



Canada Life
mutual funds
RESP

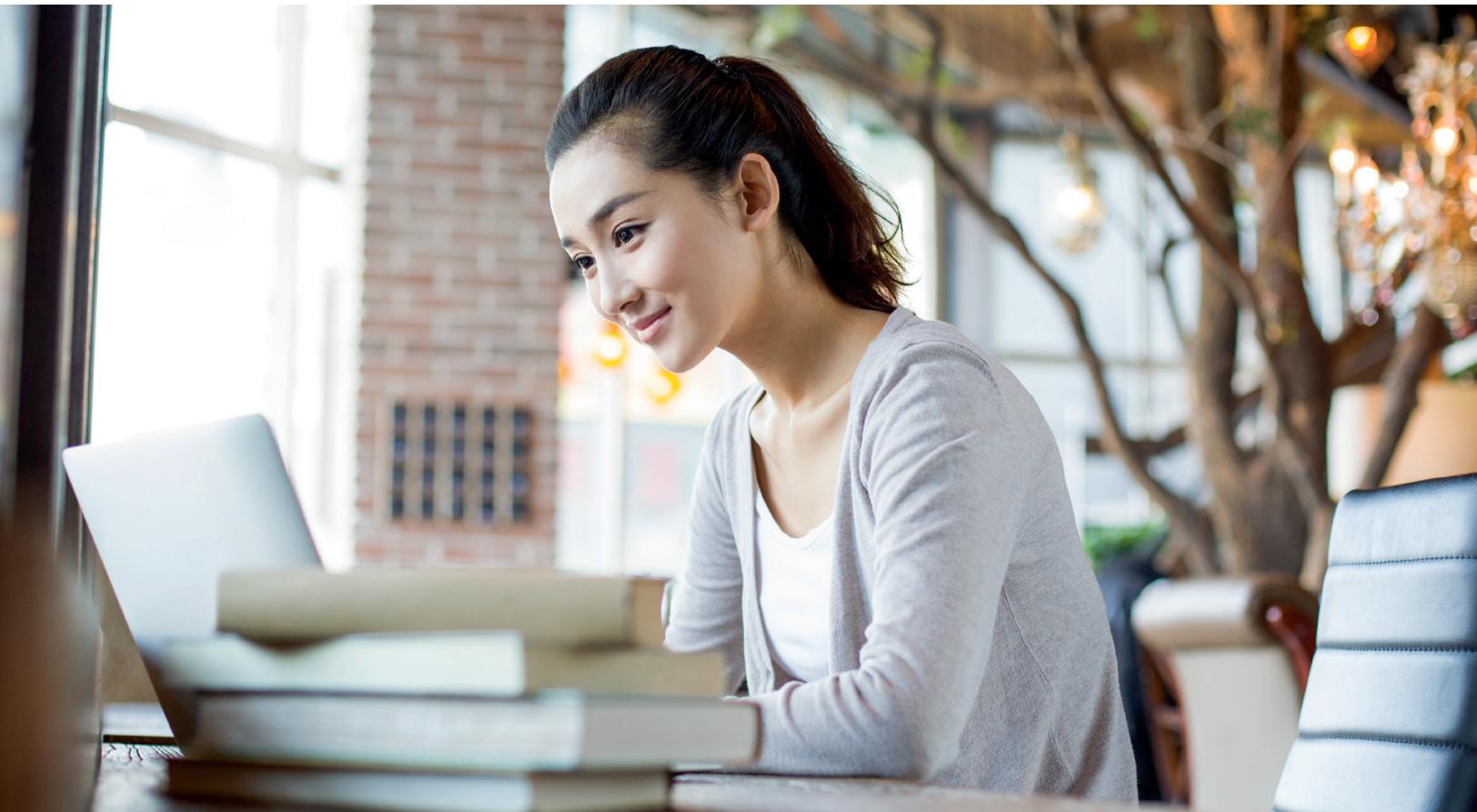
Investing in your child's education

Investing in your child's education requires planning and early action. When it comes time to make a decision about post-secondary education, your child should be focused on which school to go to and what program to take rather than whether they can afford it.

We can help you reach your financial goals so that your child can go to school and start to save for their own financial goals.

What's a Registered Education Savings Plan (RESP)?

An RESP is the cornerstone of most education savings strategies. It offers tax advantages and government grants that help maximize your savings.



Why should you consider an RESP?

- Preparing your child for a happy, successful life is a top priority. Post-secondary education may give them the foundation needed to reach their long-term goals.
- Today's job market requires advanced degrees and specialized skills that can only come from higher learning – a university degree, college diploma, trade school or apprenticeship programs.
- It's uncertain what the cost of your child's education will be in 15-20 years. Investing in their future today will help offset any substantial increase in education costs in the future. Plus, the government will help you as you save.

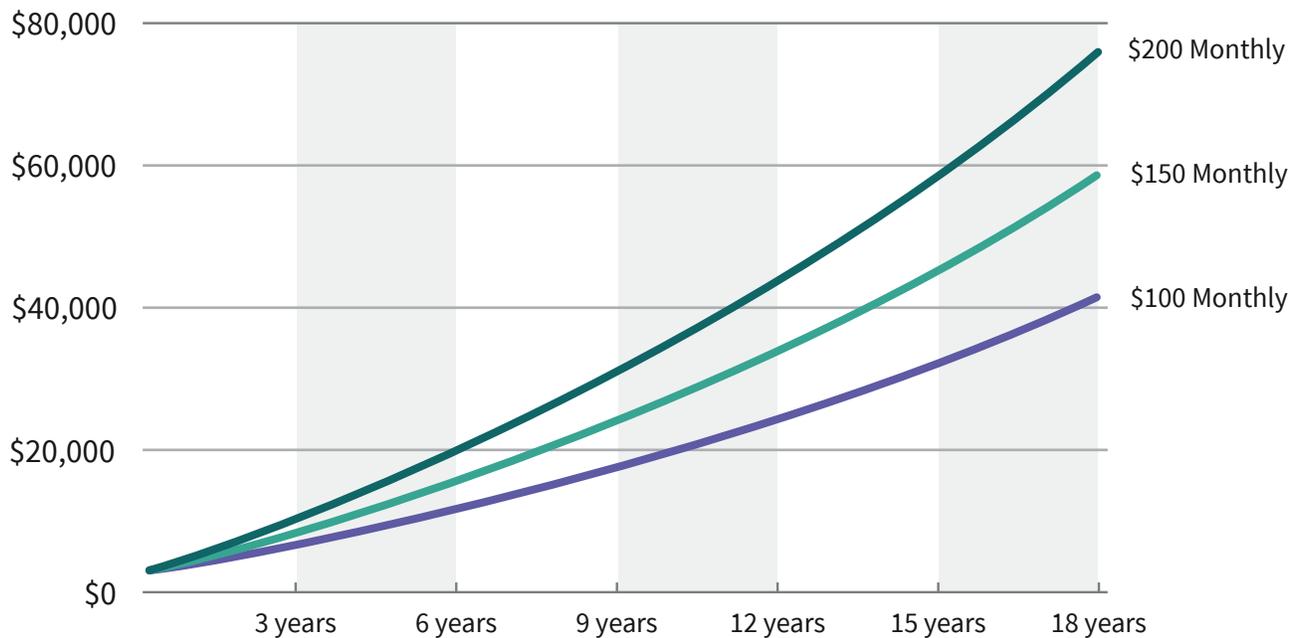


It's predicted that a four-year undergraduate degree with residence at a Canadian university will cost more than \$100,000 in 2026 and beyond.

Source: Statistics Canada. Tuition, Living and Accommodation Costs, 2017/2018.

Take advantage of regular contributions

Here's an example of what your RESP could look like with an initial investment of \$2,500 and regular contributions.



Note: Calculations above do not include Canada Education Savings Grant (CESG) payments.

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This hypothetical example (assuming an initial \$2,500 investment and an average annual return of 5%) shows the benefits of making monthly investments over time. This chart does not represent any actual investment and the projections are before taxes. The value and return may vary and different investments may perform better or worse than this example.



Tips for saving into an RESP

- Start small and early – it's easy to get started, so do it early and take advantage of compound interest
- Set up automatic contributions to invest on a regular basis
- Ask family to contribute to the RESP as a birthday present or around special holidays



How to take advantage of RESPs

1 | Canada Education Savings Grant (CESG)

You could receive a grant of 20% on the first \$2,500 you contribute to an RESP each year. You may also qualify for additional CESG assistance – up to an extra 20% on top of the basic grant.

2 | Tax savings

With RESPs, your savings grow tax free inside the account. You don't get taxed until funds are withdrawn.

3 | Investment choice

Build your RESP portfolio from a variety of investment options like Canada Life Mutual Funds™ or Pathways mutual funds.

4 | Flexibility

RESP accounts can stay open for 36 years and savings can be used towards a variety of post-secondary educational paths (university, college, trade school or apprenticeship) and costs (tuition, textbooks or living expenses). If your child decides not to pursue post-secondary education, you can:

- Hold the plan open for 36 years in case the beneficiary's plans change
- Roll the money over to a Registered Retirement Savings Plan (RRSP) if you have contribution room
- Designate another beneficiary
- Withdraw the contributed money (Withdrawing contributed money can have tax consequences and result in the repayment of any grants on these contributions to the government. Consult your tax professional)



Set up an RESP in three steps:



- 1 | Decide whether you want an individual or family plan
 - Family plans may be more flexible if there is more than one child
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- 2 | Gather your documents:
 - ID for each subscriber (the individual(s) opening the RESP).
One piece must be government issued photo ID, such as a driver's licence.
 - Social Insurance Number (SIN) of the subscriber(s) and child(ren)
 - Name(s) of the parent(s)/legal guardian(s) for each child



- 3 | Connect with your advisor to take the first step in your Canada Life mutual funds RESP journey and let them help you set up a personalized contribution plan to help you grow your savings

We want to help you achieve
your financial goals so your
child can realize their dreams.
Speak to an advisor today
so you can start saving
for their future.



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