

Information Update

June 2010

Legislative Update – British Columbia

Advisors: The following information will be sent to your clients in British Columbia.

Harmonized sales tax (HST) and employee benefit plans

Effective July 1, 2010, the province of British Columbia will combine its provincial retail sales tax with the federal goods and services tax (GST).

The impact

The HST will be applied as follows:

Plan type	Impact
Fully insured plans	0% PST on insured premium (no change)
Administration Services Only (ASO) with an element of insurance	0% PST on paid claims and service fees (no change)
Pure ASO plans	0% PST on paid claims (no change) 12% HST on service fees

Lipitor® off patent

The Canadian product patent for Lipitor, a drug used to treat high cholesterol, has expired. A generic version (atorvastatin calcium) is now available in Canada.

The impact

The lower cost the generic version should have a positive impact on plans with high Lipitor usage.