



# How to Prepare Your PCLaw<sup>®</sup> Software for the 2019 Manitoba RST Rate Decrease

The 2019 budget has slated a decrease of the retail sales tax (RST) from 8% to 7% effective July 1, 2019. For further details about these changes, please visit the Manitoba Finance website at https://www.gov.mb.ca/finance/taxation/

All Firms – Please consult with your PCLaw Certified Independent Consultant (CIC), your tax advisor or your accountant before implementing any of the following changes in PCLaw as tax implications may exist. Ensure that you make a backup of your PCLaw data prior to implementing the steps below.

#### How to Update your PCLaw Settings

Determine whether the **Charge sales tax on disbursements at a rate of** checkbox is activated (selected) under the **PCLaw System Settings > Tax** tab. (If you are unsure whether this setting applies to your firm, please consult with your PCLaw CIC, your tax advisor or your accountant.)

Charge sales tax on disbursements at a rate of: 0

- If the above setting is **activated** (selected) in PCLaw, complete all the steps in **Section A** below.
- If the above setting **is NOT activated** (NOT selected) in PCLaw, skip to **Section B** below.

#### Section A

1. Determine which of your matters DO NOT currently have a sales tax rate of 8%.

If you are running PCLaw version 12 or higher:

- a. Go to Reports > Clients > List of Clients.
- b. Click the Layout drop-down and select Default tax.
- c. Generate, print and save this report for your records.

If you are running PCLaw version 11 or lower:

- a. Go to Reports > Clients> List of Clients.
- b. Use the **Adv. Search** function to identify files where RST (PST in PCLaw) is not equal to 8 for **PST fees**. Generate, print and save this report for your records.

Field	Comparison	Compare To
PST Fees 🗸	Is Not Equal To 🛛 🗸 🗸	8 🔻

c. Use the **Adv. Search** function to identify files where RST (PST) is not equal to 8 for **PST Disbs** (disbursements). Generate, print and save this report for your records.

Field	Comparison	Compare To
PST Disbs 🗸	ls Not Equal To 🛛 🗸	8 🗸

#### 2. Before you perform your July billing, you must complete the following steps in PCLaw.

- a. Back up of your PCLaw data.
- b. Bill all matters up to and including June 30, 2019.
- c. Go to **Options > System Settings > Tax**.
- d. Under the **Tax** tab, change the tax rate from **8** to **7** in the three rate boxes indicated in red below.

Provincia	l Me	morized Transa	actions	Cheque P	Cheque Pattern Front Office				ake
Firm	Other	Data Entry	Banking	Tax	Matter	Billing	Past D	ue/Inte	res
Sales T	ax								
Ch	arge sale:	s tax on fees at	a rate of:	7	%				
Ch	arge fees	entered before	e 1/7/20	)19 ~	at a rate of	f: 8	%		
					-	1-			
Ch	arge sale:	s tax on disburs	sements at	a rate of:	/ 2				
Γ	Post in	put tax credit to	G/L						
Add to	charges	on or after:	1/1/1982	~					
Evenn	t from ch	arries before:	1/1/1992						
Diemp		argeo berere.	17 17 1302						
Goods	and Servi	ces Tax (GST)	/ Harmonia	zed Sales T	ax (HST)				
Ch	arge GST								
	] Sales ta	ax charged afte	rGST	Ch	arge items	before 1.	/7/2019	~	
S	ales tax ra	ate: 7	%	Sa	les tax rate	: 8	76		
R	ate on fee	es: 5	°Z	Ba	ate on fees	5	2		
D	nto on dia	humomonto:		D.	to on diabu	momonto:	~ 		
		soursements.	5 %	ne	ate on dispu	insements.	5	70	
	ow GST 0	on trust cheque	e entries.						
Ma Ma	tters taxa	ble by default	15						
Sh	ow Tax c	ategory on Tim	e and Fee	screens					

- e. Change the **Charge items before** date to **01/7/2019** and set the **Sales tax rate** located underneath to **8** as highlighted in green above.
- f. Click **OK** to save the changes.

#### 3. You must also complete a global change to match the current matters to the new tax defaults.

**Note**: Completing the following steps will **change all matters to the new tax rate of 7%**, including all zero-rated matters as well as files with special tax rates. The results from Step 1 above provided you with a list of matters that are non-taxable and matters that are charged at a different sales tax rate so that you can make the necessary tax modifications on those files after completing the global change in PCLaw.

- a. In PCLaw, go to File > Matter > Global Change and select OK.
- b. In the dialog box that opens, select **OK**.



c. In the window that appears, select the **Billing** tab.

Client All	Resp Lawyer A	NI Types	of Law All		Bill Settings Used	All
llow Bill Setting Overrid	des Do Not Change	$\sim$				
Bill Frequency	Include 🗸	Options Auto Alloc Time/Fees	D 11 - 0		Taxes	
Bill Template	Detail	to Working Lawyers	Do Not Change	~	GST on Fees 0.0	000
Email Template	Default	When Mass Billing	Do Not Change	~	GST on Disbs 0.0	000
ees se Task Based Billing	De Net Change 14	Auto Transfer from Trust at Billing	Do Not Change	~	GST Category N	~
	Do Not Change V	Apply Trust Transfer	Do Not Change	~	Sales on Fees 7	
Assoc Type of Law	D. N. C	to Existing Invoices	Do Not Change	~	Sales on Disb 7	
pply Discount to rees	Do Not Change V	Bank Account	General	, v	Past Due/Interest	
Discount %	0.000	Minimum Balance	0.00		Past Due Notices	5.11.0
Budget Fees	0.00	Override Bill Selection	Do Not Change	~	Notice if Overdue	Do Not Change
Quoted Type	Contingency ~	Ignore if Fees Less	Than 0.00		Template	
Quoted Amount	0.00	Ignore if Disbs Less	Than 0.00			Do Not Change
Apply to Every Bill	Every Bill 🛛 🗸	Ignore if Chrgs Less	Than 0.00		Lies Def Grace Day	Do Not Change
# of Bills	0	Include if A/R Balance	Do Not Change	- V	Use Del Grace Day	Do Not Change
Max Fees	0.00	Ignore if A/R Less T	han 0.00		Calc Interest from	A/R Date
Automatically Create D	isbursements at Billing				Grace Days Allowed	0
Charge Client	Do Not Change $ \smallsetminus $	G/L Account			Use Default Rate	Do Not Change
Charge Type	One Time Only $\sim$	Charge Amount			Use Rate	0.000
Explanation Code					Charge Int for All Dates	Do Not Change
					No Interest Before	1/1/1982

- d. In the Sales on Fees and Sales on Disb boxes, enter the rate of 7.0
- e. Click **OK** to complete the tax change.

# 4. Any matters that are non-taxable or those that have special tax rates must be changed through the Matter Manager in PCLaw on a matter-by-matter basis.

- a. Go to File > Matter Manager.
- b. Select the matter you wish to change and go to the **Billing** tab.
- c. Select the tax button and change the sales tax rate on fees and disbursements from **7.0** to the desired rate, and then choose **OK**.
- d. Select **Save and Close** to complete the changes.

### **Section B**

Note: Perform the following steps only if the Charge sales tax on disbursements at a rate of checkbox is NOT selected in the PCLaw System Settings.

### 1. Determine which of your matters DO NOT currently have a sales tax rate of 7%.

If you are running PCLaw version 12 or higher:

- a. Go to **Reports > Clients > List of Clients.**
- b. Click the Layout drop-down and select Default tax.
- c. Generate, print and save this report for your records.

If you are running PCLaw version 11 or lower:

- a. Go to Reports > Clients > List of Clients.
- b. Use the Adv. Search function to identify files where RST (PST in PCLaw) is not equal to 8 for PST Fees.
- c. Generate, print and save this report for your records.

Field	Comparison	Compare To
PST Fees V	ls Not Equal To 🛛 🗸 🗸	8 🔻

#### 2. Before July billing, you must complete the following steps in PCLaw.

- a. Back up of your PCLaw data.
- b. Go to **Options > System Settings > Tax**.
- c. Under the **Tax** tab, change the tax rate from **8** to **7** in the two rate boxes indicated in red below.
- d. In the **Charge fees entered before** line, enter **01/7/2019** as the date and **8** as the rate as indicated in blue below.

Provinci	al Mer	morized Trans	actions	Cheque P	attem	Front Offic	e Client	Intake
Firm	Other	Data Entry	Banking	Tax	Matter	Billing	Past Due/I	nterest
Sales	Tax harge sales harge fees harge sales Post inp o charges (	tax on fees a entered befor tax on disbur out tax credit to on or after:	t a rate of: e 1/7/20 sements at a o G/L 1/1/1982	7 19 ~ a rate of: [	% at a rate of	8	1/2	
Goods	and Servic harge GST	ces Tax (GST) x charged afte	/ Harmoniz	ed Sales T Ch	ax (HST) –	before 1	/7/2019	
S	Sales tax ra Rate on fee	te: 7 s: 5	% %	Sa Ra	les tax rate ite on fees:	: 8	%	
F Sł	Rate on dis now GST o	bursements: [ n trust cheque	5% e entries.	Ra	ite on disbu	irsements:	5 %	
⊠ M □ Sł	atters taxal now Tax ca	ole by default ategory on Tim	e and Fee s	screens				

- e. Change the **Charge items before** date to **01/7/2019** and set the **Sales tax rate** to **8** as highlighted in green above.
- f. Click **OK** to save the changes.

#### 3. You must also complete a global change to match the current matters to the new tax defaults.

**Note:** Completing the following steps will **change all matters to the new tax rate of 7%**, including all zero-rated matters as well as files with special tax rates. The results from Step 1 above provided you with a list of matters that are non-taxable and matters that are charged at a different sales tax rate so that you can make the necessary tax modifications on those files after completing the global change in PCLaw.

- a. In PCLaw, go to File > Matter > Global Change and select OK.
- b. In the dialog box that opens, select **OK**.



c. In the window that appears, select the **Billing** tab.

Client All	Resp Lawyer A	Types	of Law All		Bill Settings Used	All	
Allow Bill Setting Overrid	Do Not Change	$\sim$					
Bill Frequency	Include 🗸 🗸	Options Auto Alloc Time/Fees	B. 11 - 01		Taxes		
Bill Template	Detail	to Working Lawyers	Do Not Change	× L	GST on Fees 0.0	000	
Email Template	Default	When Mass Billing	Do Not Change	~ [	GST on Disbs 0.0	000	
Fees Jse Task Based Billing	De Net Change	Auto Transfer from Trust at Billing	Do Not Change	~	GST Category N	~	
	Do Not Change V	Apply Trust Transfer	Do Not Change	~	Sales on Fees 7.0		
Assoc Type of Law	D. N. C	to Existing Invoices	Do Not Change	~			
	Do Not Change V	Bank Account	General	-F	ast Due/Interest		
_ Discount %	0.000	Minimum Balance	0.00		Past Due Notices	B. N. O	_
Budget Fees	0.00	Override Bill Selection	Do Not Change	~	Notice if Overdue	Do Not Change	
Quoted Type	Contingency 🗸 🗸	Ignore if Fees Less	Than 0.00		Template		
Quoted Amount	0.00	Ignore if Disbs Less	Than 0.00		Interest Apply Interest	Do Not Change	
Apply to Every Bill	Every Bill 🛛 🗸	Ignore if Chrgs Less	Than 0.00		les Def Grace Day	Do Not Change	
# of Bills	0	Include if A/R Balance	Do Not Change	~			
Max Fees	0.00	Ignore if A/R Less T	han 0.00		Calc Interest from	AVR Date	
Automatically Create D	isbursements at Billing				Grace Days Allowed	U	
Charge Client	Do Not Change 🗸	G/L Account			Use Default Rate	Do Not Change	`
Charge Type	One Time Only $\sim$	Charge Amount			Use Rate	0.000	
Explanation Code				0	Charge Int for All Dates	Do Not Change	1
					No Interest Before	1/1/1982	13

- d. Select **Sales on Fees** and enter the rate of **7.0**.
- e. Click **OK** to complete the tax change.

# 4. Any matters that are non-taxable or those that have special tax rates must be changed through the Matter Manager in PCLaw on a matter-by-matter basis.

- a. Go to File > Matter Manager.
- b. Select the matter you wish to change and go to the **Billing** tab.
- c. Select the tax button and change the sales tax rate on fees from **7.0** to the desired rate, and then choose **OK**.
- d. Select **Save and Close** to complete the changes.

#### If you have any questions, please contact support at 1-800-387-9785.

