

Prince Edward Island Harmonized Sales Tax (HST) rate increases effective October 1, 2016

In its April 2016 budget, the government of Prince Edward Island (PEI) announced that an increase to the provincial portion of the HST rate collected on goods and services will take effect on October 1, 2016. The HST rate will increase from 14% to 15%.

What this means

Contracts that are currently charged the PEI HST will be impacted by this change. The HST transition rules to change the tax rates indicate that invoices/statements prepared and dated on or after October 1, 2016 will include the new HST rate of 15%.

Examples of these in group benefits include:

- Administration Services Only (ASO) contracts without stop loss insurance
- Healthy*RETURNS*
- Salary Continuance Services
- Sun Life RightDirections
- Health spending accounts (when it is the only ASO arrangement)

Note: Contracts currently exempt from GST/HST will continue to be exempt. Examples of these exempt financial services include:

- Group insurance premiums
- ASO with stop loss insurance

A reminder notice about this change will be included with the first invoice/statement received where this new tax rate is in effect.

Questions?

Contact your Sun Life Financial group benefits representative.