

## Canada Education Savings Grant (CESG)

**Did you know?** By opening an RESP and making regular contributions, your child could receive up to **\$7,200 FREE** from the Government of Canada through the **Canada Education Savings Grant (CESG)** saving incentive program.

**How do I qualify to receive the Canada Education Savings Grant (CESG) for my child?** First, you need to open an RESP for your child. Once you have opened an RESP for your child, you can receive CESG payments by making regular contributions to your RESP. CESG payments are based on a percentage of your contributions to your RESP and on your net family income. All children up to the age of 17 are eligible to receive the CESG as long as they are Canadian residents and an RESP has been opened for them.

**What if I can't afford to make regular contributions to my child's RESP?** The Government of Canada has taken measures to help family's **access FREE CESG** money for their children by increasing CESG rates for low and middle-income families.

**How much can I get from the CESG?** You can receive up to 40 percent of your contributions to your RESP up to a maximum of **\$600 per year**, depending on the CESG rate associated with your income level and the amount of your contributions made to the RESP. No matter what a family's net income is, everyone is eligible for at least the 20 percent CESG rate on the first \$2,500 you deposit into your child's RESP.

### CESG FACTS

- Family income \$37,885 or less, the grant will be 40% for every \$1 on the first \$500 you save and 20% on the next \$2,000 you contribute to your child's RESP savings. **This could add up to \$600 each year!**
- Family income between \$37,885 and \$75,769, the grant will be 30% for every \$1 on the first \$500 you save and 20% on the next \$2,000 you contribute to your child's RESP savings. **This could add up to \$550 each year!**
- Family income \$75,769 or more, you will receive the basic 20% on the first \$2,500 you contribute to your child's RESP savings. **This could add up to \$500 each year!**

### (FAQ'S) Frequently Asked Questions

**What happens to the CESG if my child does not continue education after high school?** The Canada Education Savings Grant may be used for a sibling's education if that brother or sister is eligible. If not, the grant must be returned to the Government of Canada.

**What happens to my CESG if I withdraw money from my RESP prematurely for an emergency?** Unless the beneficiary of the RESP is attending a post-secondary institution, withdrawing money will normally result in a repayment to the Government of Canada.

### SOLUTIONS

- ✓ Call ILRC Thunder Bay at 1 800 461 – 3153 ext 6 or visit [www.canlearn.ca](http://www.canlearn.ca) for more information on the CESG.
- ✓ Talk to an RESP provider and open an RESP for your child. Ask about the CESG.
- ✓ Set up an automatic monthly deposit into your RESP in order to take maximum advantage of the available CESG grants.