

## This Focus Update outlines our current implementation plan for Group insurance policy premiums, administrative services only (ASO), payroll files, and service invoices

As Sun Life reported in [previous communications](#), effective August 1, 2017, the SK PST rate of 6% will apply on:

1. Both Individual and Group insurance premiums, with certain exemptions available
2. Administrative Services Only (ASO) arrangements

Since Saskatchewan has confirmed the scope of the application of the PST the CLHIA, Sun Life and other member companies continue to consult with the government to obtain further information and clarity. We will continue to provide you with updates, including any changes to the details provided below, as further information and clarification becomes available.

### Group Insurance policy premiums

If you're a client who receives billing statements from Sun Life, then effective with the September 2017 premium statements, the SK PST will be included for plan members listed based on the criteria outlined in the [July 6 Focus Update](#). Included on this billing statement will be retroactive SK PST adjustments for premiums payable on or after August 1, 2017 – the first premium due date subject to SK PST – for these plan members.

*Note: Any estimated SK PST payment received from you will be credited on the next premium statement.*

If you're a client who prepares a billing statement related to the premium payments you send to Sun Life, this is a reminder that it is expected that you will calculate the amount of SK PST payable on your group premium, effective August 1, 2017. Please clearly identify on the billing statement the amount of SK PST that is included with the payment. Sun Life will remit the indicated amount to Saskatchewan.

### Payroll Files

Effective August 12, 2017, payroll related information sent to you by Sun Life will include the SK PST along with any applicable adjustments retroactive to August 1, 2017. We are asking that you ensure member information on file, such as the province of work, or province of residence is current. The sales taxes calculated on group insurance premiums rely on this information, in addition to the annual updates received, when necessary, to the employer/employee contribution percentage per benefit.

Group Benefits are provided by Sun Life Assurance Company of Canada, a member of the Sun Life Financial group of companies.



## Administrative Services Only (ASO) statements/invoices

As outlined in the [July 20 Focus Update](#):

- 1) Sun Life will be remitting estimated SK payments to the province of SK on behalf of the plan sponsors until our ASO statements/invoices officially include the 6% SK PST. The benefits where we may have ASO arrangements are LTD, STD, Health, Dental and HSA. For those of you who wish to include the SK PST with your payment, the gross payment will be applied to the ASO plan and the funds will be used to offset the initial SK PST charged to the ASO statement/invoices.
- 2) Declaration of Funding status requirement:
  - a. If you have already provided this designation because you are a plan sponsor with ON and/or QC content then no further action is required on your part.
  - b. Where Sun Life has identified a signed Funding Declaration Form is required as a result of the SK PST changes, we will contact you in the early Fall.

Once the SK PST officially appears on our ASO statements/invoices, the following will occur:

1. SK PST tax calculation will be based on a number of factors, such as:
  - a) Provincial distribution: Sun Life defines provincial distribution as the proportion of claims paid in Saskatchewan as a percentage of the total claims paid.
  - b) Funding status of the ASO plan, where
    - For funded plans, Sun Life calculates the tax by applying the applicable provincial distribution to the net deposit ('Net Deposit' is the total payment we receive from you in the month, less all related taxes.)
    - For unfunded plans, Sun Life calculates the tax by applying the applicable provincial distribution to the claims and service fees.
2. Sun Life will include a retroactive SK PST adjustment between the SK PST amounts remitted and the actual amount payable from August 1, 2017 onward.

## Service Agreement statements/invoices

We offer several services to our plan sponsors that we charge a 'fee for service' where GST/HST only is collected. Presently, we do not anticipate our invoices will be required to include the SK PST. Some examples of service agreements are Personal Spending Accounts, Salary Continuance, RightDirections, Disability Administrative Services, and AdminPlus.

## Questions?

Contact your Sun Life Financial group benefits representative.