

**MATURITY OF YOUR HERITAGE REGISTERED EDUCATION SAVINGS PLAN (“RESP”)**

We are pleased to inform you that your Heritage RESP is scheduled to mature on **July 31, 2018**. After years of saving for your beneficiary’s post-secondary education, the time has finally arrived to receive the benefits from your RESP. We would like to congratulate you on reaching this important milestone! It is important that you now select a pay-out option.

At Maturity, provided the plan is “active”, in good standing, and the maturity application is completed, you are entitled to receive your maturity payment, which represents your contributions less fees. Depending on the pay-out option selected by you at maturity, you may also receive an amount of up to 25%, up to 50%, or up to 100% of sales charges paid associated with active units in your plan. The income and government grants will be available to your beneficiary in the second year of post-secondary studies.

**IMPORTANT INFORMATION ABOUT THE MATURITY PROCESS:**

- 1. This is your maturity notice. Our maturity process is electronic; therefore, no forms will be mailed to you.**
- 2. The maturity process requires you to select a pay-out option by July 31, 2018 that best suits the academic program selected by your beneficiary.**

<b>Academic Program Length (single or multiple programs)</b>	<b>Recommended Pay-out Options</b>	<b>Description of Educational Assistance Payment (“EAP”)</b>
4 years	Scholarship Option 3: 3 EAPs	Receive EAPs in 2 <sup>nd</sup> , 3 <sup>rd</sup> and 4 <sup>th</sup> year of studies
3 years	Scholarship Option 2: 2 EAPs	Receive EAPs in 2 <sup>nd</sup> and 3 <sup>rd</sup> year of studies
2 years	Scholarship Option 1: 1 EAP	Receive EAP in the 2 <sup>nd</sup> year of studies
Less than 2 years, uncertain duration or not pursuing post-secondary studies	Self-Determined Option	EAPs can be requested at any time provided <i>Income Tax Act</i> (Canada) regulations are met. Income can be paid to a subscriber if a beneficiary is not pursuing post-secondary studies (conditions apply).

You can find all information about the maturity of your RESP and pay-out options, as well as complete the maturity application process, on our website at [HeritageRESP.com](http://HeritageRESP.com) via your secure Subscriber Online account.

- 3. To begin the maturity application process**, we invite you to visit our website at [HeritageRESP.com](http://HeritageRESP.com) and create an online account, if you don’t already have one. **We will begin accepting electronic applications on our website on May 1, 2018**; please **do not** apply prior to this date.
- 4. During the maturity process, we will require you to:**
  - Complete a Maturity Application by answering a few questions regarding your beneficiary’s intentions to pursue **or** not to pursue post-secondary education in this school year.
  - Upload a Proof of Registration or a Verification of Enrollment form provided by your beneficiary’s post-secondary institution.
  - Choose how you would like to receive your maturity payment. Your options are as follows:
    - You can choose to have your maturity payment deposited into the bank account your contributions were withdrawn from for your plan.
    - If you do not have a bank account on file or would like us to deposit your payment into a different account (held at a Canadian financial institution), you will be required to upload your void cheque or a pre-authorized debit (PAD) form.
    - You can request a cheque to be mailed to you, in which case a fee of \$20 (plus applicable taxes) will be deducted from your maturity payment.

**IMPORTANT DATES TO REMEMBER:**

- ON or BEFORE July 31, 2018:** you must complete your online Maturity Application after reviewing the available options it provides and selecting your payment method, **AND**
- BEFORE or AFTER July 31, 2018:** submit the Proof of Registration or Verification of Enrollment form. We require this form to release your payments and properly administer the applicable government grants in your plan (if applicable). A delay in the delivery of valid Proof of Registration or Verification of Enrollment may delay your maturity payment.
- If you do not complete your Maturity Application and select a pay-out option by July 31, 2018**, one of the following will occur that may negatively impact your options and pay-outs as set out in the maturity application:
  - if the plan was opened prior to August 14, 2009, Scholarship Option 3 will be selected on your behalf, restricting you to obtaining pay-outs annually over four years; or
  - if the plan was opened on or after August 14, 2009, the Self-Determined Option will be selected on your behalf and you will not be entitled to the refund of your applicable sales charges and attrition benefit available under the Scholarship Option.

Our electronic Maturity Application process will provide you with all the information and resources you need in order to receive funds from your RESP. It’s easy, convenient and it helps us in our efforts to preserve our environment for future generations.

To serve you better during our busiest time of the year, the Customer Service Department has extended their hours of operation. Effective May 14 and until September 14, 2018, our hours of operation are as follows:

- Monday to Thursday: 7:00 a.m. to 11:00 p.m. EST
- Friday: 8:30 a.m. to 6:30 p.m. EST

If you have any questions about our maturity application process, please contact us locally at 416.502.2500 or toll-free at 1.866.269.0639. If you experience longer than usual wait times, please consider giving us a call earlier in the morning or later in the evening. You can also reach us via email at [CustomerCare@HeritageRESP.com](mailto:CustomerCare@HeritageRESP.com) or chat with a live agent using our web chat at [HeritageRESP.com](http://HeritageRESP.com).

We wish your beneficiary continued academic success. Heritage Education Funds, Inc. is proud to be your financial partner, helping your beneficiary reach their educational goals.

Sincerely,

Maria Lopez  
Director, Operations

## IMPORTANT INFORMATION

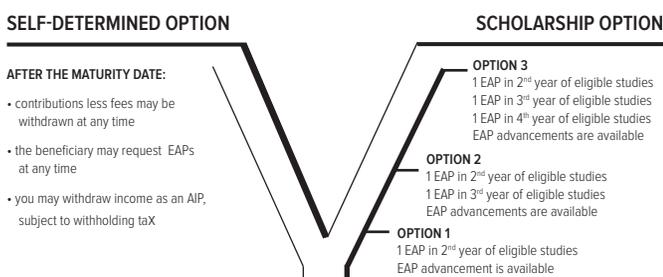
This section will make you aware of the terms of the plan that, if not met by you or your beneficiary might result in losses to you or your beneficiary. If any of these situations occur, please contact our Customer Service Department at 1.866.269.0639 or your local Dealing Representative to discuss your available options.

### MATURITY PROCESS:

The self-determined option will be selected for you automatically if:

- Your plan is active, was opened on or after August 14, 2009 and we did not receive your pay-out option selection in writing by July 31<sup>st</sup> in the maturity year, or
- Your plan is inactive or in default due to missed contributions immediately prior to the maturity date.

The following chart summarizes important events, steps and your choices at the time your plan matures.



#### PLAN MATURITY:

- the beneficiary turns 18 and begins post-secondary studies
- you select the pay-out option: scholarship option 1, 2 or 3 **or** the self-determined option
- refund of contributions less fees to you or, if you choose, to your beneficiary
- refund of up to 25%, up to 50% or up to 100% of sales charges (based on the pay-out option selection) paid to you or, if you choose, to your beneficiary
- self-determined option may be assigned automatically to some plans as described above

### WHAT HAPPENS IF I NEED TO CHANGE THE MATURITY DATE?

If your beneficiary intends to start post-secondary studies before or after the scheduled maturity date, you may request to advance or delay the maturity date.

### WHAT HAPPENS IF MY PLAN REACHES ITS MATURITY DATE AND I HAVEN'T MADE A SELECTION ON EITHER THE SCHOLARSHIP OPTION OR THE SELF-DETERMINED OPTION?

If you do not notify us within 180 days prior to the maturity date of the decision to select the self-determined option or the scholarship option, your plan will be automatically placed in the self-determined option if your plan was opened on or after August 14, 2009. If your plan was opened prior to August 14, 2009, the plan will be automatically placed in scholarship option #3. Sales charges are not returned under the self-determined option.

### IF I CHOSE THE SELF-DETERMINED OPTION (OR IT WAS SELECTED FOR ME AT MATURITY), WHAT ARE MY OPTIONS FOR WITHDRAWING THE INCOME?

If the beneficiary enrolls in a qualifying program by the end of the 35<sup>th</sup> year following the year in which the plan was entered into, he or she will be able to withdraw the income in the form of an EAP. If the beneficiary does not enroll in a qualifying program by the end of the 35<sup>th</sup> year following the year in which the plan was entered into (or, in the case of a specified plan, by the end of the 40<sup>th</sup> year following the year in which the plan was entered into), the beneficiary will not receive any EAPs. In this situation, and if the requirements to receive an AIP have been met, you may make a withdrawal of the income and contribute it into your or your spouse's RRSP account (if your spouse is a joint subscriber) or your spousal RRSP provided there is contribution room available. If you do not have RRSP contribution room available, the income may be withdrawn in cash. In this case, there will be an additional 20% tax (or 12% federal and 8% provincial if you live in Québec) on the withdrawn funds (other than contributions), on top of your regular tax rate.

### WHAT HAPPENS IF MY BENEFICIARY DOES NOT PURSUE POST-SECONDARY STUDIES?

If your beneficiary is not eligible to receive EAPs, you may not be entitled to any income earned in your plan unless the self-determined option has been selected. If the self-determined option has been selected, and the requirements to receive an AIP have been met, you may request an AIP (option to receive the income as taxable income). If AIP requirements have not been met, you may request that we retain such income and distribute it once the requirements have been met. As your plan approaches its expiry date, we will notify you of the funds remaining in your plan. If you do not withdraw your income and any other available funds prior to your plan's expiry date (no later than December 31<sup>st</sup> of the 35<sup>th</sup> year following the year in which your plan was entered into (or, in the case of a specified plan, December 31<sup>st</sup> of the 40<sup>th</sup> year following the year in which your plan was entered into), they will be distributed as follows:

- Income earned on contributions and government grants will be remitted to a designated educational institution;
- Any remaining principal will be sent to your address on our records; and
- Any remaining government grants will be returned to the applicable government.

If the beneficiary does not pursue a post-secondary education after high school and no change of the beneficiary is made, you are entitled to receive a return of your principal only. The beneficiary will not receive any EAPs. Government grants will be returned to the applicable government, income on your contributions will be applied to the sales charge refund account and income on government grants will be remitted to a designated educational institution.

### WHAT HAPPENS IF I DON'T SUBMIT MY REQUIRED DOCUMENTS FOR AN EAP BEFORE THE DEADLINE?

If the scholarship option is selected and we do not receive an EAP application by August 15<sup>th</sup> of each year of eligible studies, together with evidence of post-secondary enrollment, the EAP will not be approved and the beneficiary will not be eligible to receive the EAP at that time. It may be approved at a later date, and a late application fee of \$75 plus tax will be applied. We will attempt to notify you regarding the eligibility for the EAP. If we do not receive the required documentation and you have exhausted all applicable deferrals, the EAP will be forfeited and shared among other beneficiaries in your beneficiary group. If the self-determined option is selected, there is no deadline to apply for EAP(s) and, therefore, there is no late application fee. However, no payments will be made from an RESP later than December 31<sup>st</sup> of the 35<sup>th</sup> year following the year in which your plan was entered into (or, in the case of a specified plan, December 31<sup>st</sup> of the 40<sup>th</sup> year following the year in which your plan was entered into).

### WHAT HAPPENS IF MY BENEFICIARY QUILTS POST-SECONDARY STUDIES?

If the scholarship option is selected and the beneficiary quits a post-secondary program (ceases to be an eligible beneficiary):

- If an EAP has been paid in that particular school year, then the remaining EAP(s) may be forfeited. However, if there is a balance remaining from the EAP, it may be paid to you as an AIP.
- If an EAP has not been paid yet in that particular year and the beneficiary ceases to be an eligible beneficiary, he or she may apply for an EAP for up to six months after ceasing to be the eligible beneficiary, provided that the payment would have qualified as an EAP if the payment had been made immediately before the student's enrollment ceased.