

Legislative  
Assembly  
of Ontario



Assemblée  
législative  
de l'Ontario

1ST SESSION, 44TH LEGISLATURE, ONTARIO  
3 CHARLES III, 2025

# Bill 34

*(Chapter 2 of the Statutes of Ontario, 2025)*

## **An Act to amend various Acts with respect to pensions and compensation for members of the Assembly**

**The Hon. P. Bethlenfalvy**  
Minister of Finance

1st Reading	May 29, 2025
2nd Reading	May 29, 2025
3rd Reading	May 29, 2025
Royal Assent	May 29, 2025



## EXPLANATORY NOTE

*This Explanatory Note was written as a reader's aid to Bill 34 and does not form part of the law.  
Bill 34 has been enacted as Chapter 2 of the Statutes of Ontario, 2025.*

Subsection 61 (1.2) of the *Legislative Assembly Act*, which limits the annual salary of members of the Assembly to the salary that was in effect on March 26, 2009, is repealed. Subsection 62 (1) of that Act is amended to provide for an increase in salary for the Government House Leader.

Amendments to the *MPP Pensions Act, 1996* include amendments to provide for the following:

1. The members of the pension plan continued under subsection 2 (1) of the Act cease to be members. (See section 3.1 and the repeal of subsection 4 (1)).
2. Members of the Assembly are members of the Public Service Pension Plan continued under the *Public Service Pension Act*. There are special benefit vesting rules for members of the 44th Parliament. (See section 53).
3. The Lieutenant Governor in Council may, by order, establish an MPP supplemental pension plan for members of the Assembly. (See subsection 54 (1)).
4. When it is first established, an MPP supplemental pension plan shall include terms that are substantially the same as the terms set out in Schedule 1 which deal with certain aspects of the plan, including vesting of benefits, eligibility to receive a pension and the amount of the pension. (See subsection 54 (2) and Schedule 1).
5. After it is first established, changes to an MPP supplemental pension plan that would change benefits or the contribution rates of members of the plan may only be made with the consent of the Board of Internal Economy. (See section 55).
6. The Lieutenant Governor in Council may, by order, provide for allowances to be paid to a member or former member of the Assembly who is or was not eligible to be a member of the Public Service Pension Plan or an MPP supplemental pension plan. (See section 57).
7. Transition rules are provided for the registered plan accounts of individuals who cease to be members of the pension plan continued under subsection 2 (1) of the Act. (See section 58).

**An Act to amend various Acts with respect to pensions  
and compensation for members of the Assembly**

His Majesty, by and with the advice and consent of the Legislative Assembly of the Province of Ontario, enacts as follows:

**LEGISLATIVE ASSEMBLY ACT**

**1 Subsection 61 (1.2) of the *Legislative Assembly Act* is repealed.**

**2 Subsection 62 (1) of the Act is amended by adding the following paragraph:**

9.1. Government House Leader, 19.2 per cent.

**3 Section 63 of the Act is amended by adding the following subsection:**

**Exception**

(3) Subsection (1) does not apply with respect to a pension a member receives under a supplemental pension plan established under section 54 of the *MPPs Pension Act, 1996*.

**MPPS PENSION ACT, 1996**

**4 (1) Subsection 1 (2) of the *MPPs Pension Act, 1996* is amended by striking out “For the purposes of the Act” at the beginning and substituting “For the purposes of this Act, other than Part XI or Schedule 1”.**

**(2) Section 1 of the Act is amended by adding the following subsection:**

**Deemed members**

(5.1) For the purposes of this Act, other than Part XI or Schedule 1, the Information and Privacy Commissioner and the Ombudsman shall be deemed to be members of the Assembly.

**5 The Act is amended by adding the following section:**

**Termination of membership**

**3.1** Every member of the plan ceases to be a member of the plan.

**6 Subsections 4 (1) and (2) of the Act are repealed.**

**7 Section 46 of the Act is amended by adding the following subsection:**

**Limitation**

(2) This section does not apply to a deadline under Part XI or a supplemental pension plan established by order under section 54.

**8 Sections 52 and 53 of the Act are repealed and the following substituted:**

**PART XI**

**PUBLIC SERVICE PENSION PLAN PARTICIPATION, MPP SUPPLEMENTAL PENSION PLAN, OTHER MATTERS**

**Interpretation**

**52 (1)** In this Part and Schedule 1,

“MPP supplemental pension plan” means a supplemental pension plan established by order under section 54; (“régime de retraite complémentaire des députés”)

“Public Service Pension Plan” means the pension plan continued under the *Public Service Pension Act*. (“Régime de retraite des fonctionnaires”)

**Same**

(2) For the purposes of this Part, Schedule 1, the Public Service Pension Plan and any applicable supplemental pension plan established under the *Public Service Pension Act*,

(a) the employer of a member of the Assembly is the Assembly;

- (b) the period of service of a member of the Assembly shall be determined in accordance with subsection 61 (2) of the *Legislative Assembly Act*; and
- (c) the salary of a member of the Assembly is the amount paid to them under the *Legislative Assembly Act*, other than an amount paid to reimburse them for expenses actually incurred, and the salary, if any, paid to them under the *Executive Council Act*.

#### **MPP participation in Public Service Pension Plan**

**53** (1) Members of the Assembly are members of the Public Service Pension Plan.

#### **Vesting of benefits for members of the 44th Parliament**

(2) For an individual who is a member of the Assembly during the 44th Parliament, benefits under the Public Service Pension Plan in respect of service as a member of the Assembly shall vest, despite the *Pension Benefits Act*,

- (a) on the day the 44th Parliament is dissolved, if the individual is still a member of the Assembly on that day; or
- (b) on the day the individual dies, if the individual dies before the 44th Parliament is dissolved and, on the day the individual dies, the individual is still a member of the Assembly.

#### **Supplemental pension plan**

**54** (1) The Lieutenant Governor in Council may, by order, establish a supplemental pension plan for members of the Public Service Pension Plan who are members of the Assembly.

#### **Initial terms**

(2) A supplemental pension plan, when it is first established under subsection (1), shall include terms that are substantially similar to the terms set out in Schedule 1.

#### **Clarification**

(3) For greater certainty, a member of the Assembly may be a member of both a supplemental pension plan established under subsection (1) and a supplemental pension plan established under the *Public Service Pension Act*.

#### **Administrator**

(4) The Lieutenant Governor in Council may, by order, specify who the administrator of a supplemental pension plan established under subsection (1) will be.

#### **Legislation Act, 2006, Part III**

(5) Part III (Regulations) of the *Legislation Act, 2006* does not apply with respect to an order under subsection (1) or (4).

#### **Consent required for certain changes**

**55** (1) An order under section 54 that, after an MPP supplemental pension plan is established, would change the pension benefits, ancillary benefits or contribution rates of members of the MPP supplemental pension plan may be made only with the consent of the Board of Internal Economy described in section 87 of the *Legislative Assembly Act*.

#### **Exception**

(2) Subsection (1) does not apply to any order or part of an order that is required under the *Income Tax Act* (Canada), or otherwise by law, to be made.

#### **Consolidated Revenue Fund**

**56** All amounts required, under the Public Service Pension Plan, any applicable supplemental pension plan established under the *Public Service Pension Act* or an MPP supplemental pension plan, to be paid by the employer in respect of a member of the Assembly are a charge on and payable from the Consolidated Revenue Fund.

#### **Allowances**

**57** (1) The Lieutenant Governor in Council may, by order, provide for an allowance to be paid to a member of the Assembly who,

- (a) is not eligible to be a member of the Public Service Pension Plan; or
- (b) is not eligible to be a member of an MPP supplemental pension plan.

#### **Same**

(2) The Lieutenant Governor in Council may, by order, provide for an allowance to be paid to an individual who is not a member of the Assembly but who,

- (a) was a member of the Assembly on or after January 1, 2026; and
- (b) while a member of the Assembly on or after January 1, 2026,

- (i) was not eligible to be a member of the Public Service Pension Plan, or
- (ii) was not eligible to be a member of an MPP supplemental pension plan.

#### **Consolidated Revenue Fund**

(3) Allowances paid under an order under this section are a charge on and payable from the Consolidated Revenue Fund.

#### **Legislative Assembly Act**

(4) Allowances paid under an order under this section are not part of a member's salary for the purposes of section 61 of the *Legislative Assembly Act*.

#### **Public Sector Salary Disclosure Act, 1996**

(5) Despite the definition of "salary" in subsection 2 (1) of the *Public Sector Salary Disclosure Act, 1996*, amounts paid under an order under this section are not part of a member's salary for the purposes of that Act.

#### **Legislation Act, 2006, Part III**

(6) Part III (Regulations) of the *Legislation Act, 2006* does not apply with respect to an order under this section.

#### **Transition — registered plan account on ceasing membership**

**58** (1) This section applies with respect to the balance in the registered plan account of an individual who ceases to be a member of the plan under section 3.1.

#### **Options**

- (2) The individual may choose one or more of the following options for using the balance:
1. The individual may receive a pension purchased using all or part of the balance under section 27.
  2. The individual may require all or part of the balance to be transferred to a locked-in retirement account or a life income fund under section 28.
  3. The individual may require all or part of the balance to be transferred to another pension plan registered under the *Income Tax Act* (Canada), provided the administrator of that pension plan agrees to the transfer, in which case section 28 applies to the transfer, with necessary modifications.
  4. The individual may require all or part of the balance to be transferred to the Public Service Pension Fund continued under the *Public Service Pension Act* for the purpose of purchasing credit for prior service as a member of the Assembly in the Public Service Pension Plan in accordance with the terms of that Plan.

#### **Deemed option if no choice made**

(3) If the individual does not choose an option under subsection (2), or does choose an option but some of the balance in the individual's registered plan account remains, the individual is deemed to have chosen to use the balance, or the remaining balance, under paragraph 1 of subsection (2).

#### **Statement of balance and options**

(4) On or before February 1, 2026, the Speaker shall give each individual a statement setting out the balance in the individual's registered plan account and describing the individual's options under subsection (2).

#### **Same, timing**

(5) For the purposes of subsection (2), the deadlines in subsections 27 (4) and 28 (4) do not apply, and instead the deadlines shall be the ones specified by regulation.

#### **Regulations**

**59** (1) The Lieutenant Governor in Council may make regulations respecting anything necessary or advisable for the purpose of implementing this Part, except as provided for under subsection (2).

#### **Regulations relating to s. 58 (5)**

(2) The Minister of Finance may make regulations for the purposes of subsection 58 (5).

#### **9 The Act is amended by adding the following Schedule:**

#### SCHEDULE 1 INITIAL TERMS FOR MPP SUPPLEMENTAL PENSION PLAN

#### **Vesting of benefits**

1 Benefits shall vest,

- (a) for an individual who is a member of the Assembly during the 44th Parliament,

- (i) on the day the 44th Parliament is dissolved, if the individual is still a member of the Assembly on that day and, on that day, the individual has at least six years of service as a member of the Assembly, or
  - (ii) on the day the individual dies, if the individual dies before the 44th Parliament is dissolved and, on the day the individual dies, the individual is still a member of the Assembly and has at least six years of service as a member of the Assembly; and
- (b) for an individual who is a member of the Assembly during a Parliament after the 44th Parliament but for whom subclause (a) (i) does not apply, on the day the individual has at least six years of service in the MPP supplemental pension plan.

### **Eligibility for pension**

2 To be eligible to receive a pension, an individual must be at least 55 years old and must have benefits in the MPP supplemental pension plan that have vested.

### **Salary average used for accrual of benefits**

3 The benefit accrual rate shall be applied to the highest average annual salary over 36 consecutive months of service in the MPP supplemental pension plan.

### **Amount of pension**

4 The annual amount of the pension payable to an individual shall be 3 per cent of the individual's average annual salary multiplied by the individual's years of service in the MPP supplemental pension plan, to a maximum of 35 years of service, subject to any reductions or adjustments under other sections of this Schedule.

### **Reduction at age 65**

5 The annual amount of an individual's pension shall be reduced, when the individual reaches the age of 65 years or if the individual is already 65 years old or older when they begin to receive the pension, by the product of,

- (a) 0.7 per cent of the lesser of,
  - (i) the individual's average annual salary, and
  - (ii) the individual's average year's maximum pensionable earnings; and
- (b) the individual's years of service in the MPP supplemental pension plan, to a maximum of 35 years of service.

### **Reduction if begin to receive pension before age 65**

6 If an individual is less than 65 years old when they begin to receive their pension, the pension shall be reduced by 2 per cent for each year between when they begin to receive their pension and when the individual reaches the age of 65 years.

### **Inflation adjustment**

7 An individual's pension shall be adjusted for inflation in the same manner and at the same time as pensions payable under the Public Service Pension Plan.

### **Reduction for amounts payable under other plans**

8 The pension payable under the MPP supplemental pension plan to an individual shall be reduced by any amount payable to the individual under the Public Service Pension Plan and any applicable supplemental pension plan established under the *Public Service Pension Act* in respect of the same period for which benefits accrued under the MPP supplemental pension plan.

### **Reduction while receiving an MPP salary**

9 The pension paid to an individual while they are receiving a salary as a member of the Legislative Assembly shall be reduced in accordance with the terms of the MPP supplemental pension plan, unless the terms of the MPP supplemental pension plan provide otherwise.

### **Member contributions not required**

10 A member of the MPP supplemental pension plan is not required to contribute to that plan.

### **Definitions**

11 In this Schedule,

“average annual salary” means the highest average salary referred to in section 3 of this Schedule; (“traitement annuel moyen”)

“average year's maximum pensionable earnings”, with respect to a member, means the average of the year's maximum pensionable earnings under the Canada Pension Plan for the year in which the member ceases to be a member of the MPP supplemental pension plan and for each of the two preceding years. (“moyenne des maximums des gains annuels ouvrant droit à pension”)

**COMMENCEMENT AND SHORT TITLE****Commencement**

**10 (1) Except as otherwise provided in this section, this Act comes into force on January 1, 2026.**

**(2) Sections 1 and 2 are deemed to have come into force on February 27, 2025.**

**Short title**

**11 The short title of this Act is the *MPP Pension and Compensation Act, 2025*.**