Employment and Social Development Canada
Emploi et Développement social Canada

# Canada Education Savings Program

# Choosing the right RESP

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Canada

*Are you thinking about opening a Registered Education Savings Plan (RESP) to save for your child's education after high school? If so, it's important that you do your research before deciding on which RESP is right for you.*

## What is an RESP?

An RESP is an education savings account that is registered with the Government of Canada. With an RESP, your child may be able to receive education savings incentives (money from the Government), such as the:

- Canada Learning Bond;
- Canada Education Savings Grant, including an additional amount of grant; and
- a provincial education savings incentive (where applicable).

## Who offers RESPs?

RESPs are provided by financial institutions (banks or credit unions), certified financial planners and group plan dealers.

## What do I need to know when choosing an RESP provider?

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

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

As with any contract, RESP providers may include specific terms and conditions on the RESP. Some may ask that you pay for their services or the investments they make. Others put conditions on the payments you will make and/or on the education savings incentives your child may receive from the RESP.

## Questions to ask your RESP provider

- ☐ Do you offer the **Canada Learning Bond**, the additional amount of **Canada Education Savings Grant** or **provincial education savings incentives?**
- ☐ 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 regular payments?
- ☐ Which post-secondary school programs are excluded from the plan?
- ☐ What will happen if my child does not continue his or her education after high school?
- ☐ If I have to close my RESP 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.

Read all the documents. Pay attention to the details (fees, penalties, commissions 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 form entitled: "APPLICATION: Basic and Additional Canada Education Savings Grant (CESG) and Canada Learning Bond (CLB)" as well as the appropriate annexes or additional forms for provincial education savings incentives.

## Where can I get help or more information?

**Government of Canada**

☎ **1 800 O-Canada** (1-800-622-6232)
TTY : **1-800-926-9105**

Visit a Service Canada Centre near you

**Canada Revenue Agency**
for questions about income tax and benefits
**1-800-959-8281**

**Financial Consumer Agency of Canada**
for information to help people manage their money better **1-866-461-3222**

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It is also available upon request in multiple formats (large print, Braille, audio CD, e-text CD, or DAISY), by contacting 1 800 O-Canada (1-800-622-6232). By teletypewriter (TTY), call 1-800-926-9105.

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