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Canada Education Savings Grant

# GET MONEY NOW



**FOR YOUR CHILD'S EDUCATION  
AFTER HIGH SCHOOL**

LC-009-12-07

**Canada** 

## Canada Education Savings Grant

### **WHAT IS THE CANADA EDUCATION SAVINGS GRANT?**

**The Canada Education Savings Grant (CESG)** is a grant from the Government of Canada to help you start saving for your child's education after high school.

When you save in your child's Registered Education Savings Plan (RESP), the Canada Education Savings Grant could add up to \$200 on the first \$500 you save annually, and up to \$400 on the next \$2,000.

The maximum lifetime grant that the federal government can give to your child is \$7,200.

Your child can use the money for full-time or part-time studies in an apprenticeship program, trade school, CEGEP, college, or university.



Over three million children have already received this grant.

## WHO GETS THE CANADA EDUCATION SAVINGS GRANT?

All children up to age 17 are eligible to receive the Canada Education Savings Grant as long as they are Canadian residents and an RESP has been opened for them.

There are special rules that may apply if your child is between the ages of 15 and 17. For more information, call **1 800 O-Canada (1 800 622-6232)**.

## HOW DO I GET THE CANADA EDUCATION SAVINGS GRANT?

### In 2 easy steps:

- 1) Get a Social Insurance Number (SIN) for your child—even a baby can get one! There is no fee to get one, however, certain documents, such as a birth certificate, are required. Contact **1 800 O-Canada** for more information or visit a Service Canada Centre near you.
- 2) Open a Registered Education Savings Plan (RESP) account. You can open an RESP account through a financial institution such as a bank or credit union, or through a certified financial planner or a group plan dealer.



## Canada Education Savings Grant

The Canada Education Savings Grant will be deposited directly into your child's RESP.

### **WHAT IS A REGISTERED EDUCATION SAVINGS PLAN?**

A Registered Education Savings Plan (RESP) is a special savings account to help you, your family, or your friends save early for your child's education after high school.

The money in the RESP will be invested so that it can grow and earn interest.

You will not be taxed on the interest, and your child can usually withdraw the money tax-free.



Be sure to shop around to find an RESP provider that best suits your needs.

### **HOW MUCH MONEY DO I HAVE TO PUT IN THE RESP?**

No matter how little you save in your child's RESP account, the Government of Canada will still pay the Canada Education Savings Grant.

You, your family, or friends can also put money into your child's RESP.

Even savings of \$5 a week can add up quickly, especially when the Canada Education Savings Grant is added to your savings.

The sooner you start to save, the more your savings will grow.

## **WHAT DOES IT COST TO OPEN AN RESP?**

At some financial institutions, you can open an RESP account for free; others have fees. Be sure to shop around to find an RESP provider that best suits your needs.

## **HOW MUCH CANADA EDUCATION SAVINGS GRANT MONEY CAN I GET?**

**On the first \$500 you save in your child's RESP, the Canada Education Savings Grant will give you:**

- up to \$200, if your net family income is \$37,178 or less;
- up to \$150, if your net family income is between \$37,178 and \$74,357;
- up to \$100, if your net family income is more than \$74,357.



## Canada Education Savings Grant

The family net income amounts are updated each year based on the rate of inflation. Income amounts shown are for 2007.

When you save more than \$500 annually, the Canada Education Savings Grant could add up to \$400 on the next \$2,000.

### **WHAT IS THE MAXIMUM CANADA EDUCATION SAVINGS GRANT MY CHILD CAN RECEIVE?**

- Between \$500 and \$600 per year; and
- \$7,200 total per grant lifetime.

### **WHAT IF I CAN'T AFFORD TO SAVE FOR MY CHILD'S EDUCATION RIGHT NOW?**

Even a small amount can make a difference when the Canada Education Savings Grant is added to your savings. Plus, that money will earn interest over time.

Your child may also be eligible for a \$500 Canada Learning Bond (CLB):

- If your child was born after December 31, 2003, and
- If you get the National Child Benefit Supplement as part of the Canada Child Tax Benefit (commonly known as “family allowance” or “baby bonus”). This usually applies to families whose net family income is \$37,178 or less per year.

Your child could also get an extra \$100 per year up to age 15, as long as you continue to receive the National Child Benefit Supplement.

You do not have to contribute any of your own money to get the Canada Learning Bond. All you need to do is open an RESP and the Government of Canada will deposit the money into your child's RESP account.

### **WHAT HAPPENS IF MY CHILD DOESN'T CONTINUE EDUCATION AFTER HIGH SCHOOL?**

**The RESP can stay open for up to 26 years.** If your child does not continue education right after high school, the money can be used if your child returns to school later.

If the money is not used 26 years after the RESP is opened, **the amount you saved goes back to you**, and the Canada Education Savings Grant may be used for a brother or sister's education. If not, the grant will be returned to the Government of Canada. The Canada Learning Bond is returned to the Government of Canada.

Your money can also be withdrawn any time. Ask your RESP provider for details.



## HOW DO I GET HELP OR MORE INFORMATION?

- Call toll-free at **1 800 O-Canada (1 800 622-6232)** for more information and brochures on the **Canada Learning Bond** and **Registered Education Savings Plans**.
- Visit a **Service Canada Centre** near you.
- For more information or for a list of RESP providers, visit [www.canlearn.ca](http://www.canlearn.ca).
- If you use a **TTY**, call **1 800 926-9105**.

This publication is available in multiple formats (large print, audio cassette, Braille and diskette), in English and French.

Also available in other languages.

Call **1 866 386-9624** (toll free).

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