



Custom Software Solutions Inc.

The Broker's Workstation & The Underwriter's Workstation

Saskatchewan PST on Insurance

The Saskatchewan Government has levied its 6% Provincial Sales Tax (PST) on certain insurance products effective July 1, 2017. Details of the tax and its administration can be found at the following link: <http://www.finance.gov.sk.ca/revenue/pst/IN2017-07-PSTOnInsurancePremiums.pdf>.

If you haven't already done so, contact Saskatchewan Finance to become a registered vendor.

The Broker's Workstation (TBW) and The Underwriter's Workstation (TUW) are already equipped to handle Saskatchewan PST tax collection and compliance. In most cases, it is only necessary to enable the tax functions and perform the required setup and configuration.

The fundamental operation of the PST is that the entity billing and collecting the taxable insurance premium is responsible to collect and remit the tax. In general this means:

- a) Insurance companies will collect the tax on direct billed policies in their various forms;
- b) Insurance brokers will collect the tax on agent billed policies; and
- c) MGAs will collect tax on Broker Bill Direct policies where the premium dealings are direct with the insured.

The Ministry of Finance is formulating an Information Bulletin to aid in applying and collecting the PST on insurance premiums. This bulletin should be completed by April 30, 2017. We will follow up with further detail on set up as we learn more.

