

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 March, the Government of Saskatchewan announced changes to the Provincial Sales Tax (PST). One of the changes included adding the PST to all forms of insurance premiums effective August 1, 2017.

Table 1.0 illustrates impacts of the PST application to the Public Employees Extended Health Care Plan, Dental Plan and Disability Income Plan premiums. The Public Employees Benefits Agency is still awaiting further guidance on PST application to Public Employees Group Life Insurance premiums. Further communication will be sent out once this information has been received.

Please review the Benefit Plan(s) in Table 1.0 that your organization participates in to determine the impact the PST application to premiums will have on you.

Benefit Plan	Funded or Unfunded ³	PST Contributions Payer	PST Contributions Collector	PST on Claims & Fees Payer	PST on Claims & Fees Collector
EHCP ¹ Employees (Fully-insured)	Not subject to considerations surrounding self-insured plans.	EHCP Fund	Great-West Life	N/A	N/A
Dental Plan (ASO ²)	Unfunded	No PST required on contributions.	N/A	Dental Fund	Great-West Life
Disability Income Plan (Self-insured)	Funded	Employer/Employee ⁴	Public Employees Benefits Agency	N/A	N/A

¹ Extended Health Care Plan

² Administrative Services Only Agreement

³ 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.

⁴ Employer /Employee PST contributions breakdown in instances of employer/employee cost sharing arrangements:

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

- Employer PST is payable on the premium of 1.94% of employees basic monthly salary. Any additional premiums paid by Participating Employers to fund the employer's matching share of pension plan contributions are non-taxable.
- Employees that elected to continue Disability Income Plan 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 Disability Income Plan Premium Statements.

Table 1.0

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