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# Canadian indirect tax news

## Important reminder for employers with pension plans: December 31 year-end remittance obligations

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For an employer that acquires services or dedicates internal staff and resources to support the company's pension plan, the Excise Tax Act likely deems a supply that requires the employer to remit the related goods and services tax /harmonized sales tax (GST/HST) with its tax return that includes the last day of its fiscal year. There are specific rules to determine which supplies are considered taxable and how to calculate the deemed tax, based on the distribution of employees who are participants of the plan throughout Canada.


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The same rules are applicable for Quebec sales tax purposes.

Following the recent legislative and regulatory amendments relating to the GST/HST, participating employers of pension entities that do not remit the GST/HST due on deemed supplies with the return of their reporting period that includes the last day of their fiscal year, **now create a risk for the plans**. Indeed, in such case, the 33% rebate cannot be claimed by the pension entities. The application of these amendments is retroactive to September 23, 2009.

**In this respect, it is crucial for an employer that has a December 31 year-end to ensure that GST/HST on the deemed supply is calculated correctly and remitted with the last GST/HST return of its fiscal year.**

Furthermore, the Quebec Department of Finance has confirmed that the QST system will be harmonized with the GST/HST legislative modifications, as per Information Bulletins 2016-9 (September 23, 2016) and 2017-12 (December 6, 2017).

Deloitte's Indirect Tax professionals can help you identify whether the above-mentioned requirements may affect your business and your registered pension plans. If you have any questions on any of the above, please reach out to your Deloitte representative.

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