

Part B – Identification of the pension entity or the master pension entity (continued)**Business address**

Unit No. – Street No. Street name, RR:

City:

Province or territory:

Postal code:

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Name of administrator:

Name of trustee or CEO of pension corporation:

Part C – Election

Fill out this part to **jointly** elect to treat actual taxable supplies as being made for no consideration. This election must be filed by the employer on or before the first day of the employer's fiscal year for which the election is to have effect.

Note

To make this election, an employer must be a **participating employer** of a pension plan on the effective day of the election, which must be the first day of a fiscal year of the employer. Furthermore, if this election is for a master pension entity, the total of all the master pension factors in respect of the pension plans of the employer for the fiscal year of the master pension entity in which the election becomes effective must be 90% or more.

- The employer identified in Part A and the pension entity or master pension entity, as the case may be, identified in Part B, jointly elect under subsection 157(2) or (2.1) of the Excise Tax Act (ETA) to treat actual taxable supplies as being made for no consideration.

Enter the effective date of the election (this must be the first day of a fiscal year of the employer):

Year			Month			Day		

Part D – Notice of revocation

Fill out this part to **jointly** revoke a previously made election to treat actual taxable supplies as being made for no consideration. The employer and the pension entity or the master pension entity, as the case may be, can jointly revoke the election effective on the first day of the fiscal year of the employer. A notice of revocation of this election must be filed by the employer no later than the day on which the revocation becomes effective.

- The employer identified in Part A and the pension entity or master pension entity, as the case may be, identified in Part B, jointly revoke the election previously made under subsection 157(2) or (2.1) of the ETA to treat actual taxable supplies as being made for no consideration.

Enter the effective date of the revocation (this must be the first day of a fiscal year of the employer):

Year			Month			Day		

Part E – Certification**Certification by the employer**

I certify that the information given on this form is correct and complete, and that I am authorized to sign for the employer identified in Part A.

Name (print)		Title		
Telephone number	Extension	Signature	Year	Month Day

Certification by the pension entity or master pension entity

I certify that the information given on this form is correct and complete, and that I am authorized to sign for the pension entity or master pension entity identified in Part B.

Name (print)		Title		
Telephone number	Extension	Signature	Year	Month Day

Personal information is collected for purposes of the administration or enforcement of Part IX of the Excise Tax Act, and related programs and activities including administering tax, rebates, elections, audit, compliance, and collection. The information collected may be used or disclosed for the purposes of other federal acts that provide for the imposition and collection of a tax or duty. It may also be disclosed to other federal, provincial, territorial, or foreign government institutions to the extent authorized by law. Failure to provide this information may result in interest payable, penalties, or other actions. Under the Privacy Act, individuals have a right of protection, access to and correction of their personal information, or to file a complaint with the Privacy Commissioner of Canada regarding the handling of their personal information. Refer to Personal Information Bank CRA PPU 241 on Info Source at canada.ca/cra-info-source.

General Information

What is the effect of this election?

A **participating employer** of a pension plan may jointly elect with a pension entity of the plan or a master pension entity of the plan, as the case may be, to treat actual taxable supplies made by the employer to the pension entity or master pension entity as being made for no consideration. The effect of the election is that the employer will not have to account for the GST/HST on those supplies. However, there are certain circumstances where the election does not apply to a supply. These circumstances are as follows:

- The employer makes an actual supply to a pension entity or master pension entity of all or part of property or a service where, at the time the employer acquires the property or service, it is a **selected qualifying employer** or the employer makes an actual supply to a pension entity or master pension entity of property or a service where, at the time the employer consumes or uses an **employer resource** for the purpose of making the supply, it is a **selected qualifying employer**. An employer that is a **selected qualifying employer** cannot make the election because it is already relieved from having to fully account for the GST/HST under the deemed supply rules of subsections 172.1(5) to (6.1) of the ETA and, as a result, the employer must account for the GST/HST calculated on the consideration for the actual supply.
- The pension entity or master pension entity acquires an actual supply of property or a service from the employer other than for consumption, use, or supply in the course of **pension activities** of the pension plan. In that case, the employer may not treat actual taxable supplies made to the pension entity or master pension entity as being made for no consideration. Instead, it must account for the GST/HST calculated on the consideration for the actual supply.

The election applies to supplies made by the employer to the pension entity or master pension entity, as the case may be, on or after the first day of the fiscal year that the election becomes effective.

When does this election cease to have effect?

The election ceases to have effect on the **earliest** of:

- the day on which the employer ceases to be a participating employer of the pension plan
- the day on which the pension entity ceases to be a pension entity of the pension plan or the master pension entity ceases to be a master pension entity of the pension plan, as the case may be
- the first day of the fiscal year of the employer on which a joint revocation of the election by the employer and the pension entity or the master pension entity, as the case may be, becomes effective
- the day specified in a notice of revocation sent by the Minister of National Revenue, which is the first day of the relevant fiscal year of the employer
- the first day of the fiscal year of the master pension entity on which the master pension factors in respect of the pension plans of the participating employer are less than 90%

Note

If the employer is relieved from having to account for the GST/HST on actual taxable supplies as a result of the election, the Minister of National Revenue has the discretion to request written confirmation that the employer is accounting for tax on deemed taxable supplies made in a particular fiscal year under any of subsections 172.1(5) to (6.1). Where the employer fails to account for that tax, the Minister of National Revenue may cancel the election effective from the beginning of the employer's fiscal year, and assess the employer for both the actual tax and the deemed tax for that fiscal year, plus interest.

Definitions

Employer resource of a person means:

- all or part of a labour activity of the person, other than the part of the labour activity consumed or used by the person in the process of creating, developing or bringing into existence property
- all or part of property or a service supplied to the person, other than the part of the property or service consumed or used by the person in the process of creating, developing or bringing into existence property
- all or part of property created, developed or brought into existence by the person
- any combination of the above items

For purposes of this definition, a **labour activity** of a person means anything done by an individual who is or agrees to become an employee of the person in the course of, or in relation to, the office or employment of that individual.

Master pension entity of a pension plan means a person that is not a pension entity of the plan and is **either** of the following:

- a corporation described in paragraph 149(1)(o.2) of the Income Tax Act (ITA), one or more shares of which are owned by a pension entity of the pension plan
- a trust prescribed to be a master trust for the purposes of paragraph 149(1)(o.4) of the ITA, one or more units of which are owned by a pension entity of the pension plan

Master pension factor, in respect of a pension plan for a fiscal year of a master pension entity, means the percentage determined by:

- the total value, on the first day of the fiscal year, of units or shares of the master pension entity that are held by the pension entities of the pension plan on that day, divided by
- the total value, on the first day of the fiscal year, of the units or shares of the master pension entity

Participating employer of a pension plan generally means an employer that has made, or is required to make, contributions to the plan for its employees or former employees. An employer that made pension contributions to a pension plan that is registered pension plan (RPP) or a pooled registered pension plan (PRPP) in the past will remain a participating employer for that pension plan even if it does not currently make contributions.

In the case of an RPP, a participating employer also includes an employer prescribed under subsection 8308(7) of the Income Tax Regulations, which describes certain cases where an employee of one employer renders services to, and receives remuneration from, another employer.

In the case of a PRPP, a participating employer also includes an employer that has remitted, or is required to remit, to the PRPP administrator of the pension plan, contributions made by members of the pension plan under a contract with the PRPP administrator in respect of all or a class of its employees.

Pension activity, in respect of a pension plan, means an activity (other than an excluded activity) that relates to **either** of the following:

- the establishment, management or administration of the pension plan or of a pension entity or master pension entity of the pension plan
- the management or administration of assets in respect of the pension plan, including assets held by a pension entity or master pension entity of the pension plan

Pension entity of a pension plan means a person in respect of the pension plan that is **one** of the following:

- a trust governed by the pension plan
- a corporation referred to in paragraph (b) of the definition of **pension plan** on this page
- a prescribed person (at this time there are no prescribed persons)

Pension plan means **any** of the following:

- (a) an RPP or a PRPP that governs a trust
- (b) an RPP or a PRPP for which a corporation:
 - is incorporated and operated **either**:
 - solely for the administration of the plan
 - for the administration of the plan and for no other purpose other than acting as trustee of, or administering, a trust governed by a retirement compensation arrangement (as defined in subsection 248(1) of the ITA), where the terms of the arrangement provide for benefits only in respect of individuals who are provided with benefits under the plan
 - for an RPP, is accepted by the Minister of National Revenue, under subparagraph 149(1)(o.1)(ii) of the ITA, as a funding medium for the registration of the plan;
 - for a PRPP, is a corporation:
 - that is described in paragraph 149(1)(o.2) of the ITA
 - all of the shares, and rights to acquire shares, of the capital stock of which are owned, at all times since the date it was incorporated, by the plan
- (c) an RPP or a PRPP for which a person is prescribed for the purposes of the "pension entity" definition

Pooled registered pension plan (PRPP) means a plan that has been accepted for registration by the Minister of National Revenue for the purposes of the ITA and whose registration has not been revoked.

PRPP administrator means **either** of the following:

- a corporation resident in Canada that is responsible for the administration of the plan and that is authorized under the Pooled Registered Pension Plans Act, or a similar law of a province to act as an administrator for one or more pooled pension plans
- an entity designated in respect of the plan under section 21 of the Pooled Registered Pension Plans Act, or any provision of a law of a province that is similar to that section.

Registered pension plan (RPP) means a plan that has been registered by the Minister of National Revenue for the purposes of the ITA and whose registration has not been revoked.

Selected qualifying employer is described in subsection 172.1(9) of the ETA. In general terms, an employer is a "selected qualifying employer" if no election under subsection 157(2) or (2.1) of the ETA is in effect and, where the amount of GST (and the federal part of the HST) that the employer was (or would have been) required to account for and remit under the rules for deemed taxable supplies in section 172.1 of the ETA in the preceding fiscal year of the employer is less than **both** of the following amounts:

- \$5,000
- 10% of the total net GST (and the federal part of the HST) paid by all pension entities of the pension plan in that preceding fiscal year

Where do you send this form?

The employer identified in Part A must send this form to:

**Canada Revenue Agency
Prince Edward Island Tax Centre
275 Pope Road
Summerside PE C1N 6A2**

What if you need help?

For more information, go to canada.ca/gst-hst, see Technical Information Bulletin B-108, Changes to GST/HST Rules for Pension Plans – New Section 157 and Amendments to Section 172.1, or call **1-855-666-5166**.

To get our forms and publications, go to canada.ca/gst-hst-pub or call **1-800-959-5525**.