



# PLAN TODAY, INVEST FOR THE FUTURE

## Registered Education Savings Plan (RESP)

RESPs are tax-deferred savings vehicles created by the federal government to help Canadians save money for their children's future post-secondary education. To prepare for the inevitable rising costs of post-secondary education, an RESP offers you and your children enhanced growth potential and greater tax advantages than a non-registered savings plan.

### 1 | ENHANCED VALUE FROM GOVERNMENT EDUCATION INCENTIVES<sup>1</sup>

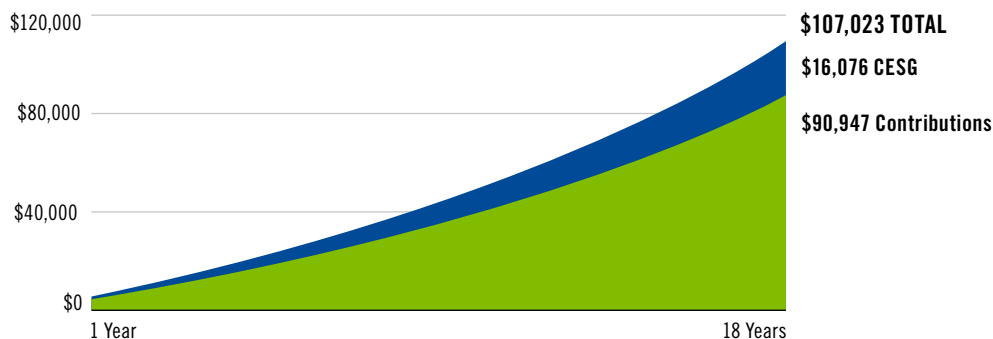
<b>Canada Education Savings Grant (CESG)</b>	<ul style="list-style-type: none"> <li>• Basic CESG matches 20% on every dollar of the first \$2,500 saved in your child's RESP each year.</li> <li>• Unused Basic CESG amounts can be carried forward for future use.</li> <li>• Additional CESG of 10% or 20% on the first \$500 of annual contributions is available to lower income families.</li> </ul>
<b>Canada Learning Bond (CLB)</b>	<ul style="list-style-type: none"> <li>• CLB provides \$500 to each eligible child born after 2003 to families who receive the National Child Benefit Supplement. (RESP contributions are not required).</li> <li>• Plus, your child could get \$100 annually up to age 15.</li> </ul>
<b>Quebec Education Savings Incentive (QESI)</b>	<ul style="list-style-type: none"> <li>• QESI provides an amount equal to 10% of net annual contributions, up to a maximum of \$250 is payable into an RESP to residents of Quebec. An additional credit is available to eligible beneficiaries.</li> </ul>

### 2 | TAX-SHELTERED INVESTMENT GROWTH

RESP investments—including capital gains, dividends and interest—are allowed to grow tax free. When RESP beneficiaries become students, their withdrawals have significant tax advantages as they are likely in a lower tax bracket.

As you can see in the chart below, the accumulated tax-sheltered contribution value of \$90,947<sup>2</sup> in an RESP is enhanced by the additional CESG benefit of \$16,076<sup>3</sup> for a total value of \$107,023! A non-registered investment may grow to \$78,566<sup>2</sup> and withdrawals trigger higher income tax consequences in the hands of the plan owner.

#### Investment Value



### 3 | OPTIONS FOR RESP ASSETS IF CHILD DOES NOT PURSUE POST-SECONDARY EDUCATION

If the beneficiary chooses not to attend post-secondary education, it is possible to designate a new beneficiary or transfer the RESP assets to another beneficiary such as a sibling. Alternatively, you may withdraw your RESP contributions tax-free. The education savings incentives will be returned to the government and any growth in the plan may be donated to a qualifying educational institution or may be withdrawn or transferred to your RRSP if certain conditions are met.

## The Franklin Templeton Investments RESP Advantage

**EXPERTISE.** We have been working with investment advisors, parents, grandparents and families since RESPs were introduced. Our dedicated experience in the complex RESP sector means that you can rest assured our reporting is clear and the student withdrawal process is streamlined.

**DIVERSIFICATION.** Our wide spectrum of funds and portfolios means you and your advisor can tailor a solution to meet your individual goals and risk tolerance.

**CHOICE.** With Franklin Templeton Investments, you can invest in either an individual or family RESP.



### INDIVIDUAL PLAN

Single beneficiary

No family relation required with subscriber

No age restrictions on designating a beneficiary

### FAMILY PLAN

Multiple beneficiaries

Subscriber must be related by blood or adoption to beneficiaries

Designated beneficiaries must be under 21 years of age

## STARTING YOUR FRANKLIN TEMPLETON RESP IS EASY

Talk to your investment advisor about setting up your Franklin Templeton Investments RESP or visit [www.franklintempleton.ca/resp](http://www.franklintempleton.ca/resp) today:

- 1 | Obtain a Social Insurance Number<sup>4</sup> for each beneficiary to ensure your plan can be registered with the government.
- 2 | Complete the Franklin Templeton RESP application form with your investment advisor to select the plan type and investment solutions that are right for you and your family.
- 3 | Ask your investment advisor about qualifying for the federal and provincial government incentives available to RESP holders.

Once your account is established, your advisor will work closely with you to plan your level of RESP contributions, consolidate any existing RESP accounts you might have and consider supplemental solutions, such as a Tax-Free Savings Account or an In Trust account, in order to meet your education savings goal.

## GIVE A GIFT THAT LASTS A LIFETIME

Franklin Templeton Investments gift certificates are a great way to give your children a head start on saving for their education. In addition to an investment drawn from our wide spectrum of funds and portfolios, your children will also receive a personalized certificate to symbolize your important contribution to their future. Contact our Client Services team for more information at **1.800.387.0830**.

1. Depending on your province of residence, you may be eligible for other monies in your RESP.

2. The above example is hypothetical and intended for illustrative purposes only. It assumes an annual contribution of \$2,500 for 18 years in each of an RESP and a non-registered account with a marginal tax rate of 40% and a 7.0% rate of return. The rate of return set out in this example does not represent the actual future performance of any Franklin Templeton Investments product.

3. Assumes \$2,500 annual investment, invested for 18 years at 7%\*. Basic CESG maximum contributions of \$7,200 provide additional value of \$16,076.

4. An account cannot be set up without a SIN for all beneficiaries. Applications are available from the federal government at [www.servicecanada.gc.ca](http://www.servicecanada.gc.ca).



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