

Diploma



**Give a promising future
to your children**

Diploma

More savings / More possibilities

More savings

- Federal grants of up to \$500 per year
- Additional government grants depending on your income and province of residence
- Tax-free growth for your savings

More possibilities

- An education bonus of up to 15% of the contributions to the RESP will increase the income paid as Educational Assistance Payments (EAPs)
- Tax-free contribution withdrawals
- Possibility of transferring money invested to your RRSP if your child doesn't pursue post-secondary education
- Possibility of changing the plan's beneficiary
- Access to Diploma Investment Funds and the benefit of a healthy allocation across various asset classes and geographic regions, based on the beneficiary's age





Your child's future starts now

With a child comes a future full of promise, dreams to fulfill, goals to achieve and just as many reasons to provide the tools needed to succeed both personally and professionally.

Enabling the pursuit of post-secondary education under the best possible conditions means offering your child a real springboard for the future. It also means providing freedom—financial freedom, of course, but also freedom to choose a path and fully utilize his or her talents.

Education – An advantage that counts

It's true that education is expensive. But it is also an excellent investment. More than ever, employers seek qualified, highly-trained candidates with specialized skills.

Two thirds of jobs require a post-secondary education.

Over 80% of post-secondary diploma holders report that they work in jobs related to their field of study.

Over 60% of workers in the highest income bracket hold a post-secondary diploma.

Source: Statistics Canada study on graduating in Canada, 2013.

RESP: Savings today building tomorrow

The registered education savings plan (RESP) is an ideal financial tool to help your child get off to a strong start in life. The RESP allows you to amass and grow your savings in a tax-sheltered environment, take advantage of generous government grants and therefore build a better tomorrow for those you hold most dear.

With the Diploma RESP, you can start building a bright future for your closest loved ones today.

Can you subscribe to the Diploma RESP?

Anyone with an interest in the future of someone close to them can subscribe to an individual Diploma RESP plan, whether it be the parents, grandparents, godfather, godmother, uncle, aunt, or even a friend. The plan subscriber, whether a resident of Canada or not, is the person who signs the contract, and makes contributions to the plan. A co-subscriber can also take part in the plan.

The beneficiary of a Diploma RESP

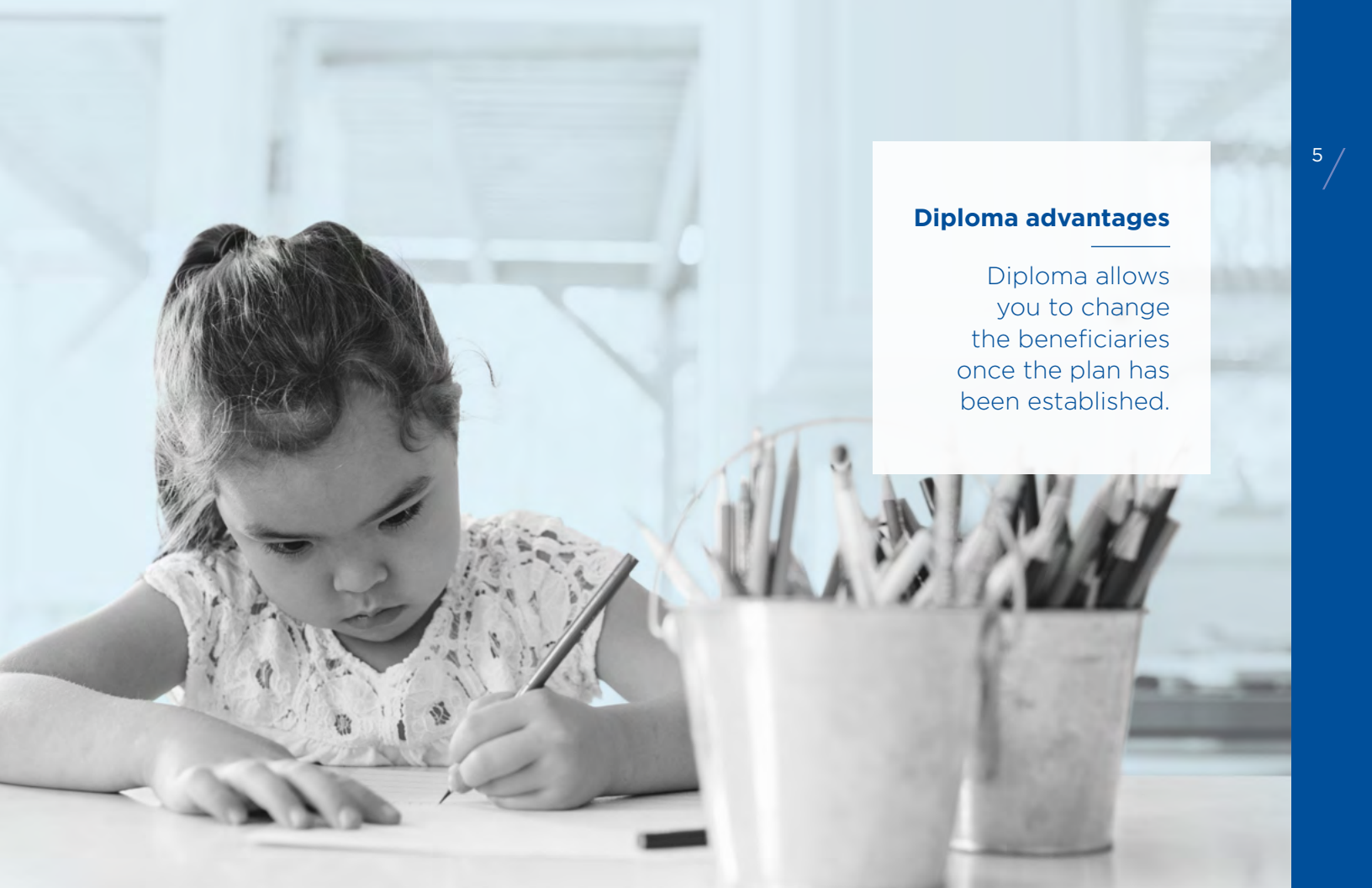
The Diploma RESP offers the possibility of appointing anyone you would like as the plan beneficiary: your child, grandchild, nephew, niece, etc. There are no restrictions on the beneficiary's relationship to you.

However, the beneficiary you appoint must be 14 or under.

A child may be designated as the beneficiary¹ of more than one RESP by different subscribers.

The plan allows you to change beneficiaries once it has been established. Monthly payments continue until the end of the original commitment period regardless of the age of the new beneficiary. A written notice of the beneficiary change is required, accompanied by the new beneficiary's Social Insurance Number.

¹ When a beneficiary already has an RESP, certain rules have to be followed to avoid making overcontributions.



Diploma advantages

Diploma allows you to change the beneficiaries once the plan has been established.

RESP: Easy as 1-2-3

1

Contribute

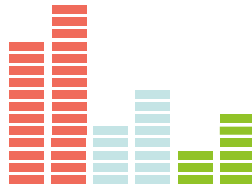
You **start saving** early in your child's RESP and take advantage of generous government grants.



2

Accumulate

Your **regular contributions** and **grants** generate interest. Your RESP grows tax-free.



3

Benefit

Your contributions are **returned** to you to fund your child's education. Your child receives the grants and the total interest from the RESP.



■ Contributions
 ■ Grants
 ■ Interest
 ■ Diploma Education Bonus

1

Contribute to building dreams

No matter how old your child is, it's never too late to start saving with an RESP. However, the earlier you contribute, the more your investment will grow as interest will accumulate on both your contributions and the government grants you receive over a longer period of time. That's why it's a good idea to start investing now for your child's future.

Contributions

The Diploma RESP is based on a commitment by the subscriber to make monthly contributions of as little as \$25 a month through pre-authorized debit (PAD) payments until December 31st of the year in which the designated beneficiary turns 17.

Additional lump-sum contributions (minimum: \$100) and increases to the contribution amount can be made at any time. Note that the contributions made as a subscriber are not deductible from your taxable income, and therefore will not be taxable upon withdrawal.

The cumulative contribution limit is \$50,000 per beneficiary. This means that a parent and a grandparent, for example, can both subscribe to separate RESPs for the same beneficiary. By making sure they do not exceed the total allowable maximum, they avoid paying penalty taxes.

Contributions can be made to the plan for 31 years from the effective date of the plan, and the RESP must be fully liquidated no later than 35 years after it is set up.

Make the maximum contribution every year with the RESP loan.

Ask us about it!



Diploma education bonus: A well-deserved reward for your efforts

To reward the efforts you've made to ensure your child's future, we will pay an education bonus. This bonus is paid into the plan at the end of the commitment if it has been fulfilled.

This bonus can reach up to 15% of the total monthly payments made and is based on the beneficiary's age when the plan was created. This bonus will be added to the amounts accumulated in the plan and will be paid as an Educational Assistance Payment (EAP). The earlier you invest, the more you save and the higher your Diploma education bonus will be.

Key benefits

Why should you include additional benefits in your Diploma RESP?

By subscribing to the Diploma RESP, you are making a commitment: to create an education fund that will allow a child to pursue a post-secondary education.

This commitment entitles you to an education bonus of up to 15% of your monthly contributions to the plan.

Furthermore, to help you keep your commitment and achieve your savings objective, two additional benefits are offered with the RESP to help you ensure the continuity of your contributions in the event of death or disability.

- Contribution in the event of the insured's death (subscriber) (CIDE)
- Contribution in the event of the insured's disability (subscriber) (CID)

These benefits give you the assurance that in the event of death or disability, the Company will continue to make monthly contributions on your behalf to fulfil your commitment.

The inclusion of these benefits also ensures the continuity of CESG payments into your plan in the event of death or disability, as well as eligibility for the education bonus once your commitment has been fulfilled.

So, thanks to these two benefits and for just a few dollars a month, you can enjoy peace of mind knowing that the child(ren) in your life will be able to pursue a post-secondary education, no matter what!

2

Accumulate more with government grants

In addition to allowing you to accumulate savings and grow them tax-free, the RESP also gives you access to generous government grants paid directly into the plan.

Result

These grants grow right along with your contributions and considerably enhance your investment.

Federal grants

The Canada Education Savings Program (CESP) is a federal initiative that encourages parents to invest in their children's post-secondary education through two different types of grants.

	Grant type	
	Canada Education Savings Grant (CESG)	Canada Learning Bond (CLB)
Annual grant (% of contributions)	20%	Limit of \$2,000 per child for eligible families
Annual limit (per child)	\$500	
Lifetime maximum (per child)	\$7,200	
Additional grant (% of contributions)	Based on net family income, 10% or 20% of the first \$500 invested each year	

Provincial grants

Certain Canadian provinces encourage families to save even more by supplementing the federal grant program.

	Grant type
	Quebec Education Savings Incentive (QESI)
Annual grant (% of contributions)	10%
Annual limit (per child)	\$250
Lifetime maximum (per child)	\$3,600
Additional grant (% of contributions)	Based on net family income, 5% or 10% of the first \$500 invested each year

Grant type	
Saskatchewan Advantage Grant for Education Savings (SAGES)¹	British Columbia Training and Education Savings Grant (BCTESG)
10%	\$1,200 one-time grant Application must be submitted between the child's 6th and 9th birthdays
\$250	
\$4,500	
—	

⁴ Until further notice, SAGES program has been suspended as of January 1, 2018. SAGES will therefore not be paid on RESP contributions made after December 31, 2017.

Another benefit of government grants

For some grants, unused grant room accumulates over time. This means that if no contributions are paid into an RESP in a given year, or if contributions are lower than the limit established by the government in question, grant room can be carried over to subsequent years for so long as the child is eligible.

How to take advantage of these grants

To obtain the government grants, your child must have a social insurance number and be a Canadian resident. The grant application is made when the RESP is opened and the amounts are paid directly into the plan.

Diploma

The Diploma RESP provides easy access to the grants available to you based on your income and province of residence.

3

Benefit and put success within your child's reach

When your child begins his or her post-secondary studies, plan payments can begin:

- **Educational assistance payments (EAPs)**, which are made up of grants received and plan returns since inception, are paid to your child. During the first 13 weeks of your child's studies, the maximum EAP that can be paid is \$5,000. After that, no limit is imposed.
- All of your **plan contributions** can be paid out to you. You can give this money to your child or use it for your own purposes. In both cases, these funds are paid out tax-free.

EAP amounts

You choose the amount and frequency of payments for your child. The money is paid in the form of EAPs and can be spread over several years.

What about taxes?

EAP money is taxable and is added to your child's income. This is an advantage, because students often have a modest income and therefore pay little or no income tax.

What happens when contributions are withdrawn from the Diploma RESP?

As the contract is based on your commitment to contribute, fees are applicable under any of the following circumstances:

- Non-payment of contributions
- Withdrawal of contributions before the end of the commitment period
- Reduction of the contribution amount

The fee amount varies depending on the monthly contribution amount and the time since the contract was issued. The maximum fee threshold is calculated as follows: $50\% \times \text{monthly contribution amount} \times 18$.

For additional information regarding fees, as well as the method of calculation in each situation, please consult a financial security advisor.

What if your child doesn't pursue post-secondary education?

If your child doesn't pursue post-secondary education, you can:

- Designate a new beneficiary
- Withdraw the money in the plan
- Transfer the money to your RRSP
- Make a donation

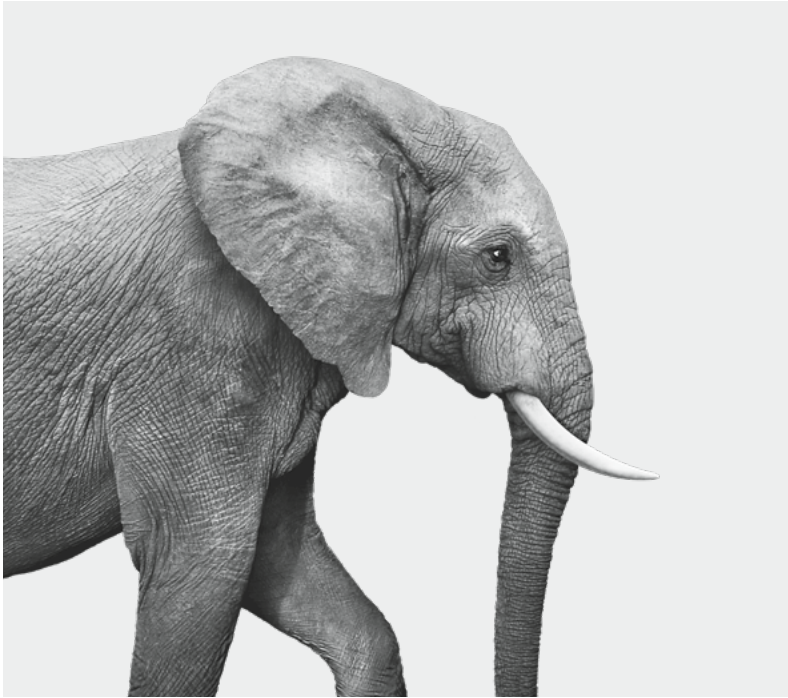
Designate a new beneficiary

You may choose to designate a new beneficiary. New contributions may be made for the time remaining in the plan, as long as the original commitment is respected.

However, to maintain the previous grants, the new beneficiary must meet one of the following conditions:

- The new beneficiary must be under 21 years of age and be the brother or sister of the former beneficiary, or
- Both beneficiaries (former and new) are related by blood or adoption to the subscriber (The old and the new beneficiary must be under 21 years of age)

	RESP contributions	RESP interest	Grants and bonus
Withdraw the money in the plan	Your contributions can be recovered tax-free and free of charge after December 31st of the year in which the designated beneficiary turns 17.	Certain conditions must be met to withdraw the interest generated in the RESP. This money is added to your annual taxable income and is subject to an additional income tax of 20%. You must close the RESP at latest by the end of February the year following the year of the first payment.	Grant money must be reimbursed to the respective governments and the education bonus will be returned to the Company.
Transfer the money to your RRSP	Your contributions and the interest generated in the RESP, up to \$50,000, can be transferred to your or your spouse's RRSP if: <ul style="list-style-type: none"> — You have unused RRSP contribution room — Your RESP was started at least 10 years earlier — All RESP beneficiaries are age 21 or older and none are eligible to receive EAPs 		
Make a donation	Your contributions can be recovered tax-free and free of charge after December 31st of the year in which the designated beneficiary turns 17.	This money can be donated to the designated educational institution of your choice.	



Support every step of the way

Choosing the Diploma RESP from iA Financial Group (Industrial Alliance Insurance and Financial Services Inc.) means choosing guidance and support that is tailored to your needs. Your advisor will make recommendations based on your values, your plans for the future and what you feel is best for your child, and will provide you with a financial plan aligned with your own needs and financial situation. Your advisor's goal is to offer you the most appropriate strategy to help you build a future full of promise for your child, starting today.

INVESTED IN YOU.

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