

Statement of Account for Your Family Plan | FAQ

Period ending December 31, 2019

This year's **Statement of Account** package reflects an important change to your **Family Plan (RESP)** from Knowledge First Financial. In May 2019, Family Group Plan subscribers approved the wind-up of the Plan and transfer of assets into the Single Student Plan.

I have a Family Group Plan. What is different this year?

On January 1, 2020, your Family Group Plan net contributions, grants, income on both, as well as a proportionate share of the remaining attrition income were transferred to your Single Student Plan.

As a result, you **now have full flexibility and choice** to withdraw money based on your child's needs. You can also *maximize the value* of your plan by continuing to earn and accumulate income on your assets for up to 35 years.

What is the Single Student Plan?

The Single Student Plan is an individual RESP. This means the income earned on your contributions is no longer pooled with others who have the same year of maturity (the year your child turns 18). This gives you and your student full flexibility and choice to withdraw contributions, government education grants and income earned.

What is the Proportionate Asset Transfer I see on my Statement?

The Proportionate Asset Transfer is one component of the assets that were transferred from your Family Group Plan to the Single Student Plan. It represents ***your share of the income on contributions*** that were left behind by customers who either cancelled or transferred their plan before the maturity date, or by students who did not apply for and follow all the rules to receive an Educational Assistance Payment.

How was the Proportionate Asset Transfer calculated?

For each beneficiary group/cohort (plans with the same maturity date) a *value per unit* was calculated:

$$\frac{\text{Total Income Left Behind}}{\text{Total Eligible Units}} = \text{Value Per Unit}$$

Then,

$$\text{Value Per Unit} \times \text{Number of Units in your Single Student Plan} = \text{Proportionate Asset Transfer}$$

Please note that the amount per unit you received is greater than the amount that was communicated in the subscriber vote materials.

I have a plan for each of my children. Why did my younger child received less than my older child?

The proportionate asset transfer differs for each beneficiary group/cohort. Factors that affect the amount per unit include the total amount of income left behind and the total number of eligible units. Generally, this means the plans that are closer to maturity have had more time to accumulate income because there would be more customers who cancelled/transferred their Family Group Plan.

My plan matured however my student didn't apply for their Educational Assistance Payment on time. Why did I not receive a Proportionate Asset Transfer?

Unfortunately, because your student did not meet the rules for receiving an Educational Assistance Payment from your Family Group Plan, the income remaining in the plan was left behind. This means a Proportionate Asset Transfer was not included in the transfer of assets to your Single Student Plan. For information on how to appeal the termination of Educational Assistance Payments for your student, please contact Customer Service.

What are the criteria for receiving a Sales Charge Rebate?

If a conversion was calculated for a Family Group Plan, a sales charge rebate may have been applied to your new Single Student Plan. The amount depended on when the conversion was completed, the amount of the sales charge and year of maturity. Please contact Customer Service for a more detailed explanation.