



Canadian Association of
Independent Living Centres
Promoting a new perspective on disability
Association canadienne des
centres de vie autonome
Voir au-delà du handicap

Information Sheet # 7



**Independent Living
Centre Kingston**
Promoting a new perspective on disability

KNOW THE INS AND OUTS OF INVESTING IN RESPs

Did you know? A Registered Educational Savings Plan (RESP) can be an effective way to save for post-secondary education, but different plans have different features, risks and costs.

Questions that Investors should ask!!

Have you compared the different types of RESPs?

Different types of plans are available at banks, credit unions, mutual fund companies, investment dealers or scholarship plan dealers. Before you commit, be sure you understand all your options.

What fees are you expected to pay, and when?

You may have to pay sales fees when you open a plan, plus other costs as long as you hold the plan.

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

Most plans let you decide when and how much to contribute, up to the annual and lifetime limits. Some plans require you to 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 receive your contributions back, less any fees.

What kinds of post-secondary programs qualify?

Programs offered by colleges, universities, trade schools, CEGEPs and other certified institutions are eligible for an RESP. For more information, visit www.canlearn.ca

When and how will you receive payments from the plan?

To receive payments from your plan, students must show proof of enrolment in a qualifying program to their plan provider, sometimes by a certain deadline. Some plans make payments on a set schedule, while others let you decide. Some plans do not pay out earnings until a student starts the second year of a program.

What if the student does not go on to post-secondary education, or does not complete their program?

You receive your contributions back, less any fees. In most cases you will receive your earnings. Some plans may keep these earnings and share them with the remaining members.

What if you sign up for a plan, but change your mind?

For group scholarship plans, you can cancel the plan at no cost within 60 days of signing the application. For other types of plans, this time frame may depend on the type of investment you bought.

Information provided by the Ontario Securities Commission (www.osc.gov.on.ca).

Solutions

- ✓ Contact Independent Living Centre Kingston at 613-542-8353 if you need support.
- ✓ Don't open an RESP unless you feel comfortable with the information and answers to your questions.
- ✓ Talk to your local bank, credit union, group planner or financial planner.

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