



Planning for your children's future

Congratulations! Your employer is one of a select few in Canada to offer the option of a Registered Education Savings Plan (RESP) as part of your benefits package.

The spiralling cost of post-secondary school education has many parents justifiably concerned about whether they will be able to afford to send their children to college or university. Establishing a Group RESP through a payroll deduction program is a disciplined way to save for your children's education. Changes to the Income Tax Act have made RESPs much more attractive in recent years.

There are several benefits to adding an RESP to your financial plan. Here's a look at some of them.

RESP Benefits

An RESP with CI is an excellent way to start saving today for your children's education tomorrow. There is no annual limit on how much you can contribute to your child's RESP.

- **Government Grants** – A portion of your contributions to an RESP qualify for federal government grants called Canada Education Savings Grants (CESG). The government will contribute a CESG equal to 20% of your annual RESP contributions up to a maximum grant of \$500 per year per child. There are additional CESGs for low and middle income families.
- **No Account Fees or Administrative Fees** – With a CI Group RESP, there are no account set-up fees, no trustee fees and no administrative fees.
- **Tax Advantages** – Your contributions and CESG contributions will accumulate and grow tax-free in an RESP. When funds are withdrawn for tuition, only the growth and grant portion of the plan is taxable in the hands of the student(s) – who will, in all likelihood, be in a low tax bracket.

- **Control and Flexibility** – You determine in which CI funds the contributions will be invested and you have the option of switching the contributions among any of CI's funds as your financial goals and time horizons change. You also have the flexibility to change your contribution amounts.

CI Investments – Experience. Strength. Diversity.

- **Investment Expertise** – CI has been providing top-rated investment products since 1965. We manage more than \$84 billion in assets on behalf of more than two million Canadians. CI offers equity, fixed-income, balanced, and tax-advantaged products focusing on Canadian, global, regional, emerging and industry-specific markets. Our wide range of investment funds and products is combined with world-class money managers. CI makes switching between any of our funds easy whenever your investment objectives or time horizon changes.
- **Group Experience** – Our dedicated Group Plans team provides service and support to more than 3,400 companies.
- **Professional Administration** – CI and your Group Financial Advisor will help you set up your Group RESP account and explain your investment options to you. You will receive a simplified prospectus, account statements, tax receipts and other pertinent information from CI.
- **Customer Care** – The company Group Representative and your Group Financial Advisor will conduct information sessions at your workplace. Ongoing service and support will be provided by CI's Client Service Team by phone, fax or e-mail to answer your questions. You can access your account information through CI's website at www.ci.com.

Frequently Asked Questions

Q. How much can I invest?

A. There is no limit on how much you can contribute every year, but there is a lifetime limit of \$50,000.

Q. How much does it cost me to set up an RESP?

A. There are no trustee or administrative fees with a CI RESP.

Q. Is there a minimum contribution?

A. The minimum contribution is \$50 per month and/or \$25.00 per fund.

Q. How do I sign up for the program?

A. You will receive detailed explanations from your company's Group Plan financial advisor, but once you have filled in the necessary forms for opening a CI Group RESP account, your paperwork is finished.

Q. How long can I contribute to an RESP?

A. Contributions may be made to the plan up to the end of the 31st year after the plan was opened. The plan must be closed by December 31st of the 31st year after being opened.

Q. I have more than one child. Do I need more than one RESP?

A. A Family Plan or a Single Plan may be opened. A Single Plan permits only one beneficiary per plan of any relationship. A Family Plan permits more than one beneficiary per plan, but all beneficiaries must be related to the subscriber by blood or adoption (i.e. parent and child, or other descendants such as grandchild or great-grandchild), and the beneficiaries must be under 21 years old when named to the plan. Please note that nieces and nephews are not considered to be blood relations.

Q. Are there any CI products that cannot be purchased in a Group RESP?

A. Yes, segregated funds, LSIF, Hedge, T-Class and Insight funds are not eligible. Mutual funds must be CDN denominated.

Q. How will I know which funds to invest in?

A. Your Group Plan Financial Advisor will meet with you to set up a plan that is tailored to meet your goals.

Q. What if I change my mind or my financial needs change?

A. Contact your company Group Plan administrator if you decide you want to change your contribution amounts, stop contributions for a period of time or transfer your contributions to another fund.

Q. What if my children don't go to college or university?

A. Your RESP contributions will be returned to you and CESG payments must be returned to the government. You may transfer the RESP funds to your RRSP if there is contribution room.

Q. How much will I need to save?

A. That's a great question. Some studies suggest that annual education costs for post-secondary school students will be more than \$34,000 per year by 2023.

Q. Can I withdraw funds from an RESP if I need them?

A. Yes. If contributions are withdrawn for non-school purposes and a CESG has been received, the CESG earned on the contributions being withdrawn will be deducted from your account as a CESG repayment.

Q. Are RESP contributions tax deductible?

A. No they are not, but your RESP will grow tax-sheltered until funds are withdrawn.

Q. What if I don't make a contribution this year, do I lose the grant?

A. If an opportunity to receive a grant is missed due to not making a contribution, the entitlement to make up that missed opportunity will be carried forward to future years. This concept is called "unused grant room" and can allow a beneficiary to receive a CESG of up to \$1,000.00 in one year.

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