

EMPLOYER BULLETIN

Information for participating employers of Benefit Plans administered by the Public Employees Benefits Agency.

Provincial Sales Tax (PST) Application to Benefit Plans

In our Employer Bulletin dated July 25, 2017 we communicated to you how the PST application impacted the Public Employees Extended Health Care Plan, Dental Plan and Disability Income Plan premiums. PEBA has now been given guidance on application of PST to Group Life Insurance Plan premiums.

Please review Table 1.0 to determine the impact the PST application to premiums will have on you.

Benefit Plan	Funded or Unfunded ¹	PST Contributions Payer	PST Contributions Collector	PST on Claims & Fees Payer	PST on Claims & Fees Collector
Employee Group Life Insurance Plan (Self-insured/cost-plus)	Funded	Employer/Employee ²	Public Employees Benefits Agency	N/A	N/A
Retiree Group Life Insurance Plan (Self-insured/cost-plus)	Funded	Retiree ³	Public Employees Benefits Agency	N/A	N/A

¹ Self-insured benefit plans are either considered a funded or unfunded benefit plan. If contributions to the benefit plan exceed the expected claims that will be paid out over the next 30 days, then the plan is considered a funded benefit plan.

² PST is payable on the entire Group Life Insurance premium. In instances of employer/employee cost sharing arrangements, the employer/employee PST contributions breakdown is as follows:

Where the employee lives	Where the employee works	Employer Premiums	Employee Premiums
Saskatchewan	Saskatchewan	Taxable	Taxable
Outside Saskatchewan	Saskatchewan	Taxable	Exempt
Saskatchewan	Outside Saskatchewan	Exempt	Exempt

- Employees that elected to continue Group Life Insurance coverage during a leave of absence, will be required to remit PST on premiums effective August 1, 2017. The participating employers can notify and request the PST on premiums from employees on a leave of absence to forward to PEBA.
- Premium remittances and statements are to be received at PEBA no later than the 15th of the month following the period for which premiums are due (i.e. August premiums are due at PEBA no later than September 15th). A separate line item can be added for PST to the Group Life Insurance Plan Premium Statements.

³ Retiree Group Life Insurance Plan premiums are paid solely by the retiree (no employer cost sharing). The PST on Retiree Group Life Insurance Plan premiums is applied as follows:

Where the retiree lives	Retiree Premiums
Saskatchewan	Taxable
Outside Saskatchewan	Exempt

Table 1.0

If you have any questions on the PST application to the Group Life Insurance Plan premiums, please contact PEBA at 306-787-3440 or benefits@peba.gov.sk.ca.