

# RESP contribution allocation guide



**Registered Education Savings Plans** (RESPs) are accounts that give subscribers an opportunity to save money on a tax-deferred basis on behalf of a beneficiary, to finance their post-secondary education. We would like to provide information, resources, and best practices to help in facilitating the contribution process.

# **Best practices**

- Check contribution room prior to making any contribution
- Check to see if the beneficiary meets the 16/17 rule (InfoCapsule: CESG Limits - Canada.ca)
- Family RESP accounts: Ensure allocation instructions on file are the intended contribution breakdown before making any contributions. The default setup is to divide contributions equally between all beneficiaries
- Contribution allocation changes can be provided verbally by the dealer, advisor, and client by contacting the <u>Mackenzie Client Relations</u> department for all purchases. The change can be permanent or apply to a one-time contribution only.\*
- Reallocation of contributions between beneficiaries will not be allowed once the contribution transaction has settled, except for the errors noted in the correction section.\*

## Types of contributions to RESP:

#### 1. Direct contributions

The subscriber must submit a signed Letter of Direction (LOD) with allocation instructions if the allocation is different from the one on file.

### 2. Wire-order contributions

The wire-order system will allocate contributions based on the allocation percentage on file at the time of settlement. If the subscriber wishes to allocate contributions differently, they can make the change verbally as noted above or by submitting a signed Letter of Direction (LOD) with allocation instructions every time a contribution is made to the plan.

## 3. Systematic purchases

The subscriber must submit a signed Letter of Direction (LOD) with allocation instructions, or specify in the **investment selection** of the <u>RESP Family Plan application</u> form how these contributions should be allocated. If any contribution allocation is to be changed, immediately provide us the instruction before or on the same day the contribution is made.

#### **Investment Selection**

Please complete - Refer to attached fund listing for a list of investment choices Please process my contribution or transfer(s) from my existing registered education savings plan(s), and make the investments selected below.

BENEFICIARY NAME	FUND NO	FUND NAME	AMOUNT \$ OR %	SALES CHARGE (FRONT END LOAD) %	WIRE ORDER NUMBER	PRE-AUTHORIZED CHEQUING PLAN (\$ OR %)
TOTALS			0			0
						Now complete



Corrections can be made when a dealer error has occurred, and instructions were not provided accurately as per client instructions. Click here for more information on correcting RESP administrative errors.

## Reports that can be requested 1,2

These reports will provide advisors with listings of applicable accounts in which any of the following criteria apply:

- Age 15 beneficiaries who do not meet the 16/17-yearold rule
- Age 17 beneficiaries who have not maximized eligible contributions this year
- Age 31 beneficiaries established in Family Plans
- Beneficiaries residing in British Columbia who have not yet applied for BCTESG and whose deadline to apply is in the current year

Our Client Relations team is here to help, if you have questions or need assistance to correct an administrative error that doesn't accurately reflect the subscriber's instructions, please <u>contact us</u>.

Please note these reports will be provided to advisors at the end of each year through mailing. However, the can also be requested any time by contacting our client relations department for this information.





<sup>\*</sup>See corrections section