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Province's MLA pension plan way too sweet

By MARILLA STEPHENSON

The gravy train just keeps on chugging along for politicians in Nova Scotia.

The amount of taxpayers' money frittered away on generators, an expensive espresso machine and Dance, Dance Revolution video games, as revealed in the shocking auditor general's report of last winter, is a mere pittance compared to the gold-plated pension rewards awaiting MLAs who serve a handful of years in office.

Of course, as the service to the voters increases, so too do the pension benefits, as is the case in every other job that comes with a pension plan.

Most private-sector plans — if you're lucky enough to have one — have the worker and the employer paying equal contributions during a worker's years of employment.

In the public sector, levels of contributions made by the employer may be higher or even topped up by $500 million or so if an unfunded liability crops up. You know, like when taxpayers pitched in to cover off the shortfall in the provincial civil service's superannuation plan earlier this year.

Public-sector pension plans are very good plans indeed. Given the rate at which the population is aging, the workforce is shrinking even as the civil service has continued to grow through recent years. Taxpayers who have lesser plans, or no pensions at all, could be forgiven for resenting these publicly funded plans.

Meanwhile, retirement ages are rising in the private sector, while bureaucrats retire with pensions, and then get re-hired by their own departments to do contract work. Talk about double-dipping.

But when it comes to our MLAs, Nova Scotians have every reason to be downright angry. A report released Tuesday by the Canadian Taxpayers Federation says that for every $1 an MLA kicks into the plan, taxpayers shovel in $22.

The federation says that translates into $11 million a year, while the MLAs pay just $500,000 annually.

That places Nova Scotia's plan among the most lucrative offered to MLAs across the country. An MLA pension plan review prepared for the House of Assembly in Newfoundland and Labrador says the plan for MLAs in this province has the highest accrual rate in the country, allowing Nova Scotia politicians to max out their benefits with 75 per cent of their salary after 15 years in the House. The base salary for MLAs is $86,000.

The taxpayers federation figure of $22 is being disputed. A provincial Finance Department spokeswoman told The Chronicle Herald that the direct contribution is actually $6.79 by the taxpayer for every $1 from an MLA, while the remainder is interest earned by the plan.

Meanwhile, in New Brunswick, calls for an overhaul of the MLA pension plan have been avoided thus far by the Graham government. The election campaign that will end at the ballot boxes on Sept. 27 has been dominated by talk of the failed NB Power deal and municipal assessment freezes, with little discussion of MLA pensions.

But in New Brunswick, despite complaints that the plan is too rich, taxpayers only contribute $4 for each $1 put in by an MLA.

It is valid to ask whether a generous pension is needed to keep politics open to candidates from all socio-economic groups. If only the wealthy can afford to take time out of their careers to run for public office, then we would be doing a disservice to voters to make it even more difficult for the average citizen to enter politics.

But there should indeed be limits to the levels of taxpayer largesse. Patience has long since worn thin with complaints about the needs of politicians and the demand that they be reimbursed for every nickel. Politics should be accessible, but in this province there is not much trust left to bolster arguments about the need for lucrative expense accounts, travel allowances and pension benefits for politicians.

Look at it from the perspective of the working stiffs who head out the door every morning so the kids can be fed and clothed, the mortgages paid and the car payments covered. Hopefully, there will be enough left over to fund retirement someday down the road.

Their own retirement, that is.

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