

Investing for your child's future?

Registered Education Savings Plan (RESP) Quick Facts

WHAT IS AN RESP?

A Registered Education Savings Plan (RESP) is a special account that can be set up to help save for a child's education after high school.

RESPs are registered by the Government of Canada and are tax-free until the person named in the RESP (e.g. the child) enrolls in studies after high school.

WHY SHOULD I INVEST IN AN RESP?

In addition to any interest earned on your investment, once you open an RESP, you can take advantage of tax savings as well as potential grants from the federal and provincial government.

WHAT TYPES OF EDUCATION PROGRAMS QUALIFY?

Programs offered by colleges, universities, trade schools, CEGEPs and other certified institutions may be considered "qualifying educational programs" and eligible for RESP payments.

For more free, unbiased resources on investing, contact us at:

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Calgary, Alberta T2P 0R4
Tel: 403-297-6454
Toll free: 1-877-355-4488
Email: inquiries@asc.ca
www.albertasecurities.com

You can also find us on:
Twitter | Facebook | YouTube

For more information on RESPs, visit:

CanLearn (Government of Canada)

www.canlearn.ca

Canada Revenue Agency

www.cra-arc.gc.ca

Government of Canada

www.canada.ca



RESP Checklist

Ask a potential provider of RESPs these questions before you invest:



What fees am I expected to pay, and when?

Ask if there is a minimum amount required to start an account. You may have to pay sales fees when you open an RESP, as well as other costs while you have the plan. Make sure you ask about and understand all the upfront and other costs involved.



Do I have a choice about when and how much I contribute?

Most plans let you decide when and how much to contribute, up to yearly and lifetime limits. Some plans require that you make contributions according to a set schedule. In this case, if you miss a payment, your plan may be cancelled and you could lose your earnings - you will likely receive your contributions back, minus any fees. Ask about the contribution process for your plan.



How can I invest RESP money? What are the risks?

You can typically choose from an individual, family or group plan. Ask the provider of your RESP questions about your investment choices – including the benefits and risks of each choice – as some options may have more risk than others. Find out pros and cons of each plan and make a decision that makes sense for you and your family.



When and how will I receive payments?

To receive payments from your plan, the person named in the plan must show proof of enrolment in a qualifying program, sometimes by a specific deadline. Some plans make payments on a set schedule, others let you decide. Certain plans do not pay out earnings until a student starts the second year of a program. Ask about the schedule of payments for your plan.



What if my child doesn't go on to further education, or complete their program?

You typically should receive your contributions back, minus any fees or applicable taxes. In most cases you will receive what you've earned with the plan. In other plans, the provider may keep these earnings and share them with the remaining members of the plan. Be sure you understand the restrictions of your plan.



What if I sign up for a plan, then change my mind?

The time frame of cancellation may depend on the type of investment purchased. Find out the restrictions of your plan before signing up.

WHO CAN HELP ME SET UP AN RESP?

Most banks, credit unions, mutual fund companies, investment dealers and scholarship plan dealers offer RESPs.

In addition to your own financial adviser, these various providers can help you pick the type of plan and investments that suit your needs. You can also ask them to help you apply for any available federal and provincial education grants.

As you trust a provider of RESPs to manage your money and the eventual payments to the named beneficiary, it is important to research various providers before making your selection.

Do a background check on any individual or company selling you an investment. You can start with searching the individual or company on albertasecurities.com.

WHAT DO I DO IF I HAVE A PROBLEM WITH THE PROVIDER OF MY RESP?

Try to resolve your complaint directly with the provider of your RESP. If you're not satisfied with their response, contact the:

Alberta Securities Commission
Toll-free at **1-877-355-4488** or
Email: inquiries@asc.ca

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