



It's never too early to start  
planning for their education.

You're richer than you think.®

 Scotiabank Group®

# Each day, they grow a little closer to their dreams

When you view the world through a child's eyes, you enter a realm of infinite possibilities.

Whether you're a parent, grandparent or other family member, you understand the vital role education plays in their future. You also know that supporting them along their journey towards self-reliance is a big responsibility, and one of the most rewarding gifts you can provide.

To give your children the advantage of a post-secondary education there is no better time to start planning than right now – while they're still young. Because the sooner you start, the easier it will be to reach your goal to make your child's dream a reality.



## What will your child's secondary education cost?

With the cost of tuition, books, housing and other education expenses rising each year, many parents find the thought of saving for a child's college or university years daunting.

For example, by the time your newborn is ready for post-secondary education, a 4-year undergraduate program could cost nearly \$100,000\* for a student who attends school away from home.

Here's how a Registered Education Savings Plan (RESP) can help your children reach their education goals:

- Qualifying beneficiaries can receive up to \$9,200 in Federal government grants;
- Funds in an RESP grow tax free;
- Educational Assistance Payments will be taxed at the beneficiary's (not the contributor's) marginal tax rate at the time Educational Assistance Payments (EAP) are withdrawn.

\* Educational costs are based on a 4-year program starting in 2026, based on Statistics Canada data in 2007. Scotiabank has assumed a 5% tuition rate of inflation and 3% room and board rate of inflation.

## RESPs help build careers and futures.

So how do you help fund your child's ambitions? One solution that has aided hundreds of thousands of Canadians is a Registered Education Savings Plan or RESP.

An RESP is designed specifically to help you save for post-secondary education. It's a savings plan that lets your money grow tax free, and allows your child to withdraw funds to pay for their education expenses – often paying little or no income tax.

An RESP also lets you take advantage of powerful savings incentives like the Canada Education Savings Grant (CESG). This government grant can add as much as \$600 per year\*, to a lifetime maximum of \$7,200 per child.

When you open a Scotiabank RESP, we'll help you identify and apply for the incentives that are right for you and your family and once you qualify, we'll ensure that the grants are automatically deposited to your plan.

\* Refer to page 7 for details.

## Smart education savings – it's as simple as A,B,C.

Here's how to get started:

- A** Open an RESP
- B** Make contributions
- C** Maximize government grants

### Tip - Here's what you'll need to open your RESP:

- Your Social Insurance Number
- Two pieces of identification
- Each beneficiary's Social Insurance Number (SIN)
- Each beneficiary's birth certificate

## A Open an RESP

Scotiabank offers two types of plans to help you choose the plan that best suits your family's education savings goals.

	Individual Plan	Family Plan
Which plan is best for your family?	If you are saving for only one child, or if you <b>are not</b> directly related to the child.	If you are saving for one or more children, and you <b>are</b> directly related.
How many beneficiaries can the plan have?	One.	One or more.
Do I need to be related to the beneficiary?	No family relationship is necessary. Friends, family, even neighbours can open this plan.	You and the child must be related by blood or adoption. Only parents, grandparents and siblings can open this plan.
Can assets be shared or transferred?	Yes – under some circumstances, if the child does not attend post-secondary education, a new qualifying beneficiary may be named to the plan to replace the original beneficiary. <small>(Some restrictions apply - see your Scotia advisor for more details)</small>	Yes – if the assets in the plan are not used by one beneficiary, they may be used by another beneficiary (with some conditions).
Are government grants available?	Yes.	Yes.

## B Make contributions

Once you open an RESP, you choose how often you want to invest. Your options include:

### Lump Sum

You can make a lump-sum contribution at any time. You can even contribute the lifetime maximum of \$50,000 all at once, although this will result in forfeiting some government grants.

### Take a Break or Catch-up

It's okay if you want to skip making some contributions, and you always have the flexibility to catch-up later.

### Regular Contributions

Your *Scotia*® advisor can help you set up regular deposits. That way, you will automatically build up your savings and receive grant money after each and every eligible deposit.

#### Tip - Watch your savings grow without taking money out of your own pocket.

Since July 2006, all Canadian children under the age of six are eligible for the federal government's Universal Child Care Benefit (UCCB) of \$100 per month. If you were to deposit your UCCB payments to your RESP from the time your child is born until the age of six, you would contribute a total of \$7,200 without using any of your own money. With government grants and tax-deferred growth, that sum could grow significantly over time.

## C Maximize government grants

Government grants can be like receiving a guaranteed return on your investment.

At Scotiabank, we'll ensure that any grants for which a beneficiary is qualified are automatically added to your RESP savings.

### Canada Education Savings Grant (CESG)

The basic CESG adds an additional 20% to your RESP contributions up to a maximum of \$500 per year or \$7,200 over the lifetime of the plan. A beneficiary is eligible for grants until he or she reaches age 18 (with some restrictions for 16 and 17 year olds). Depending on your net family income, you may qualify for additional CESG.

#### Basic and additional CESG Allowances:

Net family income*	CESG rate on first \$500 (or less) in contributions per year.	CESG rate on contributions above \$500 but not more than \$2,500 per year.
Less than \$37,886	20% basic + 20% additional	20% basic
\$37,886 to \$75,769	20% basic + 10% additional	20% basic
More than \$75,769	20% basic	20% basic

\* Income amounts shown are for 2008 and are updated each year by the Federal government.

For example, on an RESP contribution of \$2,500 for a beneficiary with a net family income of between \$37,886 and \$75,769, the RESP would receive Basic and Additional CESGs totaling \$550.

First \$500 contribution X 20% Basic CESG =	\$100
First \$500 contribution X 10% Additional CESG =	\$50
Remaining \$2,000 of contribution X 20% Basic CESG =	\$400
	<b>\$550</b>

## Canada Learning Bond (CLB)

This bond is available to children born on or after January 1, 2004, whose families receive the National Child Benefit Supplement. Depending on your net family income, your beneficiary could receive an initial grant of \$500 and additional government grant of up to \$100 each year for each qualifying child, until the child reaches 15 years of age, to a maximum of \$2,000.

### Here's how government grants\* can help accelerate your RESP savings:

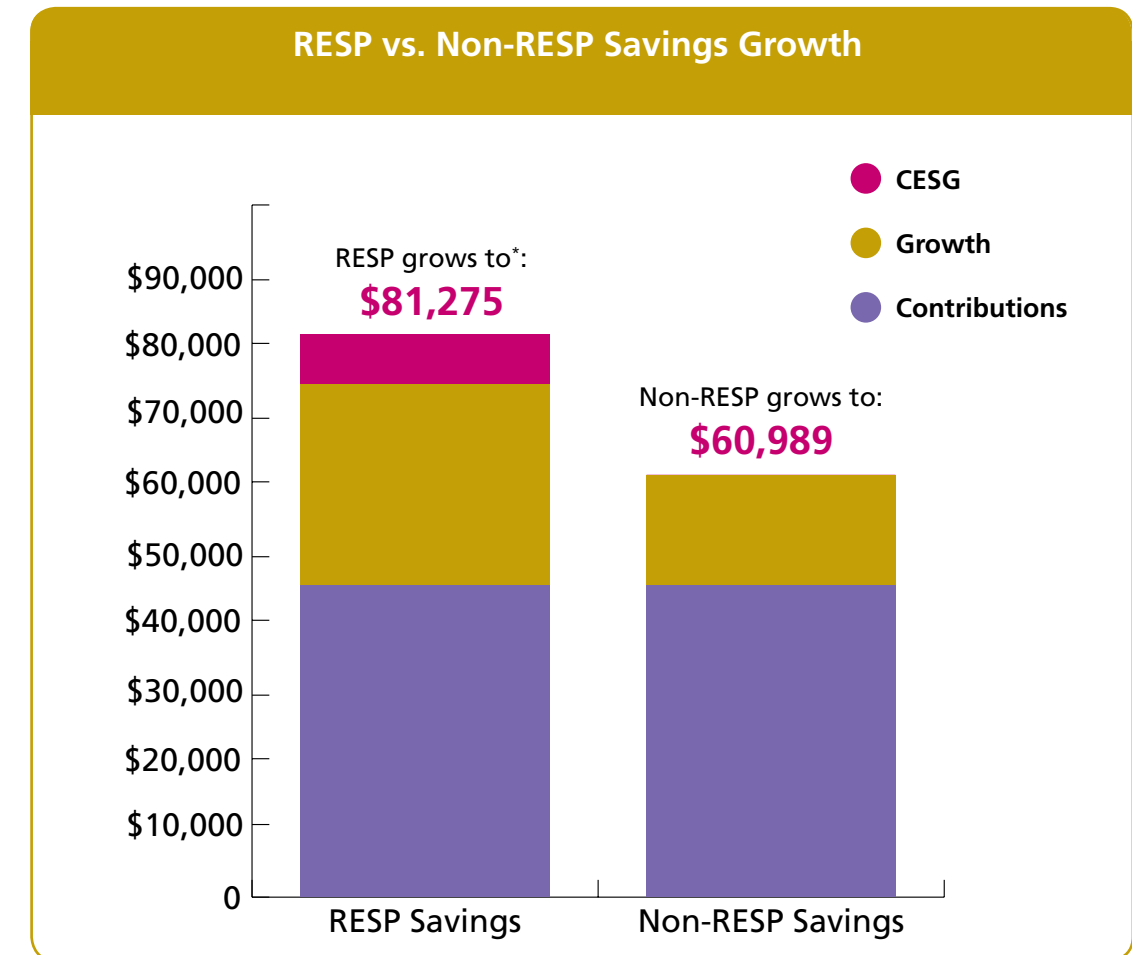
Maximum annual basic CESG**	<b>\$500 per beneficiary per year</b>
Maximum annual additional CESG**	<b>\$50 or \$100 per beneficiary per year</b>
Maximum lifetime CESG**	<b>\$7,200 per beneficiary</b>
Maximum lifetime Canada Learning Bond	<b>\$2,000 per beneficiary</b>

\* Conditions apply to all government grants. Please ask us for details.  
 \*\* Canada Education Savings Grant

## Why saving with an RESP helps your savings grow.

If you use a traditional savings account to save for your children's education, you'll be missing out on government grants that can help you reach your savings goals more quickly. Plus, you won't be able to take advantage of the substantial tax savings an RESP can offer.

**Save and have more money for your child – that's the difference an RESP makes.**



\*Assumes the following for both investments (RESP and Non-RESP). 1) A monthly contribution of \$208.33 is made at the beginning of every month for 18 years. 2) A corresponding grant payment is made in the RESP every month until the maximum of \$7,200 is reached. 3) The simple annual interest rate on the monthly contribution and grant payment is 4.50% compounded monthly. 4) The RESP Beneficiary is eligible for the CESG and the example uses current basic CESG amounts/limits set by the Government of Canada. (see page 7 for further details) 5) Non-RESP savings assumes a tax rate of 29%. 6) Numbers have been rounded for ease of reference.

## What if education plans change?

If your beneficiary decides not to continue education after high school, you still have many options to consider including:

1. Select another beneficiary\*.
2. Make a tax-free withdrawal of your original contributions (any government grants that you have received on these funds will be repaid to the Government from the RESP on your behalf).
3. If there is enough contribution room available, you can transfer up to \$50,000 of investment income to your RRSP or your Spousal RRSP\*.

\* Some conditions apply. Speak with your Scotia advisor for more details.

Every situation is unique. To discuss all your options, please meet with your Scotia advisor. Additional information can also be found at: [scotiabank.com/resp](http://scotiabank.com/resp).

### Did you know?

As of January 2008, beneficiaries who decide to leave school are now eligible to continue receiving Educational Assistance Payments (EAP) from an RESP for up to six months immediately after the time at which the beneficiary is no longer enrolled as a student. This can come in handy if they have tuition installments, rent payments, or other educational expenses still owing.

To help you determine how much you'll likely need to send your children to college or university, complete the Scotia RESP Reality Check tool at [scotiabank.com/resp](http://scotiabank.com/resp) or speak to your Scotia advisor.



With the help of a Scotia advisor, you'll discover that saving for your child's post-secondary education can be easier than you think. We'll work together to design an educational savings plan to help you get there.

# Your child's brighter future can begin today.

To open an RESP, drop by a Scotiabank branch.  
For more information on RESPs, call 1 800 472-6842  
or visit [scotiabank.com/resp](http://scotiabank.com/resp)

*Brochure available in alternate format: Call 1 888 615-8991*

© Registered trademarks of The Bank of Nova Scotia.

Except where otherwise expressly indicated, the information in this brochure is current at time of print, but subject to change without notice. For the most up to date information on RESPs, drop by your Scotiabank branch or call 1-800-472-6842.

9258119 (10/08)



You're richer than you think.<sup>®</sup>