

Alberta Budget released on October 27, 2015: Impact to Sun Life Group Benefits

The Alberta Budget released on October 27, 2015 included a tax increase that impacts the premium tax rate. Effective April 1, 2016, the Alberta Premium Tax rate will be 3.00%, up from the rate of 2.00%.

What does this mean to you?

Below is an overview of the impact to group insurance policies, when there is Alberta content.

- Premium rates in your next renewal will include the 3% premium tax rate. Where applicable, an adjustment load will be included to reflect the tax impact between the effective date of the tax increase and the effective date of the renewal 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.

Note: Administrative Services Only (ASO) plans are currently not subject to Alberta premium tax and the budget makes no mention of extending the tax to ASO.

Questions?

Contact your Sun Life Financial group benefits representative.