



# Election or Revocation of the Election to Not Account for GST/HST on Actual Taxable Supplies

Use this form if a participating employer of a pension plan and a pension entity of the plan want to jointly elect under section 157 of the *Excise Tax Act* (ETA) to treat actual taxable supplies made by the employer to the pension entity as being made for no consideration, or revoke a previous election. For definitions and more information, see pages 2 and 3 of this form.

**Note**

**Do not use** this form if you are a participating employer of a pension plan that is a selected listed financial institution (SLFI) and you want to elect, or revoke an election, to not account for GST/HST and QST on actual taxable supplies. Instead, use Form RC7215, *Elections or Revocation of the Elections to Not Account for GST/HST and QST on Actual Taxable Supplies for Participating Employers that are Selected Listed Financial Institutions*. For more information, including the definition of an SLFI for GST/HST and/or QST purposes, go to [www.cra.gc.ca/slfi](http://www.cra.gc.ca/slfi). If you need help determining which form to use, call 1-855-666-5166.

**Part A – Identification of the employer**

Name of employer		Business Number	
		R	T
Business address			Postal code
Contact person	Contact person's title	Telephone number for contact person	

**Part B – Identification of the pension entity**

Name of pension entity		Business Number (if applicable)	
		R	T
Business address			Pension plan number
Name of administrator	Name of trustee or CEO of pension corporation		
Contact person	Contact person's title	Telephone number for contact person	

**Part C – Election**

Complete this part to **jointly** elect to treat actual taxable supplies as being made for no consideration. For more information, see pages 2 and 3.

**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.

We, the employer identified in Part A and the pension entity identified in Part B, jointly elect under subsection 157(2) of the 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**

Complete this part to **jointly** revoke a previously made election to treat actual taxable supplies as being made for no consideration. For more information, see pages 2 and 3.

We, the employer identified in Part A and the pension entity identified in Part B, jointly revoke the election previously made under subsection 157(2) 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, \_\_\_\_\_, (print name), certify that the information given on this form and on any attached document is, to the best of my knowledge, true, correct, and complete in every respect, and that I am authorized to sign on behalf of the employer identified in Part A.

Signature of authorized person who represents the employer	Title	Year	Month	Day

**Certification by the pension entity**

I, \_\_\_\_\_, (print name), certify that the information given on this form and on any attached document is, to the best of my knowledge, true, correct, and complete in every respect, and that I am authorized to sign on behalf of the pension entity identified in Part B.

Signature of authorized person who represents the pension entity	Title	Year	Month	Day

## General information

### Who should complete this form?

Complete this form if a participating employer of a pension plan and a pension entity of the plan want to jointly elect to treat actual taxable supplies made by the employer to the pension entity as being made for no consideration for purposes of section 157 of the ETA only.

An employer and a pension entity can also complete this form to jointly revoke a previous election.

#### Note

**Do not use** this form if you are a participating employer of a pension plan that is a selected listed financial institution and you want to elect, or revoke an election, to not account for GST/HST and QST on actual taxable supplies. Instead, use Form RC7215, *Elections or Revocation of the Elections to Not Account for GST/HST and QST on Actual Taxable Supplies for Participating Employers that are Selected Listed Financial Institutions*.

### What is the effect of this election?

A "participating employer" of a pension plan may elect with a pension entity of the plan to treat actual taxable supplies made by the employer to the 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 of all or part of property or a service if, 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 if, 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" is already relieved from having to fully account for the GST/HST under the deemed supply rules of subsections 172.1(5) and (6) of the ETA and, as a result, the employer must account for the GST/HST calculated on the consideration for the actual supply. For more information on subsections 172.1(5) and (6), see Part IV of GST/HST Notice 257, *The GST/HST Rebate for Pension Entities*.
- The pension entity acquires an actual supply 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 as being made for no consideration. Instead, it must account for the GST/HST calculated on the consideration for the actual supply.

The above rules apply to supplies made by the employer to the pension entity on or after the first day of the fiscal year that the election becomes effective.

#### Note

For the first fiscal year that includes March 21, 2013, the election will apply to supplies made after that date.

### How do you make this election?

To make this election, you have to complete parts A, B, C, and E. 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.

### 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;
- 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; and
- the day on which a joint revocation of the election by the employer and the pension entity becomes effective, which is the first day of the relevant fiscal year of the employer.

#### 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 subsection 172.1(5) and/or (6). 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.

### How do you revoke this election?

To revoke this election, you have to complete parts A, B, D, and E.

The employer and the pension entity 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.

### 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 or developing a 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 or developing a property;
- all or part of property created or developed by the person; or
- any combination of the above items.

For purposes of this definition, a "labour activity" 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.

**Participating employer** – of a pension plan is generally an employer that has made, or is required to make, contributions to the plan for its employees or former employees or payments under the pension plan to its employees or former employees. 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. An employer that made pension contributions to a pension plan in the past remains a participating employer for that pension plan even if it does not currently make contributions.

**Pension activity** – in respect of a pension plan, means an activity (other than an excluded activity – see description of this term in GST/HST Notice 257, *GST/HST Rebate for Pension Entities*) that relates to:

- the establishment, management or administration of a pension entity or the pension plan; or
- the management or administration of assets in respect of the pension plan.

**Pension entity** – of a pension plan means an entity of the plan that is:

- a person referred to in paragraph (a) of the definition of "pension plan";
- a corporation referred to in paragraph (b) of the definition of "pension plan"; or
- a prescribed person. (At this time there are no prescribed persons.)

**Pension plan** – is a registered pension plan as defined in subsection 248(1) of the *Income Tax Act* (ITA):

(a) that governs a person that is a trust or that is deemed to be a trust for the purposes of the ITA;

(b) for which a corporation is

- incorporated and operated either:
  - solely for the administration of the registered pension plan; or
  - for the administration of the registered pension plan with no 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 registered pension plan; and
- accepted by the Minister of National Revenue, under subparagraph 149(1)(o.1)(ii) of the ITA, as a funding medium for the purpose of the registration for the registered pension plan; or

(c) for which a person is prescribed for the purposes of the "pension entity" definition.

**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) of the ETA is in effect and, where the amount of the GST (and the federal part of the HST) that the employer was (or would have been) required to account for and remit under the deemed taxable supply rules in section 172.1 of the ETA in the preceding fiscal year of the employer is less than each of the following amounts:

- \$5,000; and
- 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 completed form to:

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

### What if you need help?

For more information, go to [www.cra.gc.ca/gsthst](http://www.cra.gc.ca/gsthst), 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 [www.cra.gc.ca/gsthstpub](http://www.cra.gc.ca/gsthstpub) or call **1-800-959-5525**.