

March 2<sup>nd</sup>, 2018

**To:                   Benefit Administrators / Human Resource Personnel**

**From:               Jade Lea-Wilson**  
**Manager, Employee Benefits**

**Re:                   6% PST Exemption on Insurance Premiums Effective Immediately**

On February 26, 2018, the Premier announced a reinstatement of the Provincial Sales Tax (PST) exemption for life and health insurance premiums effective February 26, 2018. The 6% PST collected on premiums and contributions will be refunded retroactive to August 1, 2017, the date the 6% PST was first introduced.

This is great news for the benefit plans and will result in significant savings for employees, employers and the benefit plans.

**Refunds:**

There will be a further announcement from the Ministry of Finance on April 10, 2018, that will provide details on how refunds will be administered. 3sHealth will wait to take action on refunds until we have clear direction and understanding of how the refunds will flow and then we will provide direction to you.

**Employee Payroll Deductions:**

The 3sHealth Provincial Payroll and Benefits teams will work together to make the necessary changes to stop collecting PST from employee and employer premiums and contributions.

There is a significant amount of system changes required to remove the PST and the target to complete this work is April 9, 2018 - just in time to stop adding PST to the April premiums and contributions. We will continue to collect 6% PST for the March premiums and contributions as it is too late to make the required changes.

**Employer Premiums and Contributions:**

Effective immediately, employers do not need to apply 6% PST to their portion of the premium remittance.

Premium remittance forms and MemberNet monthly reports will be updated to remove the 6% PST once the system work to stop collecting PST from employees pay has been completed.

**Communication:**

The changes to PST will be featured on Gateway Online, the 3sHealth website, and a global message will be added to pay slips.

**KEY MESSAGES:**

- Effective February 26, 2018 life and health Insurance premiums are no longer subject to 6% PST.
- The PST exemption is retroactive to August 1, 2017 and we will get additional information on how PST refunds will be administered from the Ministry of Finance by April 10<sup>th</sup>.
- Tools, including remittance forms and payroll reports will revert to the pre-PST versions after system work is completed.
- Additional system work is required to stop collecting PST on the employee portion of contributions. The target to complete the system work is April 9, 2018.
- 3sHealth Employee Benefits will send additional communication once more information is available.
- Additional information on PST can be found by searching the Government of Saskatchewan, Ministry of Finance website at [www.finance.gov.sk.ca](http://www.finance.gov.sk.ca).

If you have any questions about PST, please contact me at [jade.lea-wilson@3shealth.ca](mailto:jade.lea-wilson@3shealth.ca) or 306-347-1723.