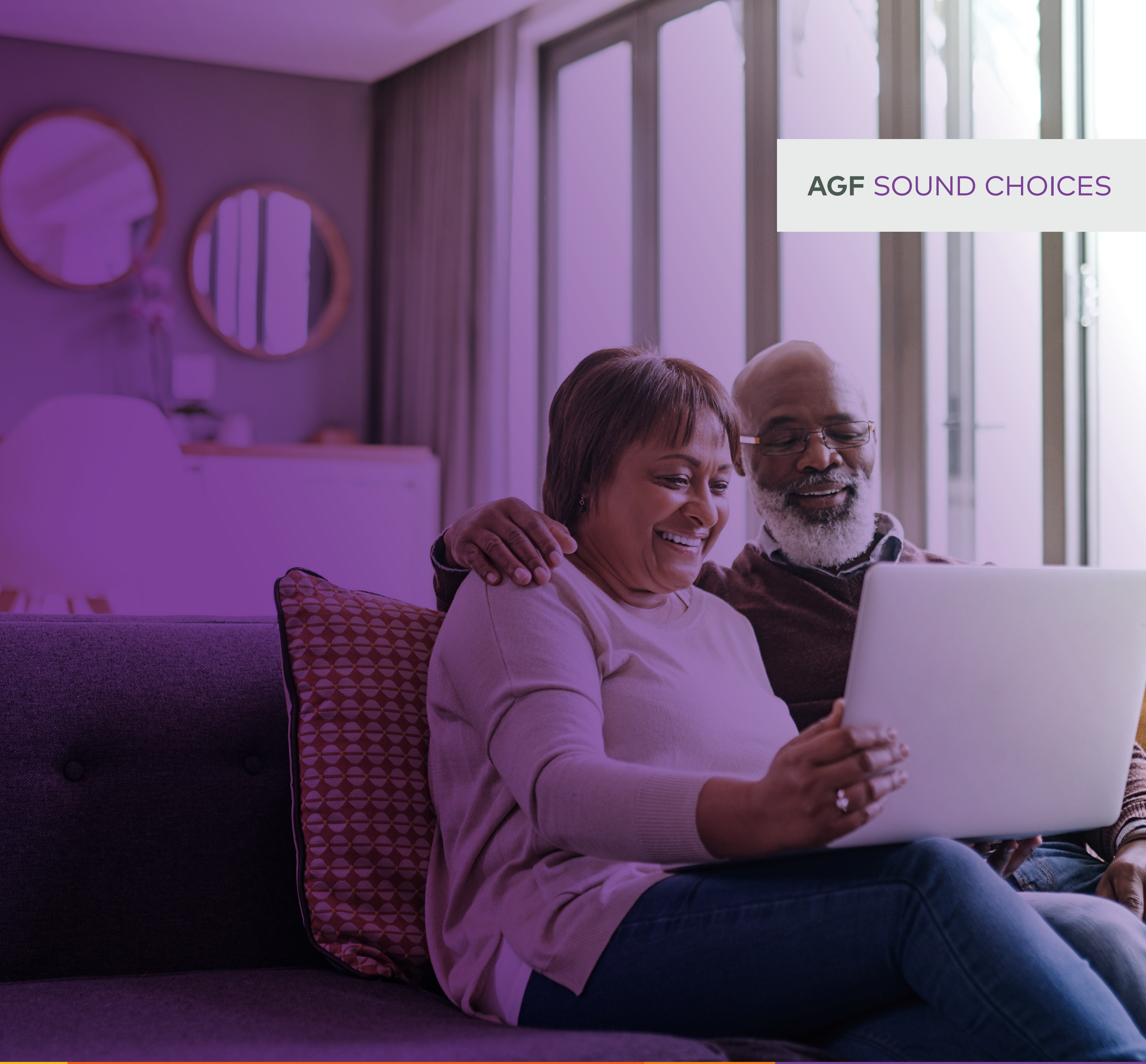

2022 Registered Plans Guide

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AGF SOUND CHOICES

Sound Choices® provides resources to meet the evolving needs of investors and advisors.

The program offers resources related to:

- Investing best practices (including working with a financial advisor)
- Personal finance education – helping investors understand various aspects of investing
- Investment planning strategies for different life phases

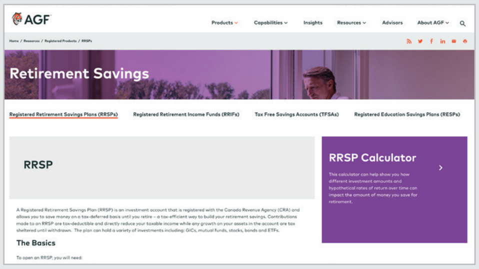
Learn more: visit AGF.com

Financial Advisors can find the full suite of resources at AGF.com/SoundChoices

Understand Registered Plan Options and How They Work

For more detailed information, including personal finance articles, visit:

AGF.com/RRSP



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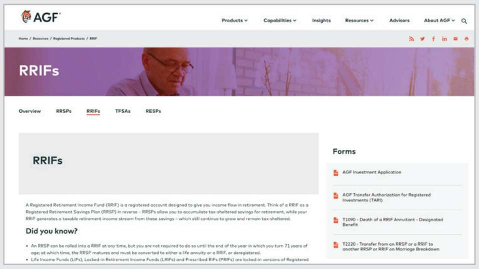
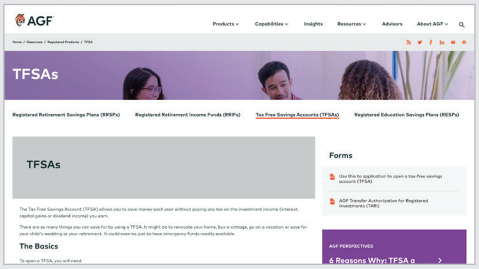
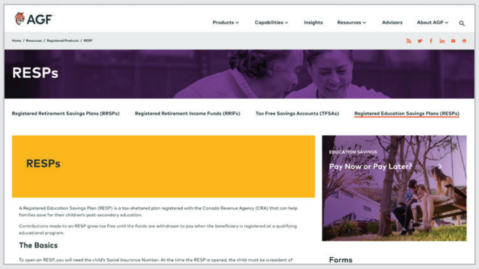


AGF.com/TFSA



AGF.com/RESP



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Understanding Different Types of Investment Accounts

You have many account options to choose from when saving for your future, with each offering plenty of advantages … as well as some restrictions.

Know Your Options

When you open a bank account, you'll be asked to choose between a chequing and a savings account. Both come with distinct advantages, as well as certain restrictions.

Similarly, when creating a plan for your financial future, you'll be able to choose between a few different types of accounts, each with their own features.

Your two main account options are non-registered and registered accounts.

1. Registered Accounts

- Include Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RRIFs) and Registered Education Savings Plans (RESPs).
- Usually have some restrictions in terms of the amounts you can contribute each year and how much you can withdraw.
- Tend to offer attractive tax deferral or savings incentives. For instance, RRSPs allow you to defer paying tax on the amount you contribute, as well as on any income payments or investment growth achieved within your RRSP, until withdrawal.
- Tax-Free Savings Accounts (TFSAs), which can be used to help meet any financial goal, are funded using after-tax dollars. When you withdraw funds from this account, the amount is not taxable.

2. Non-Registered Accounts

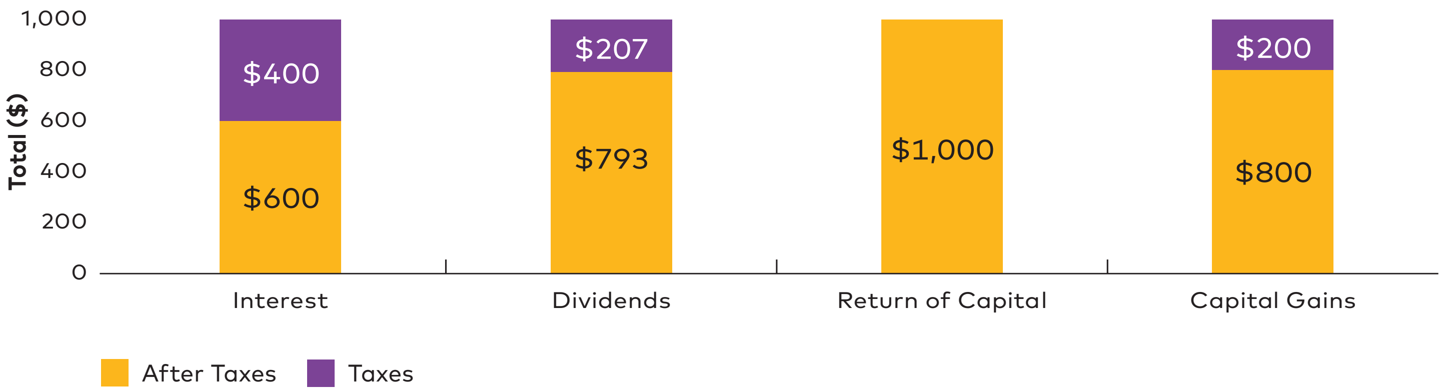
Non-registered accounts don't offer the same tax-deferral or tax-reduction benefits as registered accounts but have few or no restrictions in terms of how much you can deposit or how often you can access your savings.

Features	Non-Registered Accounts
Annual contribution limit	No limits
Tax-deductible contribution	No
Contribution carry-forward	N/A
Taxable consequences	Fully taxable earnings growth
Capital loss on investment	Can be used to offset capital gains (three preceding tax years, carried forward indefinitely)
Maximum age for contribution	No
Recontribution of withdrawals	Yes
Overcontribution penalty	N/A

To see how non-registered plans compare to RRSPs and TFSAs, refer to the table on page 12.

How Investments in Non-Registered Accounts Are Taxed

Here are four different sources of cash flow, each paying $1,000. Within a **non-registered portfolio**, each has very different tax implications, which can affect the value of the portfolio after tax.



Interest Income	Dividend Income	Return of Capital (ROC)	Capital Gains
Received from: GIC, bonds, treasury bills	**Received from:** Corporations - dividends are distributions from a company's earnings to its shareholders	**Received from:** Your invested principal	**Received from:** Selling an investment at a price higher than what you paid for it
Tax treatment: 100% taxable	**Tax treatment:** Tax-preferred if it's a Canadian corporation	**Tax treatment:** No immediate tax due on the ROC, given it is the capital you invested. Will increase your capital gain in the future	**Tax treatment:** Taxable at 50%

This information is for illustrative purposes only. A hypothetical marginal tax rate of 40% is used for this illustration. Assumptions: Interest: Fully taxable. $1,000 in interest will return $600 after tax. Dividends: (Assuming the individual is taxed in Ontario and the dividend is eligible) a $1,000 dividend gets grossed up by 38% in 2021 to $1,380. Then the assumed 40% marginal tax is applied to result in taxes of $552 (40% × $1,380). The $552 in taxes are reduced by the provincial and federal tax credit of 10% (including surtax) and 15.02%, respectively (10% × $1,380 + 15.02% × $1,380), which creates a tax credit of $345. This amount is subtracted by the taxes otherwise payable to give $207 tax payable ($552 – $345). Therefore, a $1,000 Canadian dividend would provide an after-tax value of $793. Return of Capital: The returned capital amount is not taxable in the year received, but reduces the adjusted cost base of the investment, which generally results in a larger capital gain when the investment is sold, hence taxes are effectively deferred. Capital Gains: Have preferential tax treatment where only 50% of the gain is taxable. Only 50% of a $1,000 capital gain is taxable, which means that only $500 would be subject to the 40% marginal tax. $500 × 40% = $200 taxes payable, therefore a $1,000 capital gain would result in an $800 after-tax return.

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Keep More to Grow More

One of the best ways to maximize your savings is to take advantage of tax-sheltered plans.

Tax Treatment

Registered

If you hold an investment in a registered plan:

- Distributions on funds held in a tax-sheltered plan do not need to be reported as taxable income and they are automatically reinvested
- However, you are required to report on your Canadian income tax return* when money is withdrawn from a registered plan (the exception being a TFSA – with this registered plan, the amount withdrawn is not taxable)

Non-Registered

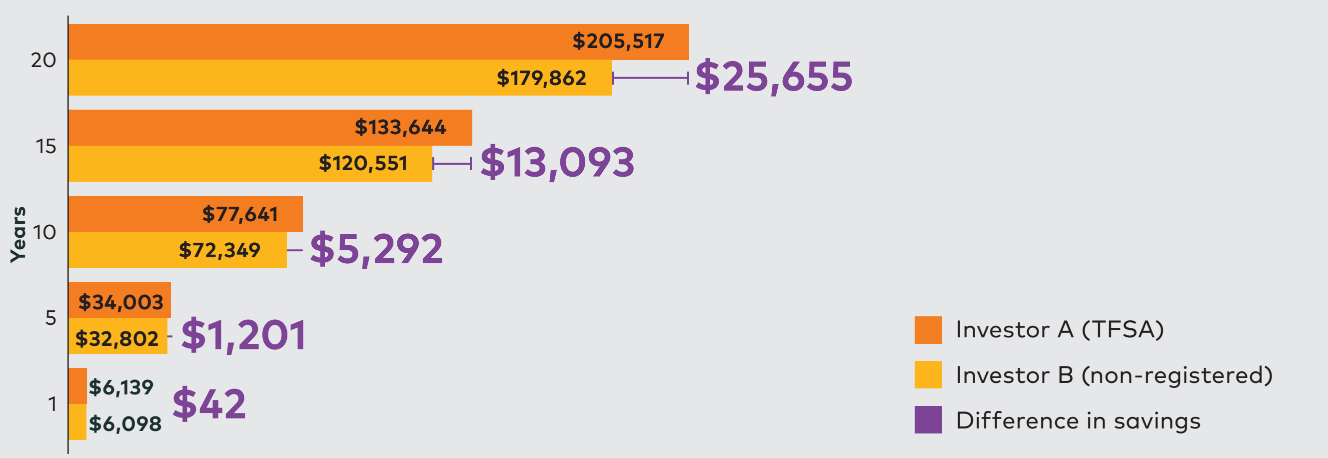
If you held an investment outside of a tax-deferred plan, you are required to report on your Canadian income tax return*:

- Distributions in the form of interest, dividends or capital gains paid to you by any fund including those reinvested
- Gains (or losses) realized when selling or redeeming units or shares of your fund

$500/month invested in a hypothetical investment with a 5% annual return

Investor A in a TFSA account (which can be used for any financial goal)

Investor B in a non-registered account



Source: AGF Investments Inc. Performance returns presented are hypothetical and for illustrative purposes only. It does not represent actual performance. Assumptions were made in the calculation of these returns including $500 invested at the beginning of each month in a hypothetical investment with a rate of return of 5%. Of the 5% return, distribution yield of 2.0% (distribution composed of 50% interest and 50% capital gain). Interest taxed in the year received, while unrealized capital gains were taxed at the end of the holding period. Marginal tax rate of 50% for interest and 25% for capital gains, distributions reinvested. Taxes paid from out of pocket (not from sale of shares). Trading costs and other fees associated with the portfolios are not included and trading prices and frequency implicit in the hypothetical performance may differ from what may have actually been realized at the time given prevailing market conditions. This performance simulation is for illustrative purposes only and does not reflect actual past performance nor does it guarantee future performance. * For more detailed information on the tax treatment of income received by an individual from Canadian mutual funds, refer to Canada Revenue Agency (CRA) information guide RC4169 – "Tax Treatment of Mutual Funds for Individuals".

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RRSPs

A Registered Retirement Savings Plan (RRSP) enables investors to save money on a tax-deferred basis – a tax-efficient way to build retirement savings.

To Open an RRSP, an Investor Needs:

- A Canadian Social Insurance Number
- To have filed an income tax return the previous year and declared earned income
  - Can contribute to an RRSP if investor has Canadian employment or business income, or unused contribution room
  - Cannot contribute if income consists solely of real estate income, dividends, royalties or capital gains

Key Reasons to Invest in an RRSP:

1. Immediate tax savings as RRSPs allow the holder to deduct the amount of their contribution from their income on their tax return.
2. Savings are tax-deferred and grow until they are withdrawn, when the holder is potentially in a lower tax bracket.
3. Benefit from the power of compounding growth. A pre-authorized contribution (PAC), i.e., a regularly scheduled contribution coming directly from the holder's bank account, can help build retirement savings with minimal effort.
4. Government retirement programs may not be enough. (See page 15.)

RRSP – Reduce Taxes Now

- Canadians can enjoy immediate tax savings because an RRSP allows you to deduct from your income on your tax return the amount of the contribution made in the same tax year and/or the first 60 days of the following year
- RRSP contributions can defer and potentially lower the amount of income tax you pay because, when you withdraw the money from a RRIF and pay income tax on it, you're likely to be in a lower tax bracket than today

Example

- $5,000 RRSP contribution made at different marginal tax rates
- The actual cost of the contribution is reduced because of lower taxes

Marginal Tax Rate*	32%	39%	46%
RRSP contribution	**$5,000**	**$5,000**	**$5,000**
Reduced taxes	$1,600	$1,950	$2,300
Actual cost of contribution**	**$3,400**	**$3,050**	**$2,700**

*Amount withdrawn would be taxed at the person's marginal tax rate when added to their tax return.

**Source: Canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans.html, February, 2020.

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Contributions

Deadline

- March 1, 2022 / March 1, 2023
- Contributions made during the first 60 days of:
  - 2022 can be applied against the 2021 or 2022 taxation year

Limit

- The lesser of $27,830 for 2021 / $29,210 for 2022 and 18% of earned income from your previous tax year, minus any pension adjustments*, plus unused contribution room from previous years
- To find your contribution limit:
  - See your previous year's Notice of Assessment from the Canada Revenue Agency (CRA)
  - Access your information online using the My Account feature on the CRA website
- If you are unable to maximize your RRSP contribution in any given year, your unused contribution room can be "carried forward" to a subsequent year

Over-Contributions

- $2,000 lifetime over-contribution limit
- Penalty tax of 1% per month on the amount over the $2,000 limit may apply until withdrawn from the plan

Age Limits

- No minimum age for contributing to an RRSP
- If an investor turns 71 this year:
  - By Dec. 31, they must convert their RRSP to a Registered Retirement Income Fund (RRIF) or an annuity, or cash it in
  - They can still contribute to their RRSP until Dec. 31 if they have unused contribution room or earned income last year and filed a tax return

Spousal RRSPs

- Contributor receives a tax deduction, but their spouse or common-law partner is the registered owner (annuitant)
- All or a portion of RRSP contributions can be contributed to an RRSP in a spouse's name
- The spouse does not need to have earned income or their own contribution room
- After 71, if you continue to have earned income, you can contribute to a spousal RRSP up until December 31 of the year your spouse or common-law partner turns 71 (subject to contribution room)

Continuing to Contribute to an RRSP

An investor can still make an RRSP contribution**:

- The year that the investor turns 71, provided it's done before December 31.
- To a Spousal RRSP up to, and including, the year in which the spouse turns 71.

* Pension Adjustment (PA) represents the value of any pension benefits accruing from participation in a registered pension plan or deferred profit-sharing plan. A Past Service Pension Adjustment (PSPA) arises in rare instances when a pension plan has benefits for a post-1989 year of service upgraded retroactively.

** The amount of the final contribution is calculated in the same way as a regular RRSP contribution – the lesser of $27,830 for 2021 / $29,210 for 2022 or 18% of earned income from your previous tax year, minus any pension adjustments, plus unused contribution room from previous years.

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Withdrawals

RRSP withdrawals are subject to withholding taxes.* The amount withdrawn would be taxed at the taxpayer's personal marginal tax rate when added to their tax return.

RRSP Withdrawn Amount	All provinces exc. Quebec	Quebec
$5,000 or less	10%	20%
$5,000.01 to $15,000	20%	25%
$15,000 or more	30%	30%

These rates do not apply to qualifying redemptions for the **Home Buyers' Plan** or the **Lifelong Learning Plan** or for transfers to another registered plan.

Home Buyer's Plan (HBP)

- Allows Canadian residents to take up to $35,000 ($70,000 per couple) out of their RRSP to put towards the down payment on their first qualifying home – or a home for a related person with a disability
- Qualifying withdrawals won't be taxed or have any withholding tax taken on the amount withdrawn and must be paid back into the RRSP over a 15-year period
- There is a one tax-year grace period, so repayments must start by the end of the second tax year following the withdrawal
- New rules for separating couples effective 2020

Lifelong Learning Plan (LLP)

- Allows Canadian residents to withdraw to help pay for full-time training or education for themselves and/or their spouse or common-law partner
- Withdraw up to $10,000 in a calendar year up to a $20,000 maximum per person without any withholding tax
- They have to repay these withdrawals within 10 years

RRSP vs TFSA

If an investor's tax rates are the same when contributing and withdrawing, they will end up with the same results from either an RRSP or TFSA, given the same rate of return.

	TFSAs	RRSPs
Pre-tax income	$1,000	$1,000
Income tax paid (at a hypothetical marginal tax rate of 43.41%)	$434	$0
Amount invested	$566	$1,000
Total in each plan after 20 years (assuming hypothetical rate of return of 5% compounded annually)	$1,502	$2,653
Tax due when the money is withdrawn (at a hypothetical marginal tax rate of 43.41%)	$ 0	$1,152
Cash in hand after 20 years	$1,502	$1,502

Source: AGF Investments Inc. Based on a marginal tax rate of 43.41% (2021 Ontario Marginal Tax Rate for interest and regular income for a taxable income of $150,000). **This chart is a hypothetical example to be used for illustrative purposes only.**

Visit AGF.com/RRSP for more information.

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TFSAs

A Tax Free Savings Account (TFSA) enables you to invest after-tax money into an account where any subsequent earnings growth (interest, capital gains or dividend income) is not subject to further taxation. Neither are withdrawals.

To Open a TFSA, an Investor Needs:

- A Canadian Social Insurance Number
- To be 18 years of age or over

NOTE: They do not need to have earned income or be filing an income tax and benefit return.

Key Reasons to Invest in a TFSA:

1. An additional tax-savings vehicle for RRSP maximizers.
2. An additional plan to accumulate savings, where investment income is tax free to save for things like a rainy day, vacation, car, down payment or renovations on a home, education expenses, wedding or maternity leave.
3. The potential to earn more tax-free investment income over the long term than if you invested in a high-interest savings account or GIC.
4. To bridge the gap for newcomers to Canada, as they may not been able to file an income tax return or have declared earned income.

Contributions

Deadline

- December 31, 2022 – 11:59 PM (local time)

Limit

Year	TFSA Annual Limit	TFSA Cumulative Limit*
2009	$5,000	$5,000
2010	$5,000	$10,000
2011	$5,000	$15,000
2012	$5,000	$20,000
2013	$5,500	$25,500
2014	$5,500	$31,000
2015	$10,000	$41,000
2016	$5,500	$46,500
2017	$5,500	$52,000
2018	$5,500	$57,500
2019	$6,000	$63,500
2020	$6,000	$69,500
2021	$6,000	$75,500
2022	$6,000	$81,500

- Unused contribution room can be carried forward to future years
- Spouses (and common-law partners) can give each other monies to contribute to their own TFSA without triggering attribution rules. TFSA assets can be transferred to a spouse tax-free upon death

Over-Contributions

- Penalty tax of 1% per month on the over-contribution amounts (even if contribution was withdrawn subsequently in same tax year)

* This applies to investors aged 18 and older in 2009. An investor born in 1992 (and therefore turned 18 in 2010) would have a cumulative limit of $70,500 in 2021.

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Withdrawals

- May be taken at any time without tax penalty
- No limit on the amount of each withdrawal
- Funds may be withdrawn for any purpose

Tax Features

- Earnings growth in plan is tax-sheltered
- No impact on taxes and income-tested credits / benefits such as:
  - Guaranteed Income Supplement (GIS)
  - Canada Child Benefit
  - Working Income Tax Benefit
  - Goods and Services Tax credit (GST)
  - Age credit
  - Old Age Security benefits (OAS) or Employment Insurance benefits (EI)

TFSAs vs RRSPs vs Non-Registered Accounts – the Key Differences

Features	TFSAs	RRSPs	Non-Registered Accounts
Annual contribution limit	$6,000 for 2022 (plus unused contribution room)	The lesser of $27,830 for 2021/$29,210 for 2022 and 18% of earned income from your previous tax year, minus any pension adjustments, plus unused contribution room from previous years	No limits
Tax-deductible contribution	No	Yes	No
Contribution carry-forward	Yes	Yes	N/A
Taxable consequences	No tax on growth and no tax on withdrawals	Withholding tax when withdrawn; amount withdrawn added to taxable income	Fully taxable earnings growth
Capital loss on investment	Cannot claim	Cannot claim	Can be used to offset capital gains (three preceding tax years, carried forward indefinitely)
Maximum age for contribution	No	Yes (71 years old)	No
Recontribution of withdrawals	Yes (in subsequent calendar year)	No (except for Home Buyers' Plan and Lifelong Learning Plan)	Yes
Overcontribution penalty	Yes, 1% per month on over-contribution amounts (even if contribution was withdrawn subsequently in same tax year)	Yes, 1% per month if you exceed the $2,000 lifetime over-contribution amount	N/A

Visit AGF.com/TFSA for more information.

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RRIFs

A Registered Retirement Income Fund (RRIF) is designed to give investors income flow in retirement.

RRSPs vs RRIFs

Think of a RRIF as a Registered Retirement Savings Plan (RRSP) in reverse – RRSPs allow investors to accumulate tax-sheltered savings for retirement, while a RRIF generates a taxable retirement income stream from these savings.

In other words, investors make tax-deductible contributions to a RRSP and make taxable income withdrawals from a RRIF.

RRSPs	RRIFs
Allow investors to accumulate tax-sheltered savings for retirement	Generate a taxable retirement income stream from these savings
Tax-deductable contributions	Taxable income withdrawals

Options for Converting an RRSP

By December 31 of the year that the investor turns 71, they need to:

- Transfer the RRSP to a RRIF
- Purchase an annuity
- Cash in the RRSP and pay income taxes on the full withdrawal

Opening a RRIF

- An RRSP can be converted to a RRIF at any time
- To convert an RRSP to a RRIF:
  - A RRIF account needs to be set up first
  - Then the RRSP assets can be transferred over without incurring a taxable transaction

Key Reasons to Invest in a RRIF:

1. Can deliver a continuous stream of income during retirement.
2. The investor chooses how the money within the RRIF is invested.
3. Investments can continue to grow on a tax-free basis within the plan.
4. Income tax on the amount transferred from the investor's RRSP is deferred until a withdrawal is made from their RRIF.

Upon death

In general, the market value of the RRIF at the time of death is included in the annuitant's taxable income for the year of death.
The annuitant's taxable income may be reduced in the following scenarios:

- The annuitant's spouse or common-law partner is named as a successor annuitant and takes ownership of the continuing RRIF.
- The annuitant's spouse or common-law partner is the sole beneficiary of the RRIF, which is fully transferred to their registered plan or eligible annuity by December 31 of the year following the year of death.
- A qualifying survivor* and the annuitant's legal representative can elect to treat some or all of the market value of the RRIF paid to the annuitant's estate as a designated benefit paid to the qualifying survivor.

If the annuitant designates a beneficiary (or successor), the market value of the RRIF at death may not be included in the annuitant's estate for determining probate fees or estate administration tax. If the annuitant does not designate a beneficiary, the market value of the RRIF at death will be included in the annuitant's estate.

*A qualifying survivor is the deceased's spouse, common-law partner, or a financially dependent child or grandchild.

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Withdrawals

Annual Minimum Amounts

Each year (beginning the year following when the RRIF was opened), a taxable "annual minimum amount" must be withdrawn from your RRIF.

- The minimum is based on a set formula that takes into consideration:
  - Your age (or your spouse's age) and
  - The market value of the account on January 1 of the withdrawal year
- If your spouse is younger than you, you can use their age to calculate the annual minimum amount.
  - **NOTE:** The decision to use the younger spouse's age must be made before the first minimum withdrawal is received and cannot be revoked afterwards.
- You may start receiving withdrawals from the RRIF as soon as the account is set up, but the annual minimum payment must be taken by December 31 of the year following the one in which the RRIF was established and then each year thereafter.
  - For example, if the RRIF is opened in August 2021, the first withdrawal must occur by December 31, 2022.

RRIF Minimum Withdrawal Rates

Age[1]	%[2]
71	5.28
72	5.40
73	5.53
74	5.67
75	5.82
76	5.98
77	6.17
78	6.36
79	6.58
80	6.82
81	7.08
82	7.38
83	7.71
84	8.08
85	8.51
86	8.99
87	9.55
88	10.21
89	10.99
90	11.92
91	13.06
92	14.49
93	16.34
94	18.79
95 or older	20.00

To calculate the minimum annual withdrawals for ages below 71, use the formula **1 ÷ (90 – age)**.

Visit AGF.com/RRIF for more information.

Sources: https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/completing-slips-summaries/t4rsp-t4rif-information-returns/payments/chart-prescribed-factors.html

[1] At beginning of calendar year
[2] Required minimum payment (as a % of the market value as of December 31, of the previous calendar year).

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Government Retirement Programs

Many Canadians receive benefits from a number of government programs to help supplement their investments in retirement, most commonly the CPP, QPP or OAS. Below is a listing of some of the additional income sources Canadians may qualify for.

Canada Pension Plan (CPP) / Quebec Pension Plan Payments (QPP)

Type of pension or benefit	Average monthly amount for new beneficiaries June 2021 (CPP)	Monthly maximum amount 2021 (CPP)	Monthly maximum amount 2021 (QPP)
CPP (at age 65)	$ 714.21	$ 1,203.75	$ 1208.26
Post-retirement benefit (at age 65)	$ 16.04	$ 30.09	—
Disability benefit	$ 1,038.77	$ 1,413.66	$ 1,416.45
Survivor's pension (younger than 65)	$ 415.18	$ 650.72	Note 1*
Survivor's pension (65 and older)	$ 308.60	$ 722.25	$ 714.78
Death benefit (one-time payment)	$ 2,495.55	$2,500.00	$2,500.00
Combined survivor's and retirement pension (at age 65)	$ 871.61	$ 1,203.75	—
Combined survivor's pension and disability benefit	$ 1,136.85	$ 1,413.66	—

Old Age Security (OAS) Oct. 2021	Maximum monthly payment	Maximum annual income to receive OAS / GIS
Regardless of marital status	$ 635.26	$ 129,075 (individual income)
Guaranteed Income Supplement (GIS) amounts for individuals receiving a full OAS pension:		
Single, widowed or divorced pensioner	$ 948.82	$ 19,248 (individual income)
If your spouse/common-law partner receives the full OAS	$ 571.15	$ 25,440 (combined income)
If your spouse/common-law partner does not receive an OAS pension	$ 948.82	$ 46,128 (combined income)

Clawback zone from:	$79,845 – $129,757 (2021)

Note 1*

QPP monthly survivor benefit – younger than 45	Total
Not disabled, no dependent children	$ 578.42
Not disabled, with dependent children	$ 921.89
Disabled	$1,416.45
QPP survivor – age 45-64	$ 958.40

Sources: https://www.canada.ca/en/services/benefits/publicpensions/cpp/payment-amounts.html, https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security/payments.html, https://www.rrq.gouv.qc.ca/en/programmes/regime_rentes/prestations_survivants/rente_conjoint_survivant/Pages/rente_conjoint_survivant.aspx, November 2021. Source for the clawback info: https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security/recovery-tax.html (recovery tax period: July 2022 to June 2023 for Income Year 2021)

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RESPs

A Registered Education Savings Plan (RESP) enables investors to save for a beneficiary's post-secondary education. Investors can contribute up to $50,000 per beneficiary, which will grow tax-free until the savings are withdrawn.

Key Facts

- To open an RESP, the child must be a Canadian resident and have a Social Insurance Number
- Lifetime contribution limit for each beneficiary is $50,000.[1] There is no annual limit
- Contributions made to an RESP are not tax-deductible but grow tax free
- The beneficiary, who will typically have little income as a student, will likely pay minimal or no tax on the withdrawal

Key Reasons to Save Through an RESP:

1. Get ahead of rising costs. One year of post-secondary education in Canada costs approximately $19,500[1] – including tuition, accommodation, transportation, food, etc. In 2036, one year would cost $33,197[2].
2. Take advantage of government incentives. The federal government, through the CESG, matches 20% of every dollar the subscriber contributes, up to a maximum of $500 per year and a lifetime limit of $7,200.
3. Benefit by starting early and taking advantage of compounding growth.

Key Terms

Beneficiary. The student using the RESP for funding their post-secondary education

Subscriber. The person who opens an RESP on behalf of the beneficiary

Individual RESP

- Can only have one beneficiary who may or may not be related to the subscriber(s)
- No age limit for the beneficiary to be added to the plan
- Subscribers can set up an RESP for themselves or someone to whom they are not related

Family RESP

- Can have one or more beneficiaries who are related by blood or adoption to the subscriber(s)
- Beneficiary must be under age 21 to be added to the plan
- Canada Education Savings Grant (CESG) and income are shared by all beneficiaries in the plan[3]

AGF does not charge account opening or administration fees[4] on RESPs.

[1] Weighted average of all major expenses for a typical undergrad student living off-campus at a Canadian university. Source: "The cost of a Canadian university education in six charts," Macleans, April 1, 2018.
[2] $19,500 with 3% inflation for 18 years = $33,197.
[3] Additional CESG, CLB and certain provincial incentives can only be paid if all beneficiaries of the Family Plan are siblings. For more information, please visit AGF.com/RESP.
[4] Regular fees applicable to mutual funds still apply.

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Government Grants*

Canada Education Savings Grant (CESG)

- Equal to 20% of annual contributions, up to a maximum of $500 per beneficiary per year (maximum of $1,000 if carryforward room is available) to a lifetime maximum of $7,200 per beneficiary
- Additional grant of up to $100 per beneficiary per year for lower-income families
- Beneficiaries are eligible up to the end of the calendar year in which they turn 17 (special rules apply to beneficiaries age 16 & 17)

Canada Learning Bond (CLB)

- Eligibility for the CLB is based, in part, on the number of qualified children and the adjusted income of the primary caregiver
- No contributions required
- $500 initial bond plus $100 per eligible year up to age 15 of the beneficiary ($2,000 Lifetime)
- Must apply before the beneficiary turns 21
- Cannot be used by other beneficiaries in a Family RESP

Quebec Education Savings Incentive (QESI)

- Consists of a refundable tax credit paid directly into an RESP. Each year, Quebec will match 10% of the net contributions, up to $250 per year (and up to $500 if carry-forward room is available) to a lifetime maximum of $3,600 per beneficiary
- For more information, please visit Revenu Quebec

British Columbia Training and Education Savings Grant (BCTESG)

- The B.C. Government provides a one-time grant of $1,200 per child to children born in 2006 or later
- For more information, please visit British Columbia Training & Education Savings Grant

Saskatchewan Advantage Grant for Education Savings (SAGES)

- The Saskatchewan Advantage Grant for Education Savings (SAGES) program has been suspended as of January 1, 2018
- For more information, please visit www.saskatchewan.ca/sages

Reasons for not Receiving Grant/Bond Monies

Even if all the eligibility criteria has been met for the grant/bond, reasons you may not have been paid the full amount owing on your contributions include:

1. Missing/incomplete grant/bond application form(s)
2. Missing/invalid beneficiary, subscriber and/or primary caregiver information or this information does not match government records
3. Lifetime grant/bond or contribution limits exceeded
4. Grant/bond paid to another RESP forthe same beneficiary
5. Not all beneficiaries in a Family RESP are siblings

*Payments made to an RESP under the Canada Education Savings Act or under a designated provincial program are not included when determining if the lifetime contribution limit has been exceeded.

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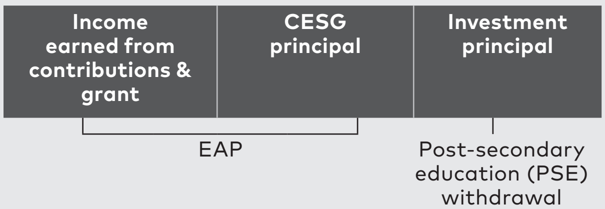
When the Beneficiary Goes to Post-Secondary Education:

RESP Total Account Value



Education Assistance Payment (EAP)

- Consists of earnings plus the grants
- Limited to $5,000 in the first 13 consecutive weeks
- When withdrawn, taxed as income of the beneficiary
- Proof of enrolment in a qualifying post-secondary education program is required (see AGF.com/RESP for required documents)

Post-Secondary Education (PSE) Withdrawal

- Consists only of contributions (investment principal) in the RESP
- Not taxed since contributions were made with after-tax dollars

NOTE: If the beneficiary isn't enrolled in post-secondary studies at the time of the withdrawal:

- Subscriber can still choose to withdraw all their contributions and use them in any way
- Grants received will be repaid to the government

What Happens to Unused RESP Money

The subscriber has several options, including:

Name a New Beneficiary

- The CESG will not have to be repaid if:
  - The new beneficiary is under 21 years of age and brother or sister of the former beneficiary or
  - If both the new and old beneficiaries are under 21 years of age and related to the subscriber
- In a Family Plan, contributions, earnings and grants are shared by all beneficiaries

Transfer the Accumulated Income to an RRSP*

- Up to $50,000 of income earned in the RESP can be contributed into the subscriber's RRSP or a spousal RRSP
- Grants must be returned

Withdraw the Earnings

- If there are no other eligible beneficiaries, the subscriber can receive the income earned as an Accumulated Income Payment (AIP)
- Grants must be returned
- AIPs are taxable income for the subscriber and are subject to withholding taxes as well as a 20% penalty tax

Withdraw the Contributions

- The money that was contributed to the RESP over the lifetime of the plan may be withdrawn and returned to the subscriber
- Contributions withdrawn are not subject to any additional tax
- Any remaining grant money must be returned

Visit AGF.com/RESP for more information.

* Provided certain conditions are met. For more information, visit AGF.com/RESP.

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AGF Sound Choices® program provides resources to meet the evolving needs of investors and advisors.

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