

RESP

InfoCapsules



Registered Education Savings Plan (RESP)

Ce document est disponible en français

December 20, 2023



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InfoCapsules are one-page quick reference, cheat sheet type documents that illustrate the basic concepts of RESPs and education savings incentives administered by Employment and Social Development Canada (ESDC).

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Disclaimer







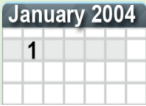
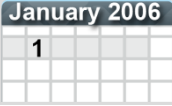


















The following legislation takes precedence over information contained in the InfoCapsules in the event of discrepancies:

- Income Tax Act
- Canada Education Savings Act
- Canada Education Savings Regulations
- Special Accounts Appropriation and Control Act
- British Columbia Training and Savings Program Regulation



1. Overview of the Canada Education Savings Program












The Canada Education Savings Program (CESP), within Employment and Social Development Canada (ESDC), administers 2 federal and 1 provincial education savings incentives. These incentives are linked to Registered Education Savings Plans (RESP), a vehicle to save for a child's post secondary education.

	Basic amount of Canada Education Savings Grant (Basic CESG)	Additional amount of Canada Education Savings Grant (Additional CESG)	Canada Learning Bond (CLB)	British Columbia Training and Education Savings Grant (BCTESG)
Available since	1998	2005	2004	2015
Residency criteria	Beneficiary must be a resident in 	Beneficiary must be a resident in 	Beneficiary must be a resident in 	Beneficiary and custodial parent be resident in 
Beneficiary birth year eligibility condition			Born on  or after & under 21 years old	Born on  or after
Eligible until				Based on birth year on the beneficiary
Based on contributions				
Based on income				
Incentive amount	20% of the first \$2,500 or less of annual contributions	10% or 20% of the first \$500 or less of annual contributions. 20% if child is in care of a public PCG	Initial amount of \$500 plus \$100 for each year of eligibility	One time payment of \$1,200
Who can receive the incentive in a family plan	Anyone even if not siblings 	Only siblings 	Only siblings 	Only siblings 
Lifetime limit per beneficiary			\$2,000	\$1,200
EAP limit per beneficiary			\$2,000	



2. Administrative responsibilities - Who does what

This list is organized in alphabetical order to reflect each organization’s responsibilities, based on governing legislation.

<p>Canada Revenue Agency (CRA) Administers the Registered Education Savings Plan (RESP) rules under the <i>Income Tax Act (ITA)</i>.</p>	<p>Employment and Social Development Canada (ESDC) Administers the Canada Education Savings Grant (CESG) and the Canada Learning Bond (CLB) rules under the <i>Canada Education Savings Act (CESA)</i></p>	<p>Provincial education savings incentives administered by ESDC</p>
<ul style="list-style-type: none"> ✓ accumulated income payments (AIP) ✓ Canada child benefit (CCB) eligibility ✓ contributions/overcontributions ✓ designated educational institutions ✓ educational assistance payments (EAP) ✓ income eligibility for the CLB and the Additional CESG ✓ plan termination ✓ primary caregiver (PCG), cohabiting spouse or common-law partner ✓ qualifying investments for RESP ✓ registering Education Savings Plans (ESP) ✓ relationship definition: blood or adoption ✓ replacements of beneficiaries and subscribers ✓ residency ✓ RESP requirements for beneficiaries and subscribers ✓ rollover to other registered products ✓ specimen plan information ✓ transfers ✓ types of RESP <p>1-800-959-8281 </p> <p> Registered Education Savings Plans</p>	<ul style="list-style-type: none"> ✓ administration of the BCTESG ✓ application forms for the CESG and the CLB ✓ beneficiary eligibility for the CESG 16–17-year rule ✓ beneficiary eligibility for the CLB ✓ calculation of the CESG ✓ carry forward rule ✓ CESG and CLB limits ✓ education savings incentives portions of EAP ✓ education savings incentives repayments ✓ CESG grant room ✓ CESP system <ul style="list-style-type: none"> ○ maintenance ○ reporting RESP transactions ✓ compliance reviews ✓ operational policies ✓ order of RESP withdrawals ✓ payment of the education savings incentives ✓ transaction processing ✓ RESP transfer form <p>1-888-276-3624 </p> <p> Resources for Registered Education Savings Plan promoters</p>	<p>British Columbia Training and Education Savings Grant (BCTESG)</p> <p>The Government of British Columbia is responsible for the BCTESG under the <i>Special Accounts Appropriation and Control Act</i></p> <ul style="list-style-type: none"> ✓ collaboration with ESDC to administer the BCTESG ✓ funding of the BCTESG <p> British Columbia Training and Education Savings Grant</p> 
	<p>Social Insurance Registration office (SIR)</p> <p>Social Insurance Number (SIN) Validation</p> <p>1-866-274-6627 </p> <p> Social Insurance Registration office</p>	<p>Administered by Revenu Québec</p> <p>Québec Education Savings Incentive (QESI)</p> <p>Revenu Québec is responsible for the QESI</p> <p>1-855-291-6467 </p> <p> Québec Education Savings Incentive</p>



3. Life cycle of a Registered Education Savings Plan

The life cycle of a Registered Education Savings Plan (RESP) can be broken down into 3 phases.

Setting it up

 Phase 1

- The subscriber selects an RESP promoter, opens an RESP and names a beneficiary
- The promoter gathers information on the contract, the beneficiary and the subscriber
- The subscriber signs a contract with the promoter and chooses how to invest their funds
- The subscriber, with the promoter, completes the appropriate application form to request the education savings incentives for which the beneficiary may be eligible
- The Canada Revenue Agency (CRA) registers the plan
- Within 90 days, the promoter informs the beneficiary’s custodial parent or legal guardian that a plan was established

Making it grow

 Phase 2

- The subscriber may contribute to the RESP in respect of a beneficiary
- The promoter submits RESP transactions to the Canada Education Savings Program (CESP) system
- The RESP may receive education savings incentives
- Contributions and education savings incentives in the RESP may generate earnings
- At least once a year, the promoter must inform subscribers, in writing, on the status of their RESP account
- The custodial parent coordinates the contributions with subscribers to avoid over contributions
- The custodial parent has access to information on all RESPs held by Employment and Social Development Canada (ESDC) for their child

Taking out the funds

 Phase 3

For post secondary education

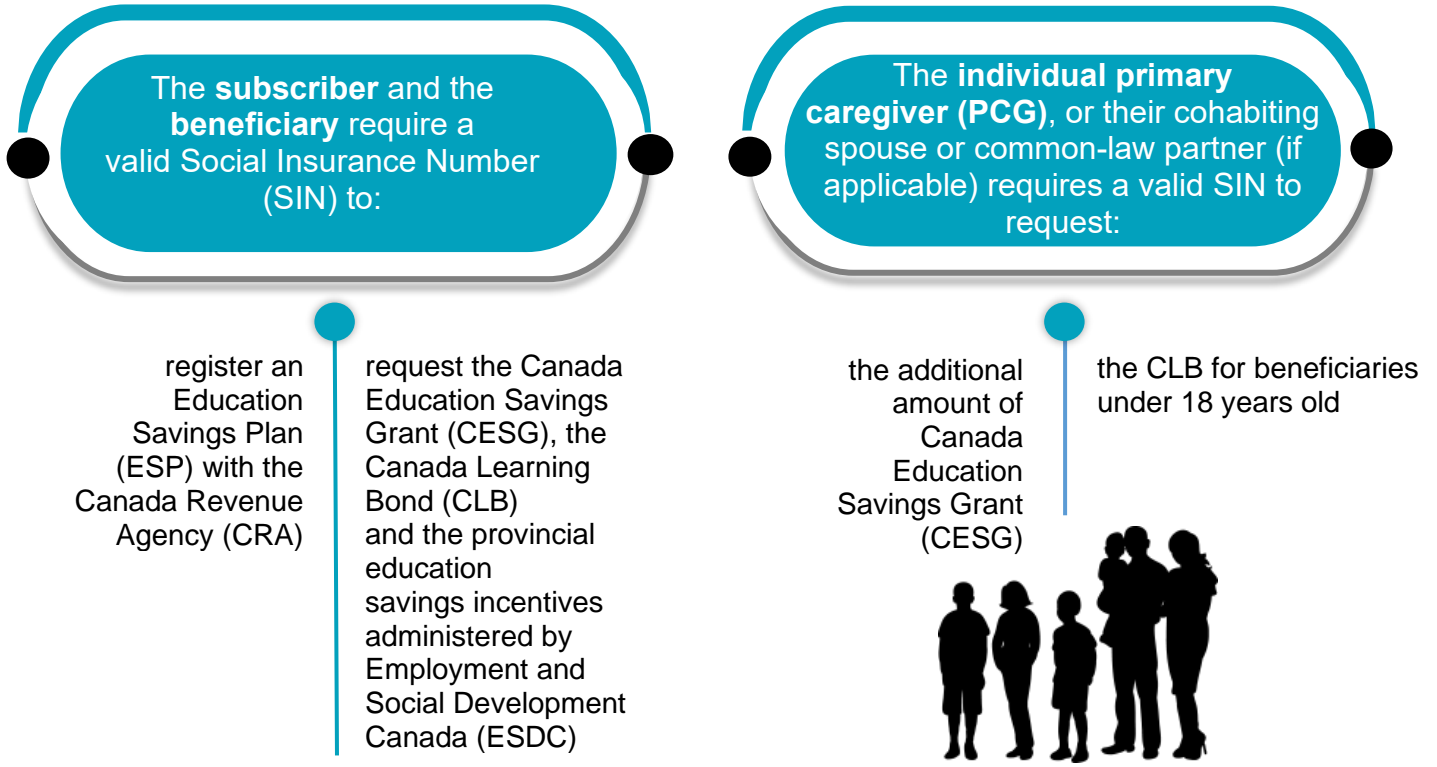
- The promoter must obtain the beneficiary’s proof of enrolment to issue an educational assistance payment (EAP)
- The subscriber may request an EAP
- The subscriber may withdraw their contributions as a post-secondary contribution withdrawal

When terminating a Registered Education Savings Plan

- Education savings incentives administered by ESDC that remain in the plan must be repaid
- Contributions are returned to the subscriber, tax free
- The options available to disburse the remaining earnings in the RESP are to:
 - request an accumulated income payment (AIP)
 - rollover the AIP amount into another qualified registered product
 - make a payment to a designated educational institution in Canada




4. Why the Social Insurance Number is required



Legislative requirements

Legislation requires that the beneficiary's SIN be provided for:

- ✓ the administration and payment of education savings incentives 
- ✓ validation of the following 5 beneficiary fields with the Social Insurance Registry (SIR):

- ✓ maintaining accurate records for each beneficiary 

first name, last name, date of birth, gender, SIN

How to obtain a SIN or a SIN confirmation letter

A SIN or a SIN confirmation letter can be obtained:

- **in person:** Present the required original documents to a Service Canada office:
 - to find a Service Canada office closest to you visit the [Service Canada office](#) web page
- **online:** Visit the [Contact Social Insurance Number](#) web page





5. Primary caregiver

A primary caregiver (PCG) is the person primarily responsible for the care and upbringing of a child. A PCG can be an individual or a public entity.

Individual primary caregiver

The person eligible to receive the Canada child benefit (CCB) payment for the child as defined under the *Income Tax Act*.



Shared custody

Since July 1, 2011, 1 child can be in the care of 2 individual PCG in the same month of a given year.

Only 1 of the 2 PCGs' information can be sent per transaction to the Canada Education Savings Program (CESP) system.

The PCG information or their cohabiting spouse or common law partner is not needed to apply for the CLB for an adult between 18 and 20 years of age.



NOTE: To request the additional amount of Canada Education Savings Grant (Additional CESG) and the Canada Learning Bond (CLB), the individual PCG or their cohabiting spouse or common law partner must provide their **Social Insurance Number (SIN)**.

Public primary caregiver

A department, agency or institution that receives the allowance payable under the Children's Special Allowances Act.



Note: To request the Additional CESG and the CLB, the public PCG must provide their Business Number

General information

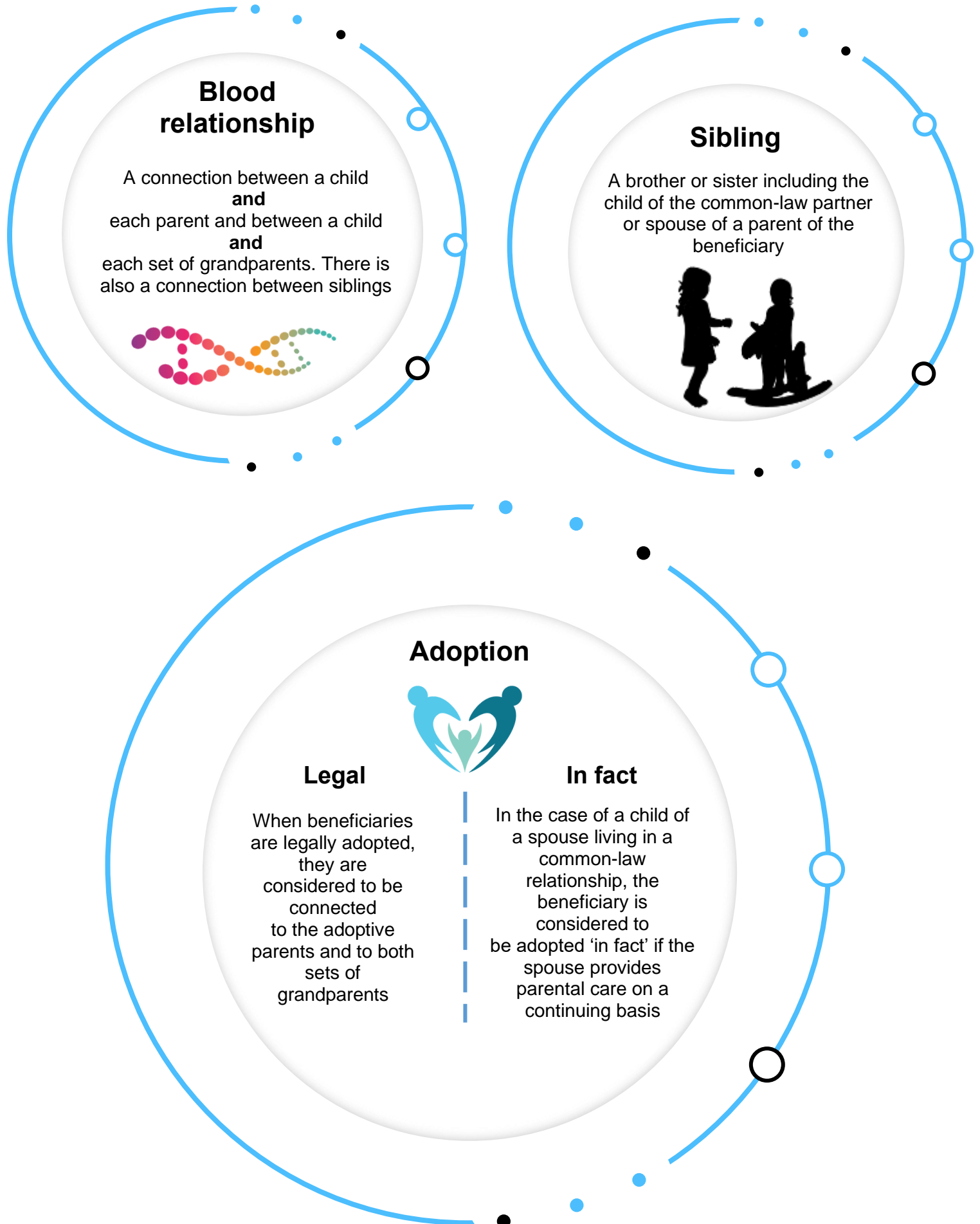
Employment and Social Development Canada (ESDC) communicates with the Canada Revenue Agency (CRA) to verify the child's eligibility, using the PCG's information.

Additional CESG and CLB amounts can only be paid if all beneficiaries of the RESP are siblings.



6. Relationship to the subscriber for a family plan

The *Income Tax Act* (ITA) requires that beneficiaries of family Registered Education Savings Plans (RESP) are connected by blood or adoption to the subscriber. The ITA defines these terms as follow:



7. Family plan versus individual plan

Choosing between a family plan and an individual plan will depend on:

- the beneficiary's relationship to the subscriber, and
- other factors that might impact the decision.



About beneficiaries



In a family plan

In an individual plan

one or multiple beneficiaries



blood relationship



or

adoption



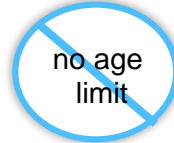
only 1 beneficiary



The Additional Canada Education Savings Grant (Additional CESG) and the Canada Learning Bond (CLB) amounts can only be paid:

- if all beneficiaries of the Registered Education Savings Plan (RESP) are siblings

< 21 When named to the RESP OR already be a beneficiary under another family RESP immediately before being added to a family RESP



Sharing for educational assistance payments (EAP), all beneficiaries named in an RESP can share the CESG (up to \$7,200 each):

- the provincial education savings incentives administered by ESDC and
- the RESP earnings in an EAP if they satisfy EAP eligibility criteria

The beneficiaries are not all siblings: only Basic CESG can be paid into the RESP

Note: Some education savings incentives may have to be repaid if conditions for adding or replacing a beneficiary are not met



Family plan

Must be made in the name of a specific beneficiary

Can be made up until the day before this beneficiary turns 31 years of age



About contributions

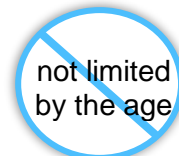


Lifetime limit of \$50,000 per beneficiary, across all plans

Have to stop 31 years after the year the plan was established



Individual plan



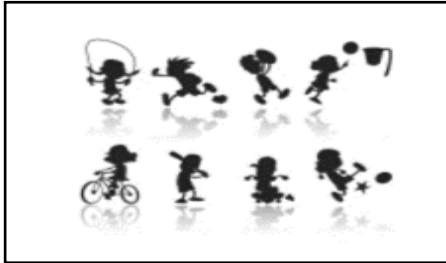


8. Group plan

Group plans, also known as scholarship, plans or pooled plans are offered by scholarship plan dealers. It consists of a collection of individual Registered Education Savings Plans (RESP). They may have enrolment or scholarship fees and additional conditions to each contract.

Beneficiaries

- In a group plan, the beneficiaries must be of the same age and are generally born in the same year



- The contributions, earnings and each education savings incentives are deposited into each separate individual RESP account

Contributions

- All subscribers' contributions are pooled and invested together



- Contributions are fixed amounts, paid for a stated period of time as per the terms and condition of the contract

- If contribution payment schedule cannot be met, other options may be available

- Contributions are normally invested in lower-risk products

Group plans

Contract

- The education savings incentives administered by Employment and Social Development Canada (ESDC) and the earnings that these incentives generate can only be used for educational assistance payments (EAP) for the beneficiary of the plan



- If an EAP cannot be paid, the education savings incentives administered by ESDC must be repaid or the beneficiary may be transferred out of the cohort
- There may be specific additional conditions added related to EAP
- If terminating the contract prior to maturity:

- earnings generated from the contributions remain in the cohort
- earnings generated by the education savings incentives must be disbursed according to the contract
- education savings incentives administered by ESDC must be repaid



General information

- Contributions, minus any fees, are returned to each subscriber at the end of the contract, or before if the contract is terminated
- Only the earnings generated by the pooled contributions are shared by the cohort whether or not the contract reaches its maturity or is terminated prior to
- Depending on the selected scholarship plan dealer, other rules may apply. Subscribers should carefully read and understand the conditions of the plan before signing their contract

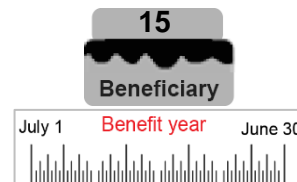


9. The Canada Learning Bond

The Canada Learning Bond (CLB) is an education savings incentive for eligible children from low-income families.

The CLB amounts accumulate for each child until the benefit year in which they turn 15 years of age, even if they are not beneficiaries of a Registered Education Savings Plan (RESP).

A subscriber must open an RESP to receive the CLB. It can be either an individual plan or a family plan in which all beneficiaries are siblings.



Although a beneficiary can be named in multiple RESPs, **only 1** plan at a time can be designated to receive the CLB payments for a specific beneficiary.

Eligibility criteria

CLB features



Residency

 when the CLB is paid

1x + 15X


\$500 **\$100**



The CLB is an initial amount of \$500 plus \$100 for each year of eligibility for a beneficiary until the benefit year in which they turn 15 years of age

The CLB may be retroactive



Beneficiary born

 on January 1, 2004 or after

Beneficiary must be less than 21 years of age at the time of the application

There is a lifetime CLB limit of **\$2,000** per beneficiary



The beneficiary can request their own CLB entitlements from the day they turn 18 years of age until the day before they turn 21 years of age



Social Insurance Number (SIN)

A valid SIN is required for the:

- subscriber
- the beneficiary, and
- the individual primary caregiver (PCG) or their cohabiting spouse or common-law partner for beneficiaries under 18 years old

Business Number (BN)

A BN is required for a public PCG (department, institution, or agency)



Information about the individual PCG or their cohabiting spouse or common law partner is not needed for the CLB application process for adult beneficiaries between 18 and 20 years of age.



Since July 2017, eligibility for the CLB is based in part on:

- the number of qualified children, and
- the adjusted income of the individual PCG

The individual PCG must:

- file income tax returns
- be eligible to receive the Canada child benefit (CCB)

The public PCG must receive a payment under the *Children's Special Allowances Act* for a child in care, for at least one month of the benefit year



No contributions are required to receive the CLB

10. Contributions

A contribution is an amount deposited into a Registered Education Savings Plan (RESP) by a subscriber, in respect of a beneficiary, that may be eligible to attract the Canada Education Savings Grant (CESG).

Contributions:



Belong to the subscriber



An assisted contribution means a contribution amount for which a CESG payment has been received.



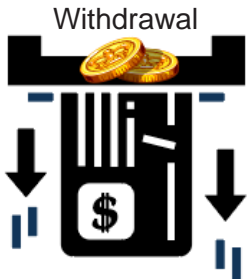
Over-contributions
An over-contribution occurs when **all** contributions made by **all** subscribers to **all** RESPs for a **single beneficiary** exceed the lifetime limit of \$50,000.

Each subscriber for that beneficiary is liable to pay a **1% per-month penalty tax** for their share of the over-contribution that is not withdrawn by the end of the month.



Contribution withdrawals

Contributions can be withdrawn without tax implications and are done at the plan level (not at the beneficiary level). If contributions are withdrawn when no beneficiary in the RESP is eligible for an EAP, it may trigger the repayment of the CESG as this incentive is paid based on contributions.



If unassisted contributions are withdrawn before a pending grant is paid in the RESP:

- the CESG must be repaid to Employment and Social Development Canada (ESDC) when it is received as the contribution no longer meets the requirement for the CESG payment

Repayment of the CESG due to an assisted contribution withdrawal

The promoter must use the following formula to determine the amount of the CESG to repay:

$$A/B \times C$$

is the balance in the CESG account of the RESP immediately before the withdrawal

A

is the balance of the total assisted contributions in the RESP immediately before the withdrawal

B

is the amount of assisted contributions withdrawn

C

Repayment of the CESG

Repayment of the CESG is not required when:



- the contributions are withdrawn to eliminate over contributions

and

the excess amount is **\$4,000** or less at the time of the withdrawal



- a beneficiary of the RESP is eligible for an EAP



Anti-churning rule

If assisted contributions are withdrawn before a beneficiary is eligible for an EAP:

- all beneficiaries under the RESP are no longer eligible for the Additional CESG for the remainder of the year and the next 2 calendar years

However, they will remain eligible for the Basic CESG. This anti-churning rule applies across all plans for each tainted beneficiary.





11 The Canada Education Savings Grant

Eligibility criteria

- The beneficiary has to be a resident in Canada at the time of the contribution and the withdrawal
- A valid Social Insurance Number (SIN) is required for the subscriber and the beneficiary
- In the case of the Additional CESG:
 - a valid SIN is also required for the individual primary caregiver (PCG) or their cohabiting spouse or common-law partner, if applicable
 - a business number (BN) is required for a public PCG (department, institution or agency)
- Information on the individual PCG, their cohabiting spouse or common-law partner, or the public PCG, must be collected to request the Additional CESG
- Contributions must be made on or before December 31 of the calendar year in which the beneficiary turns 17
- Special conditions apply for the contributions made in respect of the beneficiary during the calendar years that a beneficiary turned 16 or 17 years old. One of the following conditions must apply before the end of the calendar year the beneficiary turned 15:
 - a minimum of \$100 in annual RESP contributions has been made (and not withdrawn) in any 4 years or
 - a minimum of \$2,000 in contributions has been made (and not withdrawn)

CESG rates payable to an RESP in respect of a beneficiary

Basic CESG

The Basic CESG is payable at a rate of 20% of the first \$2,500 or less of annual contributions.

If a beneficiary has accumulated grant room, the subscriber could catch up on these unused Basic CESG amounts by contributing more than \$2,500 annually.

Note: The amount of annual Basic CESG payable per beneficiary is limited to the lesser of the following amounts:

- accumulated grant room available for the beneficiary, or
- the Basic CESG annual limit

Since 2007:

- the annual amount of Basic CESG (added to grant room) is \$500
- and the annual limit of Basic CESG is \$500 or \$1,000 with carry forward
- the amount of contributions required to receive the annual limit of Basic CESG is \$2,500 or \$5,000 with carry forward



Administered by Employment and Social Development Canada (ESDC), the Canada Education Savings Grant (CESG) consists of: a basic amount (Basic CESG, introduced in 1998) and an additional amount of CESG (Additional CESG, introduced in 2005).

The CESG is paid on contributions made to a Registered Education Savings Plan (RESP) in respect of an eligible beneficiary.

Additional CESG

The Additional CESG is payable at a rate on 10% or 20% of the first \$500 or less of annual contributions.

The rate (10% or 20%) is based on the PCG's adjusted income level. Tax bracket thresholds are used to determine eligibility for the Additional CESG and the payable rate starting January 1 of each year.

For current income levels, refer to the Canada Revenue Agency's [Tax bracket thresholds table](#). The table provides information about tax bracket thresholds for the last 4 tax years.

Rate of payment of 20%

The beneficiary could be eligible to receive an additional 20% on the first \$500 or less of contributions. To do so, the PCG's annual adjusted family income must be less than or equal to the amount listed in the first tax bracket of the tax bracket thresholds.

Additional CESG payable rate of 20%

To verify eligibility for 20% on the first \$500 or less of contributions, refer to the first row of the [tax bracket thresholds table](#) (first tax bracket) of the most recent tax year.

PCG's adjusted income level	Additional CESG payable rate
Less than or equal to the amount in the first tax bracket	20% on the first \$500 or less of contributions

Rate of payment of 10%

If the PCG's annual adjusted family income is greater than the amount listed in the first tax bracket and, up to the amount listed in the second tax bracket, the beneficiary would be eligible to receive an additional 10% on the first \$500 or less of contributions.

Additional CESG payable rate of 10%

To verify eligibility for 10% on the first \$500 or less of contributions, refer to the first 2 rows of the [tax bracket thresholds table](#) (first and second tax brackets) of the most recent tax year.

PCG's adjusted income level	Additional CESG payable rate
Greater than the amount in the first tax bracket and, up to the amount in the second tax bracket	10% on the first \$500 or less of contributions

The Additional CESG cannot be carried forward.

Note: The lifetime limit per beneficiary for the CESG (basic and additional combined) is \$7,200.





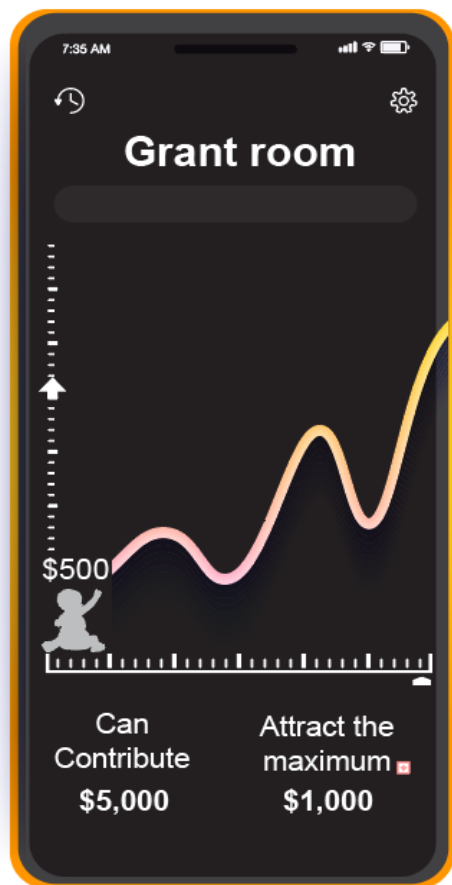
12. Grant room and carry forward

Unused amounts of the Basic Canada Education Savings Grant (Basic CESG) accumulate for each child until December 31 of the year in which they turn 17 years of age, even if they are not a beneficiary of a Registered Education Savings Plan (RESP).

Since 2007, a **\$500** amount is added annually to the grant room for each eligible child (for the child born in 2007 or after, the grant room begins as of the year of birth).

Carry forward

Amounts of unused Basic CESG in the current year, which is added to the grant room of an eligible beneficiary for possible use in future years.



! Grant room and carry forward do **not** apply to the additional CESG

Limits and carry forward amounts per beneficiary

A subscriber can contribute **\$5,000** in a given year to attract the maximum annual Basic CESG amount of **\$1,000** (only if there is accumulated grant room available as carry forward). This can be done on a yearly basis until all the available grant room has been paid.

Since 2007	
Annual amount of Basic CESG (added to grant room) is	\$500
Annual limit of Basic CESG is	\$500 or \$1000 with carry forward
Amount of contributions required to receive the annual limit of Basic CESG is	\$2,500 or \$5000 with carry forward

Table: Example of a child born in 2015 and RESP opened in 2016

Year	Annual amount of Basic CESG added to grant room	Accumulated grant room	RESP contributions	Basic CESG 20% rate	Carry forward to next year
2015	\$500	\$500	\$0	n/a	\$500
2016	\$500	\$1,000 (\$500 + \$500)	\$1,000	\$200	\$800 (\$1,000 - \$200)
2017	\$500	\$1,300 (\$500 + \$800)	\$2,000	\$400	\$900 (\$1,300 - \$400)
2018	\$500	\$1,400 (\$500 + \$900)	\$6,000	\$1,000 (annual limit)	\$400 (\$1,400 - \$1,000)
2019	\$500	\$900 (\$500 + \$400)	\$0	n/a	\$900 (\$900 - \$0)
2020	\$500	\$1,400 (\$500 + \$900)	\$4,000	\$800	\$600 (\$1,400 - \$800)

13. Educational assistance payment

Educational assistance payments (EAPs) consist of:

- education savings incentives, and
- earnings accumulated over the years.

EAPs are taxable income for the beneficiary

EAPs are paid from a Registered Education Savings Plan (RESP) for an eligible beneficiary. Their purpose is to assist with post-secondary education related expenses.

An EAP **does not** include contributions made by the subscriber.

Eligibility criteria



The beneficiary must be a resident in Canada to receive: the Canada Education Savings Grant (CESG), and the Canada Learning Bond (CLB) portions in an EAP.






The beneficiary must be enrolled at a post-secondary educational institution recognized by the Income Tax Act (ITA): in-class or distance learning and full time or part time studies.

6

A beneficiary is eligible to receive an EAP for up to 6 months after ceasing to be enrolled at a post-secondary educational institution. The condition to do so is that he was eligible for an EAP at the time of his registration.

! Even if the amount of CESG available in a family plan is higher, the lifetime EAP limit per beneficiary is still \$7,200 in CESG. For example:

	beneficiary A received \$2,000 in CESG		beneficiary B received \$5,000 in CESG		beneficiary C received \$7,200 in CESG
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The total amount of CESG available in the RESP is \$14,200. If beneficiary A requests an EAP, the maximum possible amount for the payment in CESG is \$7,200.

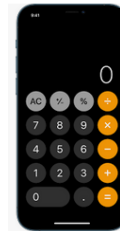
Processing an EAP



The subscriber determines the timing and the amount of the EAP

The RESP promoter is responsible for ensuring that:

- beneficiaries meet EAP eligibility criteria
- proof of post-secondary education enrolment has been provided
- EAP's amounts are within established limits



The RESP promoter calculates the portion of EAPs which is attributable to each of the related notional accounts (earnings and incentives) using the *Canada education Savings Regulations* legislative formula

The RESP promoter must inform beneficiaries in writing of:

- incentive amounts included in each EAP
- their obligation to repay any portion of the CESG and CLB to which they are not entitled to, including any portion of CESG that exceeds \$7,200



EAP limits

EAP requirements and limits according to the studies

	Studies - Full-time	Studies - Part-time
Requirements	At least 10 hours per week in an educational program that lasts: <ul style="list-style-type: none"> • at least 3 consecutive weeks • 13 consecutive weeks if the program is outside Canada and not at a university 	At least 12 hours per month in an educational program that lasts: <ul style="list-style-type: none"> • at least 3 consecutive weeks. Beneficiaries must also be at least 16 years old.
Limits (Some exceptions may apply)	FIRST 13 WEEKS: The total educational expenses, up to a maximum of \$8,000 (whichever is less). AFTER 13 WEEKS: Up to the total amount of tuition fees. If there is a 12-month interval in which the beneficiary is not enrolled in full-time program for a period of 13 consecutive weeks, the \$8,000 maximum will apply again.	FOR EVERY 13 WEEKS: The total educational expenses, up to a maximum of \$4,000 (whichever is less).



Each year the promoter must issue a T4A slip in the name of the beneficiary, as EAPs are taxable income for the beneficiary



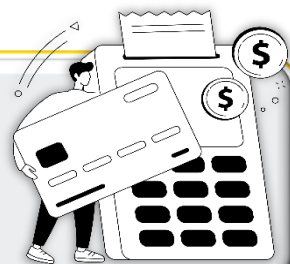
14. Plan termination

Promoters may need to report multiple repayment transactions with different repayment reasons, within the same processing month. This depend on how the money in the Registered Education Savings Plan (RESP) is distributed when an RESP is terminated. When terminating a plan, promoters are recommended to follow the process below, in the suggested order. This is to help prevent any possibility of funds being paid into an otherwise closed RESP.

1

Stop automated payments

Promoters should first consider stopping any pre-authorized contributions or other types of automatic payment made to the RESP



Stop Canada Learning Bond request

If the RESP is set to receive the annual Canada Learning Bond (CLB) payments, the promoter must submit a CLB request transaction (400-24) for each beneficiary with an active CLB request. In each transaction, the "grant request" field should be set to "0" or "no"

2

3

Contribution withdrawal

If any contributions remain in the RESP, the promoter must submit a contribution withdrawal through a repayment transaction (400-21). They must use repayment reason "01" (contribution withdrawal)

Note: A contribution withdrawal requires a repayment transactions. Even if the repayment amounts are zero for the Canada Education Savings Grant (CESG)



Repayment of incentives

Any remaining incentives administered by Employment and Social Development Canada (ESDC) in the RESP must be repaid to ESDC using the specified repayment reason(s). Appendix G – Understanding repayments of the RESP provider user guide lists 12 potential repayment reasons and offers guidance on the repayment process based on different situations

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5

When losses occur in the plan

Use a termination adjustment transaction (400-22) only when terminating an RESP and an investment losses prevent the full repayment of all education savings incentives



Distribution of earnings

Earnings can be paid to a qualified subscriber as an accumulated income payment (AIP). To do so, the promoter must submit a repayment transaction (400-21) to the Canada Education Savings Program (CESP) system and use repayment reason "02"

An AIP may be rolled over into another qualified registered product. Also, with a repayment reason "06" as a gift to a designated educational institution

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Report the termination

Submit a repayment transaction (400-21) with repayment reason "03" to report all plan terminations to ESDC. Use this transaction to repay any remaining incentives administered by ESDC, even if the repayment amount is 0





15. Error codes and refusal reasons

Promoters send monthly transactions to Employment and Social Development Canada (ESDC). The Canada Education Savings Program (CESP) system will either process or reject each transaction based on format and validation rules.

Rejected transaction

Most common error codes with description and resolution

Appendix E

Understanding error codes

ESDC will advise the promoter through either the error report (RT 800) or the severe error report (RT 850).

The CESP will generate a **4-digit** error code/type

7001 - Invalid value

Submit a new or corrected beneficiary information transaction (200-03) the following month. The financial transactions can be submitted in the same month for processing.

7006 - Invalid SIN

Submit a new or corrected beneficiary information transaction (200-03) the following month.

The financial transactions can be submitted in the same month for processing.

The promoter should contact the subscriber or custodial parent to verify if the beneficiary's Social Insurance Number (SIN) information has changed for any reason since initially provided.

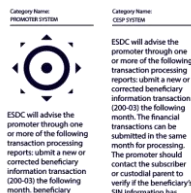
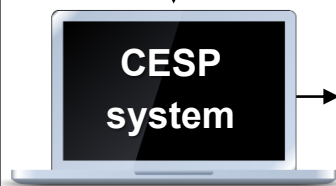
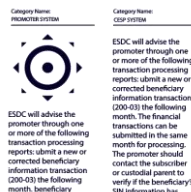
The promoter must submit a new 200-03 transaction with the new SIN information for each contract and specimen plan held for that beneficiary.

7031 - Beneficiary not associated with the specimen plan

Submit a new or corrected beneficiary information transaction (200-03) the following month.

Check the error reports sent by the CESP system to verify the specimen plan ID submitted in the 200-03 transaction.

Ensure that this specimen plan ID corresponds with the specimen plan ID submitted in the RT 400.



Processed transaction

Most common error codes with description and resolution

Appendix F

Understanding refusal reason

ESDC will advise the promoter through one or more of the following transaction processing reports:

- **RT 900** for financial transactions and requests for federal incentives
- **RT 911** for the provincial incentive

Even if a transaction goes through successfully, the full or partial payment of incentives might still be denied. In such cases, a refusal reason consisting of a **single-digit** code would be received.

3 - Age of beneficiary

For the Canada Education Savings Grant (CESG), no action required. The grant is only paid until the end of the calendar year in which the beneficiary turns 17 years old.

For the Canada Learning Bond (CLB), contact the subscriber to verify the beneficiary's birth date.

For the British Columbia Training and Education Savings Grant (BCTESG), verify the transaction date of the request and the age of the beneficiary.

J - Contract not Individual / Sibling only

Submit a contract information transaction (100-01) with the individual/sibling only flag set to "Yes".

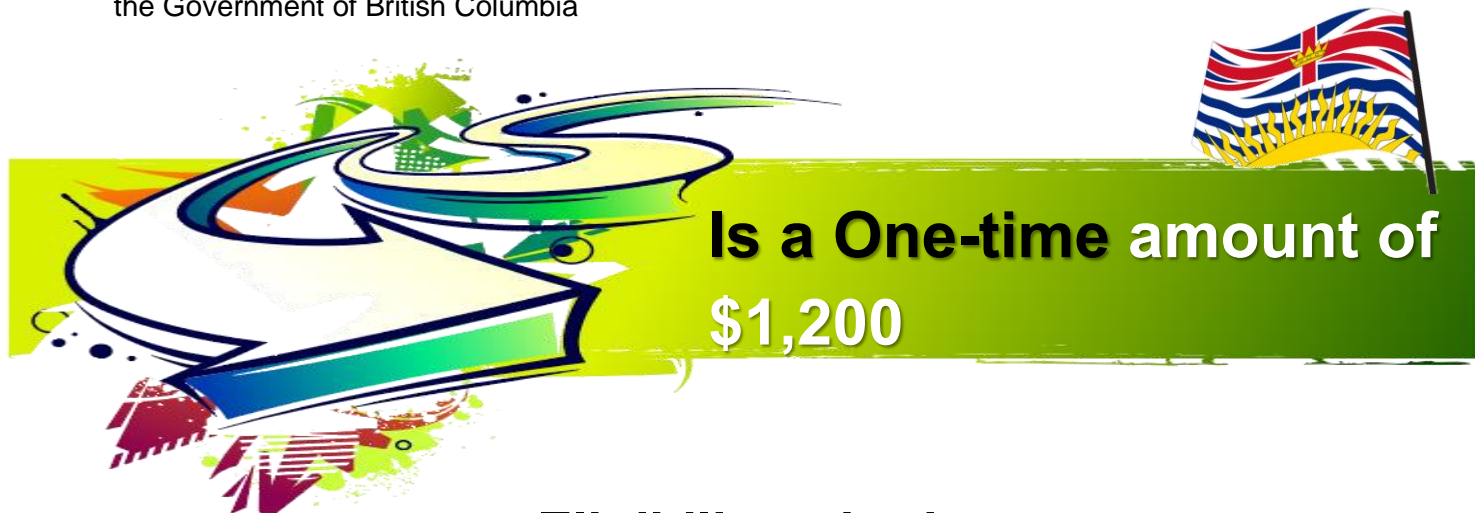
Reverse and resubmit the previously refused contribution transaction to receive the additional CESG



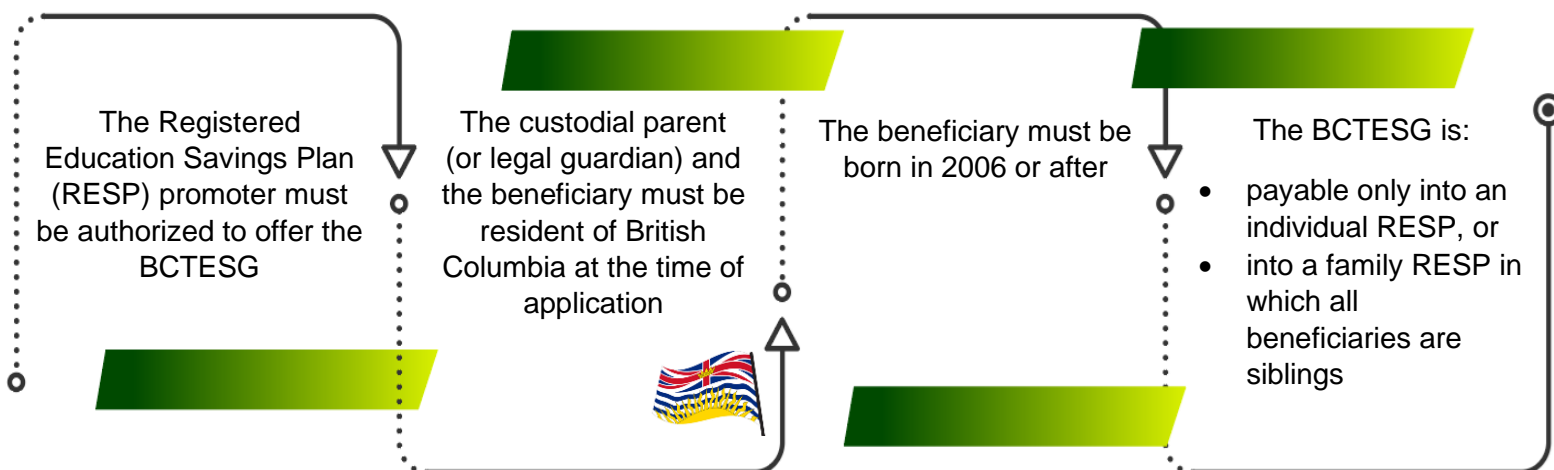
16. British Columbia Training and Education Savings Grant

On August 15, 2015, the Government of British Columbia introduced the British Columbia Training and Education Savings Grant (BCTESG). BCTESG is a provincial education savings incentive designed to help families save for their children's post-secondary education. The incentive is

- paid under a designated provincial program
- administered by Employment and Social Development Canada (ESDC) through an agreement with the Government of British Columbia



Eligibility criteria



Application

First and last day to apply according to birth year

Birth year	First day to complete and sign the application form	Last day to complete and sign the application form
2009 (on August 15 or later)	The day the beneficiary turns 6	The day before the beneficiary turns 9

Note: The last day to apply for beneficiaries born January 1, 2007, to August 14, 2009, was August 14, 2018. The last day to apply for beneficiaries born in 2006 was August 14, 2019.