

# Manulife Segregated Fund Registered Education Savings Plan (RESP)

Helping to fund a child's post-secondary education is one of the most important investments you can make in their future, especially in today's competitive environment where a good education is crucial to success. Yet, with the rising cost of tuition fees and living expenses, personal savings alone may not be enough to cover the cost of higher education. Learn more about the Manulife Segregated Fund RESP, an investment solution to help you save for a child's future post-secondary education needs.

## What you should know

- A Registered Education Savings Plan (RESP) is a flexible and convenient way to save for a child's future education.
- Federal government incentives are available to qualified student beneficiaries to help RESP savings grow.
- Investment income generated in an RESP is tax-sheltered as long as it remains in the plan.
- When withdrawn, plan growth and government grants can be taxed at the student's tax rate (he or she could pay little or no tax on this money).
- There is no annual contribution limit with an RESP, but the lifetime maximum is \$50,000 per student beneficiary.
- Anyone can open an RESP—parents, guardians, grandparents, other relatives, or friends.
- A segregated fund contract offers protective features, including death benefit and maturity guarantees.
- The Manulife Segregated Fund RESP includes 75% death benefit and 75% maturity benefit guarantees (reduced proportionally by withdrawals).

## Government grants available with RESPs

### Basic Canada education savings grant (CESG)

This grant increases the annual RESP contribution by 20% to a maximum of \$500 per child per year (carry-forward of grant room can allow up to \$1,000 per year) until the child is age 17, up to a maximum of \$7,200.

### The additional CESG

Over and above the basic CESG, this federal grant may provide an additional 10 or 20 per cent on the first \$500 contributed each year. The amount that you can receive depends on the net family income of the child's primary caregiver.

### The Canada learning bond

This is a federal grant of up to \$2,000 for an eligible RESP. It's available to children born after December 31, 2003 whose family receives the Canada Child Benefit (CCB), also known as "family allowance" or "baby bonus".

In addition to these grants, certain provinces offer grant incentives (*Manulife does not support any provincial grant incentives at this time*). Please note that conditions may apply to federal grants. Further information can be found at these government websites: [cra-arc.gc.ca](http://cra-arc.gc.ca) and [esdc.gc.ca](http://esdc.gc.ca)

### The Manulife advantage

Since an RESP can remain open for up to 36 years (40 years for a specified plan), it's important to choose your provider wisely. Consider a company that is reputable and financially strong. When the child begins receiving money from the RESP, the provider will, after all, be responsible for making the payments according to your plan's terms.



To find out more about opening a Manulife Segregated Fund RESP, please contact your advisor or visit [www.manulifeim.ca](http://www.manulifeim.ca).

<sup>1</sup> Source: Manulife Global Company Fact Sheet as at August 31, 2020.

<sup>2</sup> Source: 2019 Sustainability Report and Public Accountability Statement

<sup>3</sup> Source: Segregated Funds—assets under management \$33.4 billion CAD—Rank #1 in the industry, Investor Economics—Canada, April 2020. Mutual funds—\$61.2 billion CAD—Rank #9 in the Industry, IFC, March 2020.

## **Manulife** Investment Management

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To speak with Manulife Investment Management about segregated funds, call 1-888-790-4387.

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