

Quebec budget released on March 30, 2010: Impact to Group Benefits

The Quebec budget was released on March 30, 2010, and there were several significant measures announced. While we continue to review the budget, below is an outline of the tax increase effective on March 31, 2010. More information will be released as it becomes available.

Quebec Premium Tax (QPT) rate increase effective March 31, 2010

The compensatory tax rate of 0.35% has increased to 0.55% effective March 31, 2010. This means the Quebec premium Tax rate is now 2.55%.

What does this mean to you? Below is an overview of the impact to Insurance and ASO arrangements:

- Premium rates will include the increased premium tax rate. Renewal rates released after April 1, 2010 will include the new rate.
- Financial Statements prepared on Refund Accounting arrangements will include a pro-rated tax rate to reflect the tax rate in force before and after the effective date of the tax rate change.
- For ASO arrangements, the new rate will be used effective with April 2010, ASO statements and invoices when there is Quebec content.

Questions?

Please contact your Sun Life Financial group representative.