

PST/GST Implementation for British Columbia (PCLaw[®] 10 and higher)

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April 8, 2013

Effective April 1, 2013 – PST/GST will replace the Harmonized Sales Tax (HST)

British Columbia will return to PST and GST effective April 1, 2013, at a general tax rate of 7% and 5%, respectively. For further details about these changes, please visit the Canada Revenue Agency's website at www.cra-arc.gc.ca/gncy/hrmnztn/menu-eng.html.

All Firms – Consult with your PCLaw Certified Independent Consultant (CIC), your tax advisor or your accountant before implementing any of the following PCLaw changes as tax implications may exist. You should bill all of your PCLaw files up to and including March 31, 2013, before implementing these changes. Ensure that you make a backup of your data prior to implementing the steps below.

Firms That Use Memorized Transactions – If the memorized transaction function is activated, you will notice that whenever you enter a payee's name into a cheque screen and hit the "Tab" key, PCLaw will prepopulate the amount, taxes, explanation and G/L account. PCLaw does this because it memorizes the details of the last cheque that you wrote of this payee. With the GST reimplementation, cheques that were once subject to HST may now be subject to GST. If you enter a payee's name on a cheque screen and hit "Tab" and notice the prepopulated tax amount needs to reflect GST as opposed to HST, simply remove the amount and enter the correct one. This action will force PCLaw to memorize the new tax value going forth.

How to Update Your PCLaw Settings

1. Determine which of your matters DO NOT currently have a tax rate of 12%.

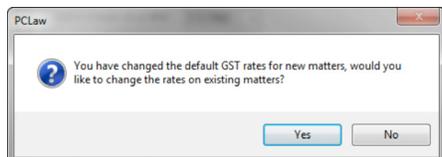
- Go to "Reports > Clients > List of Clients."
- If you are running PCLaw 12, click the "Layout" drop-down and select "Default - tax."
- Generate, print and save this report for your records (proceed to Step 2).
- If you are NOT running PCLaw 12, use the "Adv. Search" function to identify files where HST is not equal to 12.

Field	Comparison	Compare To
HST Fees	Is Not Equal To	12

- Generate, print and save this report for your records.

2. Update the tax defaults in the "System Settings."

- Go to the "Options > System Settings > Tax" tab.
- Adjust the settings as shown in the **image to the right**.
- Select "OK" to apply the changes.
- The following window appears.



- Select "Yes" to apply the change to existing matters in PCLaw.
- The "Change Matter GST Rates" window appears.



- Select "OK" to perform the required changes.

Provincial	Memorized Transactions	Cheque Pattern	Front Office	Research	Client Intake
Firm	Other	Data Entry	Banking	Tax	Matter Billing Past Due/Interest
Sales Tax					
<input checked="" type="checkbox"/> Charge sales tax on fees at a rate of: 7 %					
Charge fees entered before: 1/7/2010 at a rate of: 7 %					
<input type="checkbox"/> Charge sales tax on disbursements at a rate of: 0 %					
<input type="checkbox"/> Post input tax credit to G/L					
Add to charges on or after: 1/4/1993					
Exempt from charges before: 1/4/1993					
Goods and Services Tax (GST) / Harmonized Sales Tax (GST)					
<input checked="" type="checkbox"/> Charge GST					
<input type="checkbox"/> Sales tax charged after GST					
Charge items before: 1/4/2013					
Sales tax rate: 7 %					
Rate on fees: 5 %					
Rate on disbursements: 5 %					
<input type="checkbox"/> Show GST on trust cheque entries.					
<input checked="" type="checkbox"/> Matters taxable by default					
<input type="checkbox"/> Show Tax category on Time and Fee screens					

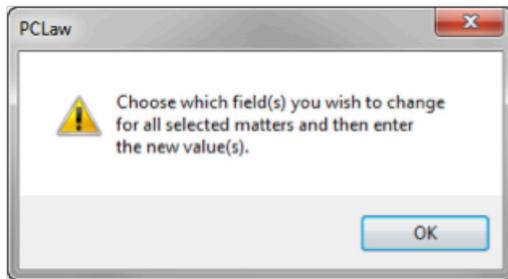
Most firms have fewer PST/GST exempt matters than taxable matters and will find the process easier if they make all PCLaw matters taxable through the global change function as shown in 3(1) and then adjust the tax settings on the matters that should remain non-taxable through the matter list as shown in 3(2).

3. (1) Update tax settings on all existing matters to enable sales tax.

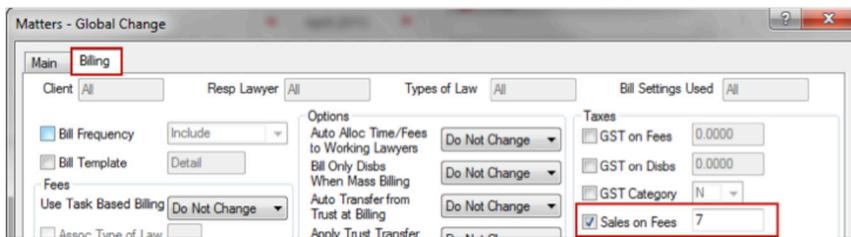
- a. Go to “File > Matter > Global Change.” The following window appears. Select “OK.”



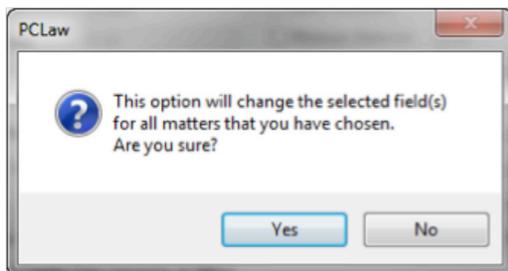
- b. The following window appears. Select “OK.”



- c. The “Matter – Global Change” window appears.
- d. Select the “Billing” tab.



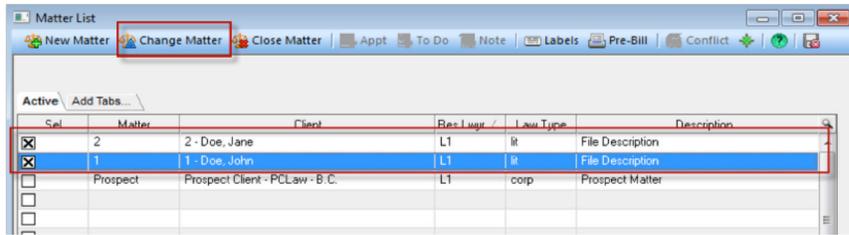
- e. Enter the tax value of “7” for “Sales on Fees” as shown above and select “OK” to proceed. This will activate a 7% sales tax to all existing PCLaw matters. Do not select any of the GST categories as they have been addressed in the system settings change from Step 2.
- f. The following message appears. Select “Yes” to complete the changes.



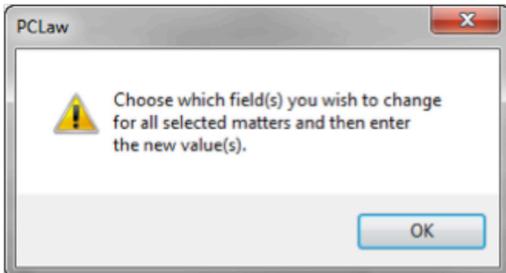
3. (2) Update tax settings on matters that were not or partially subject to taxes and will continue to maintain that status. (Skip this step if you do **not have matters that fit this criteria.)**

- a. Identify all matters that were not subject to HST on the list of clients report you ran earlier. We recommend completing all steps below for any PST exempt files and then repeat for any GST exempt files or any files that are 100% non taxable.

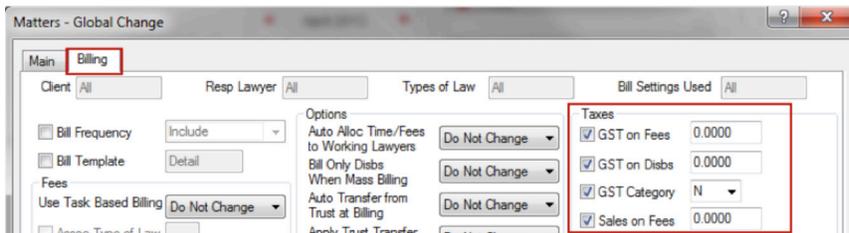
- b. Go to “File > Matter List.”
- c. Multi-select the matters that need to maintain a non or partially taxable status by clicking them, e.g., PST exempt matters.



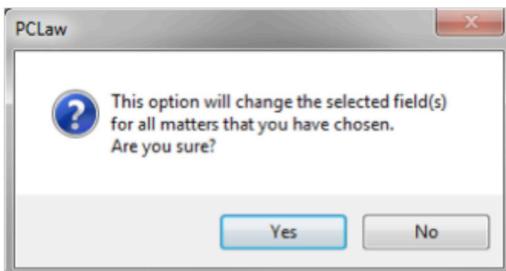
- d. Select the “Change Matter” button.
- e. The following window appears.



- f. Select “OK.”
- g. The “Matter – Global Change” window appears.
- h. Select the “Billing” tab.



- i. Set the tax values as required by the matters you have selected and Select “OK” to proceed.
- j. The following message appears. Select “Yes” to complete the changes and repeat for GST exempt files or files that are 100% non-taxable.



4. Identify billing templates where the HST label needs to change to GST (Optional).

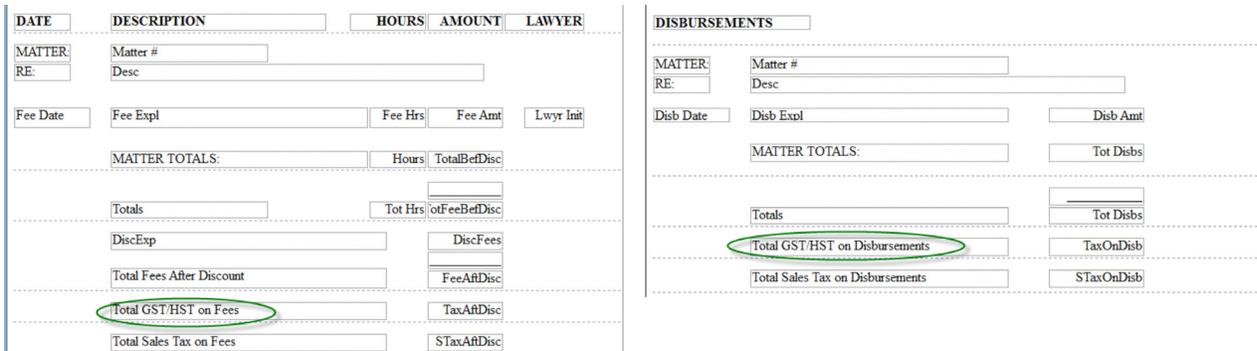
- a. From the “Options” menu, click “System Settings” and select the “Billing” tab.
- b. In the “Default Template” section, note the names of the default templates used by PCLaw.
- c. If your firm uses customized billing templates for specific matters, you may choose to note those for editing.



5. Edit billing templates to change the label from HST to reflect GST (Optional).

Note: If you are unfamiliar with the PCLaw Template Editor, please contact a Certified Independent Consultant (CIC) for assistance at <http://law.lexisnexis.com/spn>.

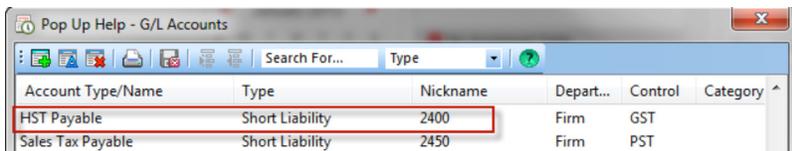
- a. From the "Tools" menu, select "Template Editor."
- b. Choose "File" and "Open" and select billing from the drop-down list at the bottom of the screen.
- c. Locate the name of your template from the list.
- d. It may be helpful to have a sample copy of one of the firm's bills to compare to the template on the screen.
- e. Locate the "GST/HST" reference(s) on the template.



- f. Double-click to edit the text and change the label to "GST." Select "OK."
- g. Repeat for other GST/HST references on the template.
- h. To save your changes, choose "File" and "Save."
- i. Repeat this process for all other billing templates as required.

6. Change the name of G/L Account 2400 to reflect GST (Optional).

- a. From the "Options" menu, select "Lists and G/L Accounts" and highlight account 2400.
- b. Double-click "Change the description of G/L account 2400 (HST Payable)" to reflect "(GST Payable)."



7. Change PCLaw terminology to reflect GST (Optional).

- a. From the "Options" menu, select "Terminology."
- b. Locate "HST" in the "Replace" column and enter "GST" in the "With" column, as shown below.
- c. Select "OK" to save your changes.



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