

# FREE MONEY FOR RESPs

## Information Guide for Families

## Free government money for B.C. kids' education savings!

Families in B.C. can receive up to \$3,200 for their child's education without contributing a cent.

Every child in B.C. can get the \$1,200 B.C. Training & Education Savings Grant (BCTESG) at age 6, 7 or 8. Kids in B.C. also have free money waiting to get their post-secondary education savings started through the federal government's Canada Learning Bond.

Yes, it's FREE MONEY for families to get savings started, even when they have no money of their own to contribute.

You only need to set up an RESP account to apply and receive the money. Without an RESP, kids miss out on the federal and provincial education savings incentives they are entitled to receive from the government.

### DID YOU KNOW?

- Without any deposits from you, you can receive up to \$3,200 for your child's education.
- Kids with some savings are more likely to graduate from high school<sup>1</sup> and 50% more likely to pursue a post-secondary education<sup>2</sup>.
- Kids from modest income families with savings of \$500 are 4 times more likely to graduate from post-secondary school<sup>3</sup>.
- You need a Social Insurance Number for child and primary caregiver and an RESP for the child to receive the money.
- An RESP can be opened for \$0 and with \$0 in family contributions.
- RESPs are flexible. A child can use the money in their account to pursue a wide range of educational options.
- An RESP does not have to be opened by a parent – it can be opened by a relative, public caregiver or even a friend.
- RESPs can be kept open for 36 years.

## Types of free money available

**\$1,200**

**BC Training &  
Education Savings Grant**

A \$1,200 one-time provincial grant available to every B.C. child born 2006 or later.



**Up to \$2,000**

**Canada Learning Bond**

If your child was born 2004 or later and your net family income is less than \$45,000, your child may be eligible to receive up to \$2,000.

**= Up to \$3,200 per child for eligible families**

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## Are you missing out on free government money for your child's future education?

**B.C. families can open a no-fee, zero required contribution Registered Education Savings Plan (RESP) and receive free government money for their kids' higher education.**

### **Q I want free money for my child's education. What do I need to do?**

You need to open a Registered Education Savings Plan (RESP) to receive the government grant or bond.

### **Q What is an RESP and how do I get one?**

A Registered Education Savings Plan can be used for university, college, trade school and any other approved post-secondary education institution or school.

To open an RESP, you and the child need a Social Insurance Number (SIN). Go to your nearest Service Canada location and obtain a Social Insurance Number (SIN). Then you can apply to open an RESP and apply for the grant at your local credit union, financial institution, or online at [www.StartMyRESP.ca/UWBC](http://www.StartMyRESP.ca/UWBC). Most credit unions in B.C. offer RESPs with free set up and no annual fee.

### **Q My child was born 2006 or later, but is now older than 8, can he or she still get the BCTESG?**

Yes. Since the program was announced in 2015, there is an extension through 2018 for families with children who have already turned nine (or older).

### **Q How does the Canada Learning Bond work?**

If your net family income is less than \$45,000, your child can receive \$500 from the Canada Learning Bond when you apply and \$100 per year until your child turns 15 up to a total of \$2,000. Voluntary contributions to an RESP might be eligible for a 20, 30 or 40 per cent matching grant from the federal government, depending on your family income level. Ask your credit union representative for more information.

### **Q What if my child doesn't attend a post-secondary institution or training program?**

If your child doesn't use the money to attend post-secondary, you keep the interest, after paying income taxes, plus any contributions you added to the government money, with no tax withheld. The government grants will be returned to the government by your financial institution.

### **Q Do I pay tax on any interest or revenue earned?**

Taxes are paid by the recipient, but at a very low tax rate given that they'd be a student.

### **Q I have already opened an RESP for my child – does that account qualify?**

You may need to open a new RESP to receive the B.C. Training and Education Savings Grant depending on the financial institution that holds the current RESP. Currently, not all financial institutions are able to process the BCTESG, but all credit unions in B.C. are ready and able to help you with this.

**For more information, visit your local credit union in B.C. or visit [www.successby6bc.ca](http://www.successby6bc.ca).**

<sup>1</sup>Social Service Review, "Assets, expectations, and children's educational achievement in female-headed households", 200

<sup>2</sup>Statistics Canada and HRDC "Access, persistence and financing: First results from the Postsecondary Education Participation Survey (PEPSI)", 2003

<sup>3</sup>Elliot, W. & Rauscher, E. (2013). From disadvantaged students to college graduates: The role Of CSAs (Chapter 4- Brief).