

Changing the GST Rate

On January 1, 2008, the GST Rate for Canada is scheduled to change from 6% to 5%. According to the Revenue Canada website, the rate change is applied according to the invoice date. The article is provided at the following website, <http://www.cra-arc.gc.ca/E/pub/gi/notice226/notice226-e.pdf>.

This document is intended for firms already collecting GST. To configure GST and Sales tax for the first time, please consult the Product Knowledge Base on your personalized website.

In Lexis® Back Office, prior to creating any invoices with a date of January 1, 2008 or later, perform the applicable procedures as described:

- Changing the Firm Default Rate
- Changing the Rate for all Matters (version 7.63 and higher)
- Changing the Rate for all Matters (version 7.62 and lower)
- Changing the Rate for one Matter (all versions)

Changing the Firm Default Rate

Default GST configuration in System Settings are assigned to each new matter as it is created. Any changes made in System Settings do not affect pre-existing matters.

1. From the **Options** menu, click **System Settings**.
2. Click the **Tax** tab. The System Settings > Tax window appears:

3. In the **Goods and Services Tax (GST)** area:
 - In the **Rate on Fees** box, type 5.
 - In the **Rate on Disbursements** box, type 5.

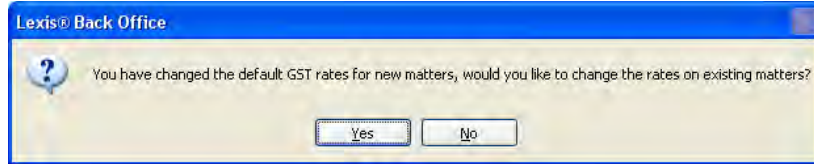
4. To save your settings, click **OK**.

For version 7.62 or lower of PCLaw, the System Settings window closes.

Note: For version 7.62 and lower, skip the remaining steps in this procedure and continue to Changing the Rate for all Matters (version 7.62 and lower) and/or Changing the Rate for one Matter (all versions).

Only new matters created from this point forward automatically have a GST rate of 5%. You are still required to change the rate on existing matters.

5. For version 7.63 and higher, a Lexis Back Office prompt appears:



To change the rate for all existing matters at a later time, click **No**. The System Settings window closes.

Note: You must complete the procedure using the steps provided in Changing the Rate for all Matters (version 7.63 and higher) and/or Changing the Rate for one Matter (all versions).

To change the rate for all existing matters at this time, click **Yes**. The Change Matter GST Rates window appears.

Note: If you select this option, you do not need to complete the procedure Changing the Rate for all Matters (version 7.63 and higher). However, you may still be required to complete the section Changing the Rate for one Matter (all versions).

6. To apply these changes to all existing matters whose GST rate matches the value in **Old Rate**, click **OK**.



Matter GST rates are changed to the new rate. If you have matters that did not have the **Old Rate** value, you must change those matters individually.

Changing the Rate for all Matters (version 7.63 and higher)

Lexis® Back Office powered by PCLaw™ provides you with a tool to allow changes for one GST rate to another for existing matters. This utility prevents matters with a unique GST rate from being switched over to a different rate, as would occur using the Global Change feature.

When changing the GST rate for the firm, as in the first procedure of this document, if you clicked **Yes** to continue the rate change for existing matters, this procedure is not necessary.

Using this tool does not change the rate set in System Settings.

1. From the **Tools** menu, select **Change Matter GST Rates**.



- To change the GST rate on fees, select the **Change Fee Rates** check box.
In the available **Old Rate** box, type the matter GST rate to change.
In the **New Rate** box, type the new GST rate.
- To change the GST rate on disbursements, select the **Change Disb Rates** check box.
In the available **Old Rate** box, type the matter GST rate to change.
In the **New Rate** box, type the new GST rate.
- To perform these changes, click **OK**. The GST rate is changed for all existing matters using the selected old rate.

Changing the Rate for all Matters (version 7.62 and lower)

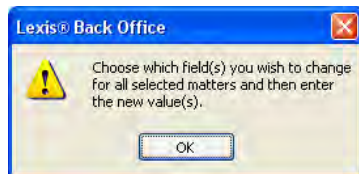
Tax settings for existing matters can be changed universally through Global Change – Matter which changes the GST rate for all selected matters using a chargeable GST category, regardless of the GST rate currently set for the matters.

Note: It is recommended to make a list of matters that use a unique GST rate, such as a rate of 0%, to later confirm the rate in Matter Manager. A list of matters using a specific GST rate can be created using the Matter Export feature. Please refer to the Knowledge Base for additional resources and procedures.

- From the **File** menu, highlight **Matter**, then click **Global Change**. The Select Matters to View window appears:



- To affect all matters for a specific client, type or select the client nickname in the **Client** box.
To affect all matters assigned to a specific responsible lawyer, type or select the lawyer nickname in the **Resp lawyer** box.
To affect all matters for the firm, leave all boxes blank.
- When you are satisfied with your selections, to continue, click **OK**. A Lexis Back Office prompt appears:



- Click **OK**. The Global Change – Matter window appears (Taxes area shown):

- To change the GST rate on fees, select the **GST on Fees** check box.
In the available **GST on Fees** box, type the new GST rate.
To change the GST rate on disbursements, select the **GST on Disbs** check box.
In the available **GST on Disbs** box, type the new GST rate.
- To apply these changes to all selected matters, click **OK**. The GST rate is changed.

Changing the Rate for one Matter (all versions)

The GST rate can also be changed on an individual matter through the Billing tab of Matter Manager. For version 6 and lower, use the Billing tab of Open Matter.

1. From the **File** menu, select **Matter Manager**, and click the **Billing** tab. For some higher versions, click the **Taxes** button.
2. In the **GST on Fees** box, type 5
In the **GST on Disbursements** box, type 5.

To save your changes, click **Save and Close**, **Save/Close**, or **Close**.

Additional resources are found on your personalized Lexis Back Office website via the Knowledge Base.