

R.E.S.P.s gaining in popularity with increases in education

For most Canadians, higher education is still a ticket to a better life, but the price of admission is going up every year.

In fact, one estimate suggests that if the post-secondary education costs rise at the average annual inflation rate of just 5 per cent a year, the cost of a four-year university education could hit \$60,000 by the year 2008.

With forecasts such as that, it's little wonder that Registered Education Savings Plans are enjoying growing popularity.

The plans are especially tailored for parents, grandparents, aunts and uncles — anyone who wants to set aside money toward the future education of young children.

The plans offer two key tax advantages. First, the tax on income accumulated inside the plan is deferred for a period of up to 21 years. Second, as the accumulated income is paid to the beneficiary for educational purposes, it is taxable in the hands of the beneficiary — who usually is in a lower income tax bracket.

There are three basic types of plans, the scholarship plans, mutual fund plans, and the self-directed, in which you make the decisions, buying and selling what you favour as investments. Many have a limit of \$30,700. You may (depending on the plan) be able to select more than one beneficiary, as long as each plan doesn't exceed \$30,700, but you may not have more than one plan per specific beneficiary.

The money contributed to the plans is not tax deductible, but income tax on the accumulating income is tax deferred and is only taxed when the money is distributed to the beneficiary. Because you are making your contributions with after-tax dollars, you can withdraw the capital — but not the accumulated income — at any time without any tax liabilities.

When you set up the plan, you are encouraged to designate an educational institution as beneficiary of

the funds should your chosen beneficiary for some reason, not continue his or her post-secondary

1. Name an alternative beneficiary;
2. Use the accrued income for a scholarship; or
3. Donate the accrued income to a designated educational institute.

A final caution: The flexibility of the plans and the fees they charge for things like opening the plan, administration, minimum contribution limits, and closing the plan, vary greatly. So before you pick one plan over another, ask questions and compare carefully.

For CA's advice on TV — see Your Wealth, available on broadcast channels in Ontario and on satellite across Canada, or see Money in the Bank, on your community cable channel.

Moneycare is general financial advice by Canada's chartered accountants. Rozanne Reszel is with Nesbitt Thomson Deacon Inc.



education. If this happens, you have three options, depending on the terms of the specific plan:



The Sesame Street gang performed during the Terrace Bay Figure Skating Club's Stars of '89. The arena was more packed than it has been the whole year for the two performances which were held Saturday evening and Sunday afternoon. Photo by Dave Chmara



Adamo's Tigers took part in a slow pitch tournament in Tampa Florida March 8 to 12. Twenty-six teams from Canada took part and six more were from the U.S. The Tigers captured the bronze medal by beating a team from Toronto. Above, back row from left to right: Bill Caron, Al Jensen, Ray Bouchard, Jim Corrigan, Rob



Thompson, Jean Etlier. Front row, left to right, Rod Walton, Dan Glad, Emmet Houston and Gord Ross.

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Wine goes up

The first step towards the elimination of the difference in price markups between imported and Ontario wines was announced by Jack Ackroyd, chairman of the Liquor Control Board of Ontario (LCBO).

"On April 24, we are planning to reduce the markup on table wines from the United States and other Canadian provinces from 66 per cent to 58.5 per cent (7.5 per cent reduction) while the markup on Ontario blended wines will increase to 10.5 per cent from the current 1 per cent and Ontario table wines made entirely from Ontario grapes will rise from one per cent to six per cent," said Ackroyd.

Imported wines from countries other than the U.S. will continue to be marked up by 66 per cent.

The announcement follows the agreement reached between the Ontario and federal governments regarding a broad assistance package to help the Ontario grape and wine industries maintain their competitiveness.

The program maintains the integrity of Ontario's 12 year competitiveness strategy while still providing for the implementation in the wine area of Canada's international trade obligations under the General Agreement on Tariffs and Trade (GATT) and the terms of the Canada-U.S. Free Trade Agreement.

Ackroyd said it was not possible at this time to forecast the exact retail prices that will take effect on April 24 because some wineries may adjust their wholesale prices in light of Ontario's new markup policy.

"Any changes up or down in the wholesale cost of a product would, of course, alter its final retail price on the shelf," he said.

Based on current wholesale price quotations, however, the average retail price of Ontario table wine made with 100 per

cent Ontario grapes would rise by about 30 cents a litre while Ontario blended table wines would rise, on average, by approximately 40 cents a litre.

The average price of a 750 ml size bottle of U.S. made table wine, based on current wholesale costs, would decline by about 25 cents.

The markup on non-Ontario wine coolers will be reduced from 105 per cent to 92 per cent while the markup on Ontario wine coolers will remain at 40 per cent.

The markup on domestic spirit coolers will increase from 40 to 50 per cent and the markup on imported spirit coolers will increase from 52 to 62 per cent.

There will be no changes to beer cooler markups.



NOTICE OF PUBLIC MEETING

TAKE NOTICE THAT a Public Meeting of the Liquor Licence Board of Ontario will be held at the CITY HALL, 500 EAST DONALD STREET, THUNDER BAY, ONTARIO on WEDNESDAY, APRIL 19th, 1989 at the hour of 10:00 o'clock in the forenoon, at which time the Board will hear an application in accordance with the Liquor Licence Act, and Regulations thereunder.

The following establishment has applied for a licence of the class indicated, and the application will be entertained at the aforementioned location and time:

Application For New Licence
Marathon Bowling Lanes
49 Stevens Street, Marathon
Dining Lounge Licence

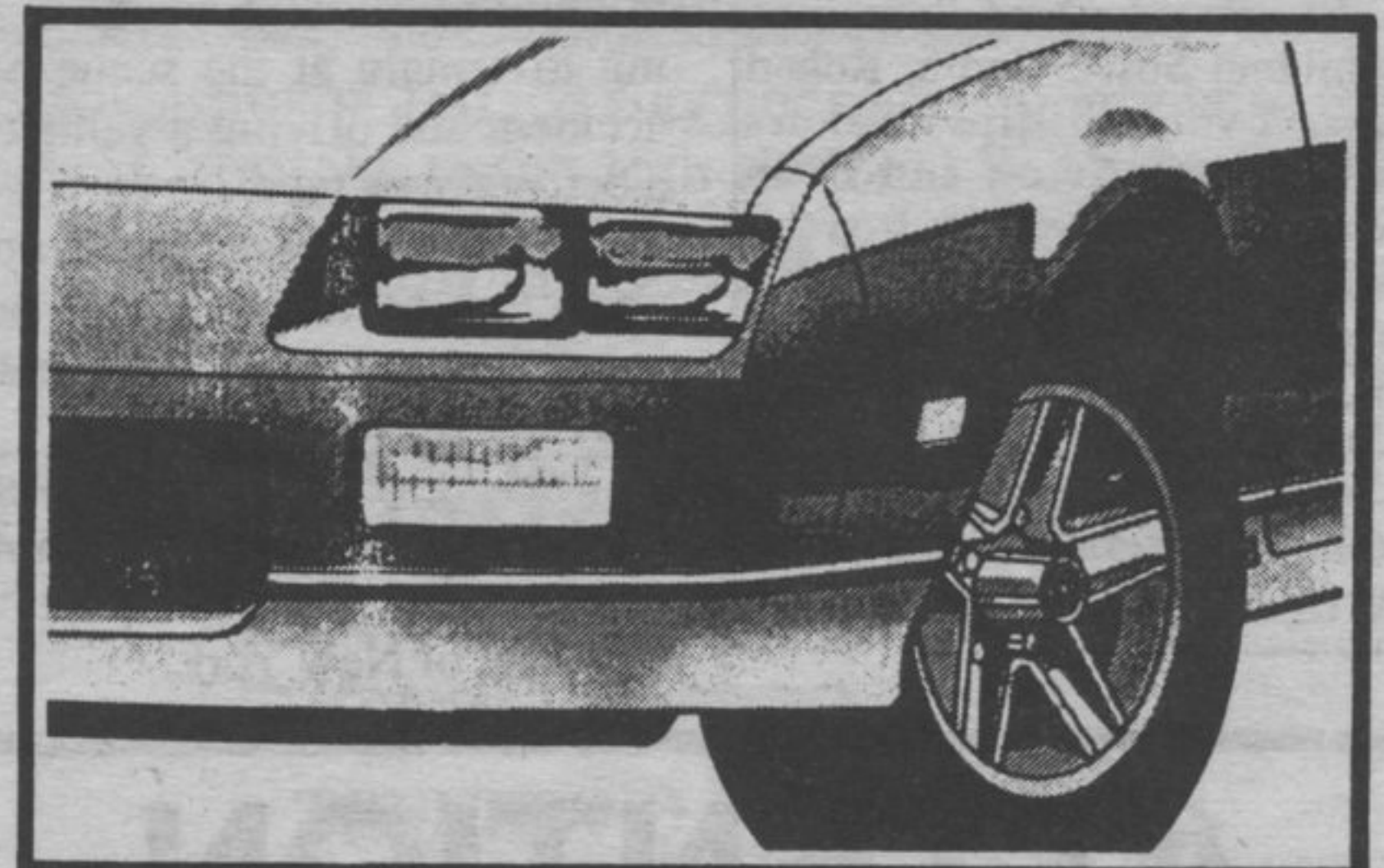
AND FURTHER TAKE NOTICE that any person who is resident in the municipality and who wishes to make representation relative to the application, shall make their submission to the Board in writing prior to the date of the hearing, or in person at the time and place of the hearing. (Copies of written submissions will be forwarded to the applicant).

Liquor Licence Board of Ontario
55 Lakeshore Boulevard East
TORONTO, Ontario, M5E 1A4

MINISTRY OF CONSUMER AND
COMMERCIAL RELATIONS
THE LIQUOR LICENCE ACT

032-LSG-489

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