in the first place. I know I don't keep right up on income tax, but the whole concept of re-establishment is that it means you have equivalent expenses. In other words, once the government accepts -- if I give you money to re-establish yourself, you must have had those expenses, so therefore it's not taxable. If you were going to have it, it's not taxable; whereas if I give you a reward for the past, obviously it's found money.

MR. CAMPBELL: That's an interesting point, Nick.

MR. TAYLOR: Well, I think it's certainly well worth looking at.

MR. CHAIRMAN: So we'll get that checked. But, remember, we thought we were careful about what we called it.

MS BARRETT: Yeah. Well, I'm quite sure we were. We did call it re-establishment.

MR. TAYLOR: That's what we were aiming for anyhow. We'll double-check it.

MISS KVIST: Okay, we'll get that checked out.

MR. TAYLOR: I think you're going to have trouble getting away with a \$50,000 or \$100,000 re-establishment.

MR. CHAIRMAN: I guess David's maybe next, not you. Have you got your stuff in?

MISS KVIST: Actually, I just have a couple more quick things.

You also brought up a benefit for ex-members wanting to return for different functions.

MR. CHAIRMAN: Right.

MISS KVIST: Part 5, right at the back, is a very quick cost analysis. If you were to offer up to a maximum of two trips per year and on those two trips up to a maximum of five days' accommodation, based on those figures there is an approximate cost per member for them to come back. Depending on what type of function, for what purpose, who knows how many ex-members would be returning in a year, and thus you would have different costs.

MS BARRETT: I have an idea on this. I've been thinking about this, and it seems very weird that you would want to make it a sort of blanket thing. When I was first approached about the issue, it was pointed out to me that a couple of times a year, on average, we have Legislative Assembly functions. Would we want to stipulate, if we're going to be recommending this, that use of this allowance would have to be by invitation of the Legislative Assembly to whatever?

MR. CAMPBELL: You'd like to have that stipulated?

MS BARRETT: Yeah, I think that's what makes sense, don't you?

MR. CAMPBELL: To be coming back for legislative functions.

MS BARRETT: Yeah. Well, it could just simply be on invitation from the Legislative Assembly. I confess that I've not thought it through more carefully than that. Does that mean an individual MLA can invite a retired MLA to Edmonton for a particular thing? I don't know. But it just seemed to me it should be related, because that's the whole purpose -- right? -- that somehow we need to relate it to Leg. Assembly.

MR. CAMPBELL: That's a good point.

MR. CHAIRMAN: Receptions or something, whatever.

MS BARRETT: Yeah. I mean, we know we have them.

MR. CHAIRMAN: I guess we can think about it some. Should it be the Speaker? Should it be just an individual?

MS BARRETT: Exactly.

MR. CHAIRMAN: Let's take, for example, when Ray Speaker's 25th thing was on. In that case, I suppose he'd have had the opportunity, if this was in, to invite some former members. Yeah, I could see that it probably should be on both sides, eh? A member could invite somebody as well, depending on the occasion.

MS BARRETT: That would appeal to me. I don't like to be too rigid about it.

MR. CAMPBELL: This is right. It's interesting; we should look at that.

MR. CHAIRMAN: We don't want to be too closed about it but

we don't want to be too open, is what you're saying.

MS BARRETT: Exactly. There is a way to do it, which is: upon invitation by a Member of the Legislative Assembly, subject to the approval of the Speaker.

MR. CHAIRMAN: Yeah.

MS BARRETT: Poor guy is going to start thinking of himself as a rubber stamp.

MR. CAMPBELL: I'll tell you, this makes good discussion or debate in the full committee. Certainly there are other people sitting there who will have some comments to make in that regard.

MR. CHAIRMAN: This is probably one of the few things we can report on. At least we've got some numbers on it. We can say: "Look, this is what we've got; it's up for discussion. What do you think?"

MS BARRETT: Yeah.

MR. CAMPBELL: I agree.

MR. CHAIRMAN: We've got a budding expert on income tax coming down here pretty soon.

Okay?

MISS KVIST: Okay. Finally, you wanted clarification about what was recognized service under your pension plan. According to George Buse from the pension board, any public-sector employment service is recognized, such as the public service pension plan, the public service management pension plan, a local authorities pension plan, the Teachers' Retirement Fund. What is not recognized is service while holding an office; for instance, as an elected official, as an alderman, in the House of Commons, as a school trustee.

MR. CHAIRMAN: The House of Commons isn't?

MISS KVIST: Under our plan it is not recognized.

MR. CHAIRMAN: Well, that's something new. I thought the House of Commons one was.

MS BARRETT: Is this for the purposes of CPP?

MR. CHAIRMAN: No.

MISS KVIST: This is for the purposes of recognizing prior service towards your pension, pensionable service.

MR. TAYLOR: I'm sorry; MLA time does not count on civil service time? I didn't follow that.

MR. CHAIRMAN: Civil service does, but House of Commons doesn't. Elected positions don't.

MR. TAYLOR: House of Commons transfers . . .

MR. CHAIRMAN: No, she says it doesn't. That's something that I didn't know.

MISS KVIST: Under this plan any service as an MP is not recognized.

MR. CHAIRMAN: It must be a straight payout then, and you start over.

MISS KVIST: So if you worked for the provincial government under their pension plan or for the city of Edmonton under their pension plan and you commenced as an MLA, then you could transfer that or choose to buy back that service. But if you were an alderman for the city, that service is not recognized under your pension plan.

MR. CAMPBELL: These politicians make it very difficult for themselves, don't they? The only time they realize what happened is the day after they're defeated.

MR. CHAIRMAN: Okay.

MR. TAYLOR: Well, is that a point that we want to move, that we see whether we can . . .

MR. CAMPBELL: We should review that.

MR. TAYLOR: Yes, but what do we gain? Maybe our pension is better . . .

MR. CAMPBELL: Yeah. I don't know. I guess they have that buy-back privilege in all other groups, but I don't know whether it would impact that many people or not.

MR. TAYLOR: Well, I was just thinking that if you're young like Pam here and were defeated and you got a job with the government, it would be nice to count the years of MLA on the pension.

MR. CHAIRMAN: Oh, you're thinking the other way, at the backwards end.

MR. TAYLOR: If you're retired, though, I don't know how we could structure anything. I gather from you that if you've been in the civil service and become an MLA, you don't lose. You can buy your position, keep your pension plan going. What I'm thinking of is if you've been an MLA and then become a civil servant, it would be nice to count your MLA time. Of course, if you're over 60, you're not going to become a civil servant anyhow, so I'm only talking about younger people.

MS BARRETT: Let David in.

DR. McNEIL: I think in that case you're probably better off to keep in the MLA plan . . .

MS BARRETT: You've got that right.

DR. McNEIL: . . . because it pays at a higher percentage rate per year of service than the management pension plan or any of these other plans.

MR. CHAIRMAN: Unless you're only one term.

MS BARRETT: Then you'd get your money back, though.

DR. McNEIL: You have to be vested in the plan to qualify, but if you . . .

MS BARRETT: You get your contributions back, though, if you're only one term, don't you?

DR. McNEIL: Yes, with interest.

MR. TAYLOR: That leads to my next question. I wondered what we can invest from year one, because in my mind there was a bit of a conflict with the Charter of Rights: to take somebody's money for four, five, six years, whatever it is, and then give it back to them.

MR. CHAIRMAN: Pam?

MS BARRETT: Yeah. This brings us back to the old argument, though. I think it's fair the way it is, because the purpose of this is to be an incentive to be a good constituency person, to get re-elected, in other words, if you seek to. There's no real loss, because you get your contribution back with interest if you choose not to run again after your first term or if you are defeated. Remember, we had this conversation from years ago already. I think that's the reason for it. I like that. I think it makes us more responsive.

MR. CHAIRMAN: But you can start putting your money into the pension plan from day one.

MS BARRETT: Oh, yeah, you do. You're forced to.

MR. CHAIRMAN: Oh, no. You're not forced to; it's a choice.

MS BARRETT: Oh, is it?

MR. CHAIRMAN: Yeah. At least it was when I started.

MISS KVIST: Again, checking with George from the pension board, he was not aware, from his exposure, of any challenge to the Charter of Rights. But each province has regulations developed with respect to pension plans, and in Alberta our regulations establish vesting rights and establish it at five years. So that's where that came from.

MR. TAYLOR: Yeah. I can maybe do a little more work on the Charter, because I can't remember where it came in from.

I don't agree with you there's an incentive, because the real incentive, then, would make it four elections or whatever it is. You want to hold a guy's nose to the grindstone. That's what they used to do, you know. You had to work for poor old Esso for 55 years or 35 years, otherwise you wouldn't get your gold watch. It's been moved all the way back now to four or five years. I don't like the idea that an employer can hold a club. It's your money; you've put it into a plan. They're putting up -- they're using your money, whoever the investor. That money trickles over to somebody that's loaning out the money, maybe Alberta housing or Manufacturers Life.

MR. CHAIRMAN: Do you want to do some more work on that then?

MR. TAYLOR: Yeah.

MR. CHAIRMAN: See if you can remember where you heard that, because you mentioned that last time too.

MS BARRETT: I remember it too.

MR. TAYLOR: Yeah. I don't know where the hell I got it. Okay. Just leave it. But anyhow, George's answer to you was that he didn't know anything about it. Because the challenge is...

MISS KVIST: From his exposure, he was saying it wasn't.

MR. TAYLOR: I remember that when I first went to work for an oil company, vesting was 20 years, and they keep moving back. Vesting is all the way down now to two or three years, I think, in most companies.

MR. CHAIRMAN: Eric Musgreave is sending me some stuff.

MR. TAYLOR: Pardon?

MR. CHAIRMAN: I think Eric Musgreave has looked at not the minutes but the discussion about this committee, and he's sending some stuff from Imperial just for our information so that we can chuck it in the basket with the rest of it and look at it.

DR. McNEIL: Just a point. A lot of those oil company plans are noncontributory. So the individual employee doesn't contribute to the plan, but there's a vesting period in those plans. If you work for more than five years, then all the company's contributions come into effect in terms of being able to earn a pension. But the employee himself or herself doesn't contribute to the plan.

MR. CHAIRMAN: Okay.

Jack's got to leave. We've covered all of 4. Have we actually covered part of 5 in our discussions with the other, and then request any additional information from Cheryl?

MR. CAMPBELL: On number 5, I guess we're probably going to have to try and come up...

MR. TAYLOR: Well, I like Pam's idea of it being on invitation. I mean, put this in, but then have it on the... But who would invite, the Speaker's invitation?

MR. CHAIRMAN: I thought that was the one report I can make today. We can turn that sheet in and report that this is the discussion and that these questions have been put forward. What do you think? Okay?

MR. CAMPBELL: I think it'd be a good idea to report some progress.

MR. CHAIRMAN: Everybody agreed?

MS BARRETT: Sure.

MR. CHAIRMAN: Okay.

I wonder if we can go to number 6, Members' Travel Allowance. Pam, I don't know if you want to sit in on this or if you want to leave. You shouldn't have a problem with it. It's not relating to you specifically; it's in general for the future.

MS BARRETT: Yeah. I think the smart thing to do now is for me to leave. Okay?

MR. CHAIRMAN: Okay.

MS BARRETT: If any report comes up from Members' Services this afternoon on the same subject, if you'll alert me, I'll just leave the room.

MR. CHAIRMAN: Okay.

MS BARRETT: Is there any other item? Do you want me to stick around outside now?

MR. CHAIRMAN: I don't know. Yeah, stick around.

MS BARRETT: Okay. I'll stick around.

MR. CHAIRMAN: Don't go too far away.

MS BARRETT: I won't go too far away. I'll be findable.

MR. TAYLOR: Don't smoke.

MR. CHAIRMAN: Thumbs down on you, Taylor.

MR. TAYLOR: I thought I saw a finger as I looked around.

MR. CHAIRMAN: Yeah, you did.

Just to give her the protection, maybe we should close the door. Go ahead, David.

DR. McNEIL: Regarding Ms. Barrett's concern at the last meeting regarding overpayment of the members' travel allowance, as I indicated at the last meeting, I provided her with a legal opinion absolving her of any direct responsibility and necessity to pay it back.

MR. CHAIRMAN: Just a sec. Have you got noted in the minutes that she left?

MRS. KAMUCHIK: Yeah, noon.

MR. CHAIRMAN: Okay. We'll note on the tape that she left two minutes ago.

DR. McNEIL: I had discussed with her the suggestion that for travel she was doing on behalf of the leader, she could either use the leader's car and the gas that's supplied there or, if they wanted to do that within their own caucus, pay her at the rate of 21 cents a kilometre or any other rate for travel she does on caucus business. It wouldn't be charged to the members' travel allowance.

The other alternative for further discussion at this meeting was the conversion of the five return air trips in a fiscal year that are authorized for each member to five trips by automobile within the province. To that end, we drafted a Members' Services order which expresses that idea. The essence of that is that you can convert one or more of those five air trips into trips by automobile and be paid at the rate of 21 cents a kilometre. Those return trips can be from the constituency to anywhere in the province and return.

MR. CHAIRMAN: I wonder, just on the aspect of the 21 cents, in about two or three of these Members' Services orders we have 21. Is there a different way of wording that so that if we ever do change it, we're only looking at one rather than having to change five or six Members' Services orders? That's a small item.

DR. McNEIL: Yes, we can change that.

MR. CHAIRMAN: Nick, did you have something to say?

MR. TAYLOR: No, I think that's all right. A bit of a headache, maybe, to administer when you've got five trips a year. But I guess it should work with computers anyway.

MR. CHAIRMAN: It's no worse than the . . . I suppose all we need to say is that they note on the form and they claim it if this is one of their five trips.

Jack?

MR. CAMPBELL: Yeah, I think this is fairly generous and looks at it in a very perspective way in the fact that she can use the leader's car and her credit card or she can use caucus funds. So this certainly opens it up so she can have some choices.

MR. CHAIRMAN: It opens it up to anybody. If they don't fly or if they're in a position where they can't fly, they can drive.

MR. CAMPBELL: Yeah. There are people who, for some reasons, just don't like to fly, and this would probably assist in that problem, if they would rather travel by automobile.

MR. TAYLOR: That's anywhere in the province.

MR. CHAIRMAN: Yeah. It'll move from one pot to another, but in total dollars -- your travel against your airfare -- if anything, the way airfares are going within the province, it'll be cheaper.

Would somebody like to make a motion to accept this? Who wants it?

MR. CAMPBELL: Nick or myself; it doesn't matter.

MR. CHAIRMAN: Jack with Nick seconding it or whatever.

MRS. KAMUCHIK: We only need one.

MR. CHAIRMAN: Only one. A toss up? Nick. All those in favour of recommending to Members' Services Committee this proposed draft order? Will you show that unanimous, please?

Okay, we'll get her back, because we have to set a next date.

MR. TAYLOR: Does it cover her present bill? What did we decide?

MR. CAMPBELL: It's all taken care of.

MR. CHAIRMAN: We'd better stay out of that one because that's a legal . . . [interjection] Just a sec. Before she comes back?

MR. TAYLOR: She didn't want to let it die.

DR. McNEIL: It's just a question of process in terms of presenting this at the meeting today. Does somebody want to do that?

MR. CHAIRMAN: I can do it when I present the other. We'll do the two together.

DR. McNEIL: Okay, and I'll have this modified to reflect your concern.

MR. CHAIRMAN: Okay.

MR. TAYLOR: By the way, are we going to look at the 21-cent thing again?

MR. CHAIRMAN: I don't know. But the thought just hit me that every Members' Services order we look at has 21 on it, and if we ever change the darned thing, we've got a whole darned list.

MR. CAMPBELL: Yeah, we'll just have a global change of the whole thing rather than go to every Members' Services order.

MR. TAYLOR: I was at a Tourism committee for the Solicitor General one time, and the Department of Tourism is paying 25 cents, I think.

MR. CHAIRMAN: They have to cover their own gas.

MR. CAMPBELL: What are we going to discuss now, Mr. Chairman? The next meeting date?

MR. CHAIRMAN: The next meeting date, I guess. There isn't a whole lot of new business, unless anybody's got any.

Is she out there?

MRS. KAMUCHIK: Yes, she's coming.

MR. CAMPBELL: Okay. Well, I'll go with your deliberations.

MR. CHAIRMAN: Okay. Just to bring you up to date, Pam, the committee will unanimously recommend that Members' Services order to the Members' Services Committee this afternoon, which sets the future for you but doesn't do anything with the past. Okay?

MS BARRETT: Uh huh. That's good.

MR. CHAIRMAN: Okay. Date of Next Meeting: should we wait and see when we set the next Members' Services meeting? Then the four of us can get together for two minutes this afternoon and set it, eh?

MS BARRETT: Yes, I agree.

MR. CHAIRMAN: Because it's foolish for us to try and pick a date when we're not backing up against Members' Services or something. Okay?

MS BARRETT: Yes.

MR. CHAIRMAN: Has anybody got any new business? I guess I missed that one. We've still got some information com-

ing in. Not a lot, but still some.

MR. TAYLOR: That state legislature helped a lot, just to know what they do and ideas they've got there.

MR. CHAIRMAN: Pam, do you have something?

MS BARRETT: Well, there is something, but I don't know where to bring it up; perhaps here: the application of air travel bonus points on the bona fide MLA business outside the province.

MR. TAYLOR: That's on today's agenda, isn't it?

MS BARRETT: Well, I looked at that, and it's hard to see because I'm not sure that the right context is there. It talks about staff, doesn't it, for that item?

MR. CHAIRMAN: Well, I think it's us too.

MS BARRETT: Okay, so we're just dealing with it there then.

MR. CHAIRMAN: I could take out my book.

MS BARRETT: Well, then we don't need to bring it up, if that's the case.

MR. CHAIRMAN: It's everybody, isn't it, David?

DR. McNEIL: That's my understanding. It's primarily the members it's related to, but it does apply to the staff as well.

MS BARRETT: Okay; good. That's fine then. I have nothing else.

MR. CHAIRMAN: Okay. Nick?
Does somebody want to make a motion?

MS BARRETT: To adjourn.

MR. CHAIRMAN: Okay. All those in favour? Carried.

[The committee adjourned at 12:08 p.m.]