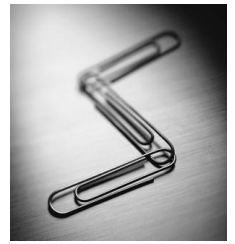


Important Notice to all PPIP Members Group Insurance Premiums Taxable in MB



Taxation of Benefits

Recently the Manitoba government announced that a 7% provincial retail sales tax (RST) will apply to group life insurance premiums according to retail sales tax act bulletin 061.

The RST is to apply to all forms of group life insurance premiums. For PPIP members this affects your Optional and Spousal Optional Life, Accidental Death, Disease and Dismemberment, and Dependent Life coverage.

The RST will apply only to members who reside in Manitoba. Where the group consists of Manitoba residents and non-Manitoba residents, the tax will only apply to the portion related to Manitoba residents.

The proposed effective date was July 1, 2012. However, in response to industry requests, the government has delayed the effective date so that RST will apply to group life premiums payable after July 14, 2012. **Group insurance premiums are typically due and payable on the first of a month. In most cases, therefore, the tax is effectively applicable to premiums starting on August 1, 2012.**

Please note your Electronic Fund Transfer amounts will be adjusted to include the new tax requirements on August 1, 2012.

For further information about this important tax change please go to:

<http://www.gov.mb.ca/finance/taxation/bulletins/061.pdf>

If you have any questions, please feel free to contact our office!