

Now and Tomorrow
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CANADA EDUCATION SAVINGS PROGRAM

CHOOSING THE RIGHT RESP



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Are you thinking about opening a Registered Education Savings Plan (RESP) to finance your child's post-secondary education? This pamphlet will walk you through the process.

WHAT IS AN RESP?

An RESP is an education savings account that is registered with the Government of Canada. With an RESP, you may be able to receive other grants and subsidies, such as the:

- Canada Learning Bond;
- Basic and Additional Canada Education Savings Grant; and
- provincial education savings incentive (Alberta and Quebec only).

WHO OFFERS RESPs?

Financial institutions (banks or credit unions), certified financial planners or group plan dealers are RESP providers.

WHAT DO I NEED TO KNOW WHEN CHOOSING AN RESP PROVIDER?

It is important to choose the RESP provider that best suits your needs.

Your RESP provider can help you choose the type of RESP that is right for you.

Some RESP providers ask you to pay them for their services or the investments they make. Others put conditions on the payments you will make, and/or the benefits your child may receive from his or her RESP.

Questions to ask your RESP Provider

- Do you offer the **Canada Learning Bond**, the **Additional Canada Education Savings Grant** or the **provincial education savings incentive for Alberta or Quebec**?
- What types of RESPs do you offer (family, individual and group)? What are the differences?
- What investment products do you offer? Can I change to another product while I have my RESP? Which product is the most secure?
- Do I have to pay fees for:
 - opening an RESP?
 - withdrawing money from my RESP?
 - managing my RESP?
 - services and commissions?
 If so, how much is each fee and when do I pay it?
- What will happen if I can no longer make my payments regularly?
- Which post-secondary school programs are excluded from your plan?
- What will happen if my child does not continue his or her education after high school?
- If I have to close my RESP account early, will I:
 - have to pay fees or penalties?
 - get back the money I contributed to the plan?
 - lose the interest earned in the RESP?
 - be able to transfer the money to another type of RESP or registered investment product?



BEFORE SIGNING the contract to open your RESP

Ask your RESP provider to give you all the information in writing.

Make sure your RESP provider offers the provincial education savings incentive (Alberta and Quebec only).

Read all the documents. Pay attention to the details (fees, penalties, commission and educational assistance payments). If you don't understand something, don't sign, and ask the RESP provider to explain.

Take your time and compare the advantages and risks of the different types of RESPs (family, individual and group). You have the right to look over all the information before making a decision.

AFTER SIGNING the contract

Keep a copy of all the signed documents.

Ask your RESP provider to help you fill out the application form for the Basic and Additional Canada Education Savings Grant and the Canada Learning Bond. You must apply for each of these separately.



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

Canada Revenue Agency
Individual income tax enquiries
1-800-959-8281 www.cra-arc.gc.ca

Financial Consumer Agency of Canada
1-866-461-3222 www.fcac.gc.ca

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