

Great-West Life
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GroupLine

News and updates
for advisors and
plan sponsors



Billing statements updated to reflect HST and revised “place of supply” rules

Effective Nov. 1, 2010, Great-West Life billing statements will reflect the new harmonized sales tax (HST) in some provinces and changes resulting from revised GST/HST “place of supply” rules.

Federal and provincial legislative developments this summer prompted changes to the way Great-West applies the HST, the goods and services tax (GST) and the 7.5 per cent Quebec sales tax (QST) to some premium and administration fees.

Great-West has now completed its required billing system updates.

GroupLine 10-14, released in June 2010, provided full details of the changes. In summary:

- Changes to billing statements affect *Contact* premium and administration fees for *Absence Services*, *At Work Services*, *CompAssist*, *Early Referral Services* and *Administrative Services Only (ASO)* plans that do not have associated insurance protection (e.g. pooling).
- B.C. and Ontario added HST on July 1, 2010, at rates of 12 per cent and 13 per cent respectively. Premium and administration fees currently subject to the GST for these provinces are now subject to the HST.
- Nova Scotia increased its HST to 15 per cent from 13 per cent effective July 1, 2010.
- The federal government changed its “place of supply” rules, retroactive to May 2010. These rules are used to determine whether suppliers are required to charge their customers either GST or HST. For most plan sponsors, the “place of supply” is the contracting address of the plan sponsor; GST/HST is charged based on whether or not the contracting address is in a GST jurisdiction or an HST jurisdiction.

As a result, affected plan sponsors may notice changes to their billing, as follows:

- Plan sponsors with *Administrative Services Only (ASO)* plans – applicable changes will appear on the October 2010 ASO billing statement.
- Plan sponsors with insured plans, with the *Contact* benefit – applicable GST/HST changes will appear on the December 2010 billing statement.

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- Plan sponsors with other plan types (*Absence Services, Early Referral Services and CompAssist*, for example) – applicable GST/HST changes may have already appeared or will appear shortly on billing statements.

For more information

See GroupLine 10-14. Contact your benefits advisor or Great-West group representative with any questions about the effect of GST, HST or QST on your benefits plan.

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