

## Types of Registered Education Savings Plans (RESPs)

**Did you know?** The child named in an RESP is called the **beneficiary**. The person who opens an RESP is known as the **subscriber**. There are three general types of RESP plans you can choose from: **family plan, individual plan or group plans**. Each plan is different so it is important to ask your RESP provider to explain the different types of plans so that you can choose what plan works best for you.

**Family Plan:** In this plan any number of children can be named as beneficiaries. The child must be related to the subscriber in this RESP type and can be a child, grandchild or even an adopted child. When named the beneficiaries must be under 21 years of age.

**Individual Plan:** An individual plan is for one child. Unlike the family plan, the child/beneficiary does not have to be related to the subscriber in this plan.

**Group Plan:** As the subscriber you can only name one child as the beneficiary in the group plan. Much like the individual plan, the child does not have to be related to the subscriber in this plan. In a group plan, your savings are combined with other people's savings and usually put in low-risk investments. Group plans differ from the other plans in that group plans are offered and administered through **group plan dealers**.

- A group plan would be a good choice if: (1) You can make regular contributions to your RESP; (2) You prefer to leave investment decisions to your financial consultant and (3) You are fairly certain the beneficiary will pursue post-secondary education.

### FACTS

- Some plans require monthly contributions while others are more flexible.
- Some RESP providers charge service fee's for specific RESP plans.
- Some RESP plans carry more risk than others. For example, some plans invest in GIC's and lower-risk investments, while others invest in high-risk investments like the stock market.
- Each plan is different. Talk to your RESP provider about what plan type fits with your lifestyle.

### (FAQ's) Frequently Asked Questions

**Are there any service fees associated with opening an RESP?** Some RESP providers charge fees. Before you open an RESP, ask your provider to explain any fees, limits or penalties or promises to make regular payments.

**Is there a minimum deposit I need to put into my RESP?** The amount of money you put into an RESP depends on the type of RESP you choose. Again, consult with your provider about which plan will work for you.

**How often do I have to put money into an RESP?** Every RESP is different. Some types are flexible while others require specific monthly payments. Once you have chosen your RESP type, you can decide how often you will make payments.

### SOLUTIONS

- ✓ Contact ILRC Thunder Bay at 1 800 461 3153 ext 6 or visit [www.hrsdc.gc.ca](http://www.hrsdc.gc.ca) for more information about different types of RESPs.
- ✓ Do your own research. Prepare a list of questions to ask your RESP provider.
- ✓ For a list of common RESP questions visit: [www.hrsdc.gc.ca](http://www.hrsdc.gc.ca) or [www.canlearn.ca](http://www.canlearn.ca).