



**GOVERNMENT OF
NEWFOUNDLAND
AND LABRADOR**

**DEPARTMENT OF FINANCE
TAXATION AND FISCAL POLICY BRANCH**

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TAX INFORMATION BULLETIN INSURANCE COMPANIES TAX ACT Administrative Service Only Plans

The Insurance Companies Tax Act has been amended to include, for the purposes of calculating the 4% tax, funding arrangements such as Administrative Service Only (ASO) Plans.

Under the amendments to the Act, a company which administers a contract of insurance under an ASO or any other financial arrangement for group insurance, is liable for tax equal to 4% of the value of benefits paid out of the plan as well as any dues, assessments, and administrative costs or fees charged to the plan holder, policy or program of insurance.

A company is defined to include a person who administers a contract of insurance under an ASO or any other financial arrangement which provides group insurance. A contract of insurance includes an ASO or any other financial arrangement for group insurance.

The amendment is effective from May 20, 1997. Tax payable under the Act for a calendar year is required to be remitted by March 20 of the following year.

Should you require information regarding any of the tax laws administered by the Tax Administration Division, please contact the office at:

Tax Administration Division
Confederation Building
P.O. Box 8720
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Phone: (709) 729-6297
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Disclaimer: These bulletins are prepared as guidelines and interpretations of the statutes. Where a conflict between the bulletins and statutes arise, the statutes will take precedence.