

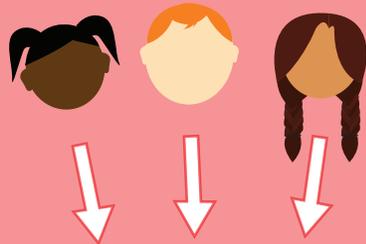


8. Group plans

Group plans, also known as scholarship plans or pooled plans, are offered by scholarship plan dealers and consist of a collection of individual Registered Education Savings Plans (RESP). They may have enrolment or scholarship fees and additional conditions to each contract.

Beneficiaries

Beneficiaries of the **same age**, generally **born in the same year**.



Collection of individual RESPs



Contributions, earnings and each education savings incentives are deposited into each separate RESP account.

Contributions

All subscribers' contributions are pooled and invested together.



Fixed amounts are paid for a stated period of time as per the terms and condition of the contract.

If contribution payment schedule cannot be met, other options may be available.



Contributions are normally invested in lower-risk products.

Contract

The education savings incentives administered by ESDC and the earnings that these incentives generate can only be used for educational assistance payments (EAP) for the beneficiary of the plan.

If an EAP cannot be paid, the education savings incentives administered by ESDC must be repaid; or the beneficiary may be transferred out of the cohort.



There may be specific additional conditions added related to EAP.



If terminating the contract prior to maturity:

- earnings generated from the contributions remain in the cohort.
- earnings generated by the education savings incentives must be disbursed according to the contract.
- education savings incentives administered by ESDC must be repaid.

General information

Contributions, minus any fees, are returned to each subscriber at the end of the contract, or before if the contract is terminated.



Only the earnings generated by the pooled contributions are shared by the cohort whether or not the contract reaches its maturity or is terminated prior to.

Depending on the selected scholarship plan dealer, other rules may apply. Subscribers should carefully read and understand the conditions of the plan before signing their contract.