



# RESP

## REGISTERED EDUCATION SAVINGS PLAN

The tax-advantaged way to save for your  
child's education.

# THE BASICS

## What you need to know about RESPs

### Tax-deferred savings

Contributions to an RESP are not tax deductible, but investment gains earned on funds in the account are not taxable until paid out to the beneficiary.

### Contribution limit


There is a lifetime contribution maximum of \$50,000 and the additional Canada Education Savings Grant is only eligible on the first \$2,500 contributed each year.

### Canada Education Savings Grant (CESG)

Every RESP beneficiary is eligible to receive a grant of up to 20% of the first \$2,500 contributed annually (\$500) until the beneficiary turns 17. If less than \$2,500 is contributed in any given year, the unused CESG room can be carried forward, up to a maximum of \$1,000 granted annually. There is a lifetime CESG maximum of \$7,200 per beneficiary.

### Provincial Education Savings Incentives

British Columbia, Saskatchewan and Quebec offer programs that may add money to an RESP. If you live in one of these provinces, speak to your iA Private Wealth Investment Advisor for more details.



With the rising cost of post-secondary education, it's more important than ever to consider the benefits of an RESP so you can start contributing today towards your child's future education.

## Questions and answers about RESPs

### 1 How many RESPs can I have?

There is no limit to the number of plans from different institutions your child can have, but there is still a lifetime contribution limit of \$50,000 per beneficiary for all of the plans combined.

### 2 How does my child use RESP funds?

Funds can be withdrawn to pay for your child's qualifying post-secondary education program. This includes expenses for tuition, books, residence fees, transportation, and computers.

### 3 Can I transfer an RESP to another child?

Yes. If, for example, one child decides not to attend university, you may change the beneficiary named on the RESP. Or you can simply add the child to an existing RESP family plan.

### 4 What happens to unused RESP funds?

RESPs mature after 35 years and any unused contributions are returned tax free to the contributor. Any income from the contributions can be transferred (up to \$50,000) into the contributor's (or spouse's) RRSP or taxed at the marginal rate plus a 20% surtax. Any unused CESG funds must be repaid to the government.

### 5 Can I withdraw RESP funds?

Contributions can be withdrawn tax free at any time by the contributor, but restrictions may apply on future CESG payments.

The cost of a four-year post-secondary program is expected to reach

**\$104,898**  
by 2041

Embark survey, [Yahoo! Finance](#), November 8, 2023.

**\$78.0 billion** — the amount Canadians held in their RESP accounts in 2021.

**\$5.8 billion** — the amount Canadian families contributed to RESPs in 2021.

Source: Government of Canada. Canada Education Savings Program: 2021 Annual Statistical Review.

## About iA Private Wealth

iA Private Wealth offers tailored wealth management solutions through a network of more than 460 independent Investment Advisor teams. With over \$50 billion in assets under administration, we are the partner of choice for discerning investors across Canada.

iA Private Wealth is owned by iA Financial Group, one of the largest insurance and wealth management groups in Canada, with operations in the United States as well. Learn more about [iA Financial Group](#).

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