

RESP facts

- As of 2007, there is no annual limit on the amount that can be contributed to an RESP, although the maximum lifetime contribution is \$50,000 per child. The Canada Education Savings Grant is capped at \$500 per year per child with a lifetime maximum grant of \$7,200.
- For beneficiaries to receive the CESG in the year in which they turn 16 and 17, you must ensure that one of the following two conditions has been met by the last business day of the year in which they turn 15:
 - A minimum of \$2,000 in total contributions have been made for the beneficiary and not withdrawn; OR
 - A minimum of \$100 in annual contributions have been made in any four previous years and not withdrawn.
- Contributions for a particular year must be made by December 31st or the last business day of the year.
- There are no foreign content rules for RESPs, although all investments must be in Canadian dollars.
- 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, but not nieces or nephews), and the beneficiaries must be under 21 years old when named to the plan.
- You determine in which CI funds the RESP will be invested and you have the option of switching the holdings among any of CI's funds as your financial goals and time horizons change. You also have the flexibility to contribute in one lump sum or through a regular investment plan.

For more information, please contact:



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RESPPOCKET 09/09E

RESPs from CI Investments





The spiralling cost of post-secondary school education has many parents concerned about whether they will be able to afford to send their children to college or university. A Registered Education Savings Plan with CI Investments is an excellent way to start saving today for your children's education tomorrow.

RESP Benefits

Government Grants

Contributions to an RESP qualify for federal government grants called Canada Education Savings Grants (CESGs). 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. As of 2005, beneficiaries of low and middle-income families may also be eligible for an additional 10% or 20% on their first \$500 of annual contributions. Furthermore, families receiving the National Child Benefit Supplement (NCBS) may be eligible to receive the Canada Learning Bond (CLB), which provides up to \$2,000 to an RESP for children born in 2004 or later.

Check CI's RESP Learning Centre at www.ci.com/resp for more information on government grant programs.

Tax Advantages

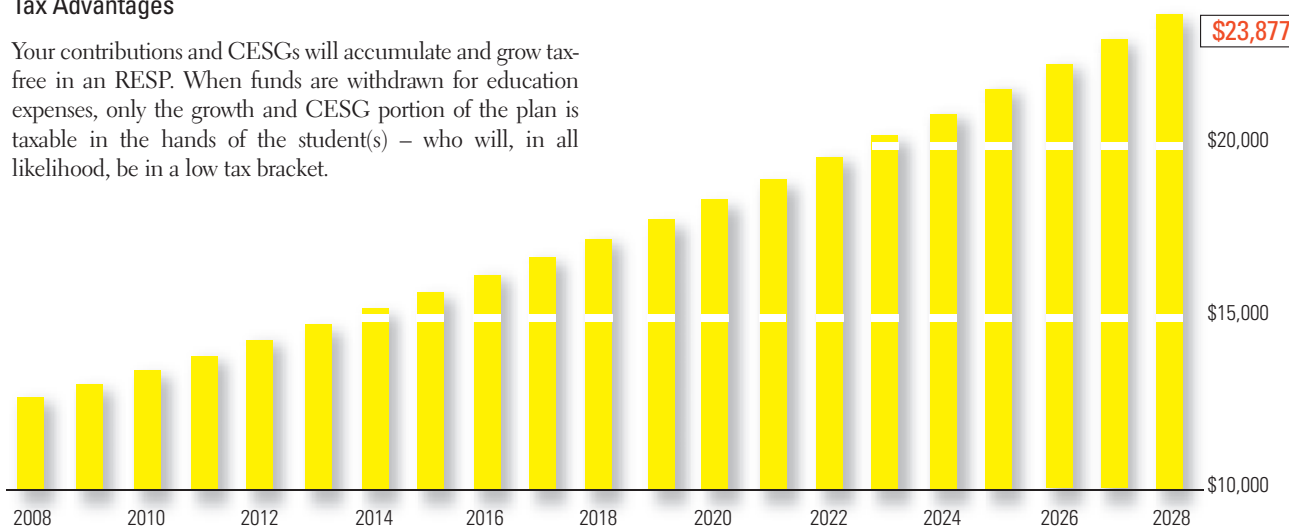
Your contributions and CESGs will accumulate and grow tax-free in an RESP. When funds are withdrawn for education expenses, only the growth and CESG portion of the plan is taxable in the hands of the student(s) – who will, in all likelihood, be in a low tax bracket.

The Rising Cost of Education

Canadian university tuition fees have outpaced inflation over the past decade, rising at an average annual rate of 4.4%. For 2008-09, the average tuition fee in Canada was \$4,724. When other mandatory fees and room and board are included, the price of a university education for Canadian students is now about \$12,800 per year.¹

The chart below shows how these costs could grow in future years if the rate of tuition increases remains constant and other costs rise with inflation.² A child born in 2008 could face university education costs of more than \$95,000 for a four-year degree. An RESP with CI is a disciplined way to save for your children's future education.

Annual education costs based on \$12,800 in 2008-09



¹ Source: Statistics Canada. Tuition is the average fee for undergraduate programs across Canada; total cost also includes the national average of charges for university residence with meal plan and of other fees charged to full-time students.

² Based on annual tuition increase of 4.4% (1998-99 to 2008-09) and annual CPI increase of 2.3% (1998-99 to 2007-08).

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

Your RESP contributions and any growth 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. The lifetime limit on the amount that can be transferred is \$50,000. Certain conditions may apply.

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

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 is called "unused grant room" and can allow a beneficiary to receive a CESG of up to \$1,000 in one year.

How long can I contribute to an RESP?

In a Single Plan, contributions must stop 31 years after the year of setup. In a Family Plan, contributions must stop when the beneficiary turns 31 or 31 years after the year of setup, whichever is earlier. CESG may be received up until the beneficiary turns 17, provided certain conditions are met by the last business day of the year in which the beneficiary turns 15. The plan must be closed 36 years after the plan is setup.

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

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

Is there a minimum contribution?

No, but there is a minimum contribution of \$50 per month for a pre-authorized chequing (PAC) plan.

Why invest with CI?

CI has been providing top-rated investment products since 1965. We manage over \$50 billion in assets on behalf of two million Canadians. CI offers a complete range of investment funds and products which are combined with world-class money managers.

Contact your financial advisor or call CI Investments at 1-800-792-9355 or visit our website at www.ci.com for more information.