



Now and Tomorrow
Excellence in Everything We Do

RESP: PLAN YOUR CHILD'S EDUCATION SAVINGS



CANLEARN.CA



Registered Education Savings Plan



Do you imagine your child continuing in their education after high school? The Government of Canada can help you save for your child's future with a Registered Education Savings Plan (RESP).

Registered Education Savings Plan

WHAT IS AN RESP?

An RESP is an education savings account registered with the Government of Canada. It helps you, your family or friends put aside money for your child's education after high school.

You can open an RESP at a financial institution, such as a bank or credit union, or through a certified financial planner or a group plan dealer. These institutions, planners and dealers are known as "RESP providers."

WHY SHOULD I SAVE FOR MY CHILD'S EDUCATION?

It pays to save! With an RESP, you can help turn your child's dreams into reality. Saving just a dollar a day can make a difference.

In addition to your RESP contributions, you could receive the:

- Canada Learning Bond; and/or
- Canada Education Savings Grant.



WHAT IS THE CANADA LEARNING BOND?

The Canada Learning Bond is **\$500** offered by the Government of Canada to help you start saving now for your child's education after high school. Plus, your child could get \$100 every year until he or she turns 15 years old to a maximum of **\$2,000!**

Your child is eligible for the Canada Learning Bond if:

- he or she was born after December 31, 2003; and
- you receive the National Child Benefit Supplement under the Canada Child Tax Benefit (also known as the family allowance).



WHAT IS THE CANADA EDUCATION SAVINGS GRANT?

It is money that the Government of Canada will add to your RESP savings. This grant has two parts:

1. Basic Canada Education Savings Grant

No matter how much money your family makes, the Basic Canada Education Savings Grant will give you 20% on every dollar of the first \$2,500 you save in your child's RESP each year.

This means that for every \$10 you save in your child's RESP, the Government will add \$2.

2. Additional Canada Education Savings Grant

Depending on your net family income, you could receive an extra 10% or 20% on every dollar of the first \$500 you save in your child's RESP each year.

This means that for every \$10 you save in your child's RESP, the Government will add an extra \$1 or \$2.

Make sure to apply for both parts of this grant.

The Canada Learning Bond and the Canada Education Savings Grant can only be deposited into an RESP account.

CHOOSING THE RIGHT RESP FOR YOU

There are three types of RESPs:

- **Family RESPs:** You can put aside money for one or more children related to you by blood or adoption. You can save for them all using one family RESP.
- **Individual RESPs:** You can save for one child, whether they are related to you or not.
- **Group RESPs:** Your savings are combined with those of other people and the earnings are shared when it's time to pay for school. Regular payments throughout the term of the RESP are usually required, but each plan has its own rules.

It is important to take your time before you choose an RESP and read the contract carefully before signing.

Ask your RESP provider about:

- your investment products (savings account, bonds, guaranteed investment certificates (GICs), mutual funds or stocks);
- the advantages and risk factors of each product, because some investment products may be riskier than others;
- the administration fees; and
- the penalties that may apply if you don't make regular payments or if you close an RESP.



HOW DO I OPEN AN RESP AND RECEIVE THE GOVERNMENT OF CANADA'S GRANTS?

Step 1 – Get a **Social Insurance Number (SIN)** for your child. It's free. Call 1 800 O-Canada (1-800-622-6232) for more information or visit a Service Canada Centre near you.

Step 2 – Contact an RESP provider of your choice to open an RESP.


Choose the RESP provider that best suits your needs and ask:

- if they offer the **Canada Learning Bond** and the **Additional Canada Education Savings Grant**;
- what types of RESPs they offer (family, individual or group) and the advantages and risk factors of each;
- what investment products they offer and the advantages and risk factors of each; and
- what their administration fees and penalties are.

Visit CanLearn.ca to get a list of questions that you should ask your RESP provider.

Step 3 – Open an RESP and complete the Basic and Additional Canada Education Savings Grant and the Canada Learning Bond application form with the help of your RESP provider.

WHERE CAN I GET HELP OR MORE INFORMATION?

-  1 800 O-Canada (1-800-622-6232)
TTY: 1-800-926-9105
-  CanLearn.ca
-  A Service Canada Centre near you

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