



April 28, 2010

Dear Continuous Safety Services (CSS) Customer,

On July 1st, 2010, Ontario's "Harmonized Sales Tax" (HST) will become effective. However, Ontario's Ministry of Revenue has developed transitional rules for GST/HST charged on billings from May 1st, 2010 to June 30th, 2010.

To address these rules, the Electrical Safety Authority's (ESA) billings for May and June 2010 will be modified. Customers with annual, semi-annual, and quarterly billing plans will receive two invoices during the transition period (**May 1, to June 30**) to allow ESA to appropriately allocate the GST and HST applicable taxes to the amount owing.

As an example, for an annual billing plan amount of \$5,000 that starts on May 1, 2010, you will receive an invoice dated May 1, 2010 for \$ 875.00 (\$ 833.33 + 41.67 GST) covering the period of May 1 to June 30, and another invoice dated July 1, 2010 for \$ 4,708.33 (\$ 4,166.67 + 541.66 HST) covering the period of July 1, 2010 to April 30, 2011.

Customers who normally receive invoices at the end of the billing plan (billings in arrears) will receive invoices for unbilled hours worked up to and including June 30, 2010 by June 30, 2010 using the 5% GST. The 13% HST will apply to subsequent invoices.

For training arrangements beyond your CSS contract, the following rules will apply:

- a) Training scheduled to begin **before July 1, 2010** will be subject to the 5% GST.
- b) Invoices generated or payment received (whichever is earlier) after **April 30, 2010** will be subject to the 13% HST for training scheduled to begin after June 30, 2010.

For clarification and additional information, please refer to the ESA website www.esasafe.com or call 1-877-854-0079.

Thank you for your cooperation as we work to address the HST transitional rules.

THE ELECTRICAL SAFETY AUTHORITY