



13. Educational assistance payment (EAP)

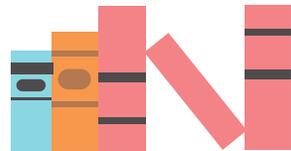
EAPs consist of education savings incentives and earnings accumulated over the years, paid from a Registered Education Savings Plan (RESP) for an eligible beneficiary to assist with post-secondary education-related expenses. An EAP does **not** include contributions.

EAPs are taxable income for the beneficiary

Eligibility criteria



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



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

6 A beneficiary is eligible to receive an EAP for up to **six months** after ceasing to be enrolled at a post-secondary educational institution, provided they would have qualified for an EAP at the time they were enrolled.

! 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.

Beneficiary A received \$2,000 in CESG Beneficiary B received \$5,000 in CESG Beneficiary C received \$7,200 in CESG

Example
Total CESG = \$14,200 → = \$7,200 max in CESG

EAP limits

	Full-time studies	Part-time studies
Requirements	<p>At least 10 hours per week in an educational program that lasts:</p> <ul style="list-style-type: none"> at least three consecutive weeks. 13 consecutive weeks if the program is outside Canada and not at a university. 	<p>At least 12 hours per month in an educational program that lasts:</p> <ul style="list-style-type: none"> at least three consecutive weeks. <p>And beneficiaries must be at least 16 years old.</p>
Limits (Some exceptions may apply)	<p>FIRST 13 WEEKS The total educational expenses, up to a maximum of \$5,000 (whichever is less).</p> <p>AFTER 13 WEEKS Up to the total educational expenses. If the beneficiary is not enrolled in full-time studies for 13 consecutive weeks during a 12-month period, the \$5,000 maximum EAP limit will apply again.</p>	<p>FOR EVERY 13 WEEKS The total educational expenses, up to a maximum of \$2,500 (whichever is less).</p>

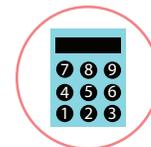
Processing an EAP



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 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 CESG and CLB portion of EAP to which they are not entitled to, including any portion of CESG that exceed \$7,200.



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