



**Investing for their future:  
Government of Canada incentives for  
Registered Education Savings Plans  
September 2019**

# Overview

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- Education is a powerful tool for breaking the cycle of poverty; supporting child growth, development and well-being; and closing the gap in social inequality.
- Education savings can influence children's educational attendance, academic achievement, and educational engagement.
- The Government of Canada encourages the use of Registered Education Savings Plans (RESP) to save for a child's post-secondary education (PSE), with a particular focus on low-income families, Indigenous Peoples, newcomers, and those living in rural and remote communities.
- As an educational institution, you can play a role in helping to increase knowledge and understanding of the benefits of early savings in RESPs and to raise awareness Government programs available to help families save, namely the Canada Learning Bond (CLB) and Canada Education Savings Grant (CESG).



# What the Government of Canada offers

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- The Government of Canada wants post-secondary education to be accessible and affordable; education savings incentives play a key role in achieving this goal. To this end, the Government provides two education savings incentives:
  - **The Canada Learning Bond (CLB)** an initial payment of \$500 into an RESP, as well as additional payments of \$100 for each of eligibility, up to age 15, for a maximum of \$2,000.
    - No contributions required
    - Does not affect existing benefits
  - **The Canada Education Savings Grant (CESG)** provides a **20% grant on the first \$2,500** in annual contributions to an RESP, for a maximum of \$500 per year, which is available to all children up to 17 years of age regardless of family income.
    - Depending on family income, a further 10-20% grant on the first \$500 of annual contributions is available.
- While the take-up of the CLB is 38.3% nationally in 2018, the participation rate of CLB in New Brunswick was 28.2%. In addition, **the cumulative number of children eligible, but not receiving the CLB was 65,288 in the Province.**



# Registered Education Savings Plan (RESP)

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- An RESP is a savings account that can:
  - help put money aside for a child's post-secondary education;
  - allow savings for a child's future studies to grow tax-free, until it is withdrawn for post-secondary education;
  - not only be used to help with the costs of tuition, but also housing, transportation, and other education-related expenses (e.g., textbooks, equipment, supplies, etc.); and
  - attract federal and where applicable, provincial education savings incentives.



## Process to sign-up for CLB

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- To apply for the CLB on behalf of a child, a primary caregiver (it is the primary caregiver or, their cohabiting spouse or common-law partner, who must request the CLB on behalf of an eligible child) will need:
  - Social Insurance Number (SIN) for themselves; and
  - SIN for the child.
- There is no fee to get a SIN from Service Canada, but they will need to provide certain documents, such as a birth certificate or permanent resident card.
- They can apply for the CLB on behalf of a child at the time they open an RESP, through an RESP provider.
- Once the application is approved, the Government of Canada will directly deposit the CLB into the RESP for every year of eligibility.



# Learn More

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Visit [canada.ca/education-savings](https://canada.ca/education-savings)



## Join the CLB Champions' Network

Network of non-governmental organizations, community services providers, financial institutions, philanthropic organizations, and all levels of government working to raise awareness, understanding, and take-up of the CLB among low-income families



Sign up to Education Savings Incentives Resource page at:

<https://gccollab.ca/groups/profile/95754/>

An information sharing platform where you can find information and resources for promoting education savings incentives



Contact us at:

[CESP-PCEE-OUTREACH-SENSIBILISATION@hrsdcrhdcc.gc.ca](mailto:CESP-PCEE-OUTREACH-SENSIBILISATION@hrsdcrhdcc.gc.ca)

