

1 May 2019

To: Users of The Broker's Workstation and/or The Underwriter's Workstation

Dear Valued Client:

Re: Manitoba PST Change

On July 1, 2019, Manitoba's PST (Provincial Sales Tax) will decrease to 7%.

This new PST rate will apply to insurance contracts effective July 1, 2019 and later. As such, the July renewals that you are receiving now must be billed at the new tax rate of 7%, while any transactions effective earlier than July 1, 2019 will continue to be billed at the 8% PST rate.

To manage the two different tax billing rates during this transition period, please set up the Sales Tax feature in TBW/TUW as follows.

1. In TBW/TUW Lists, create a new tax definition for 7%. (Note: If you have an existing List item from when the PST rate was previously 7%, you can use this item.)
2. Instruct your processing staff to watch the taxes on the Manitoba items.
 - If they are doing a renewal or another transaction for July 1, 2019 or later, ensure the 7% tax item is applied.
 - If they are doing a renewal or another transaction for June 30, 2019 or earlier, ensure the 8% tax item is applied.

If, during the transition period, a client is accidentally overbilled (with the 8% tax rate rather than the 7% tax rate), this can be adjusted later. This is preferable to failing to bill a client the 8% tax rate when it is required, as it will be subject to penalties and interest if discovered in a tax audit.

Please share this information with the appropriate TBW and TUW users in your office(s). Once you have reviewed this document, if you need any assistance with Manitoba PST setup or have any questions regarding Manitoba PST application to relevant insurance products in TBW/TUW, please contact our Client Services Team at clientservices@cssionline.com (email) or 1-888-291-3588 (toll-free telephone). If you have any questions about Manitoba PST and insurance contracts, please contact the **Manitoba Finance Taxation Division** at 1-800-782-0318 (toll-free telephone) or MBTax@gov.mb.ca (email).

Thank you for using The Broker's Workstation and The Underwriter's Workstation.

Yours sincerely,

Custom Software Solutions Inc.



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