

# Federal education grants and bonds

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**A Registered Education Savings Plan (RESP) is like a special bucket for your child's education that you can fill up with savings and investments. The government will also put some money into this bucket in the form of education grants and bonds. Make sure that your tax filing is up-to-date and that you open an RESP account in order to receive the government education grants and incentives below.**

## **Canada Learning Bond (CLB)**

**The Canada Learning Bond (CLB) is a federal government bond for children from families with low-income. You do not need to put any money into the RESP for your child to receive the CLB.**

### **To qualify**

Child is born on or after January 1, 2004, is a resident of Canada, has a valid SIN, and is named as beneficiary in an RESP.

Your household income falls below the set limit based on the number of qualified children in your family.

### **To apply**

Have the social insurance numbers (SIN) for you and your child.

- If someone other than you is opening the RESP, that person's SIN is also needed.

Open an RESP at a promotor (for example, a bank) that offers the CLB.

Fill out the application form(s) that the promotor provides.

Apply before your child turns age 21.

### **What you can receive**

One-time payment of \$500 plus yearly payments of \$100 until your child turns 15.

- Payments are retroactive, this means the government will pay \$100 for each previous year your child qualified for the CLB, even if you open an RESP and apply for the CLB later in your child's life.
- Lifetime total you can receive is \$2000.

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## Canadian Education Savings Grant (CESG)

The **Canadian Education Savings Grant (CESG)** is a government education savings incentive. **When you put money into your child's RESP, the government will add more money by matching a portion of what you contribute each year. The basic CESG is available to children from all family incomes, while children from families with low to moderate income will also get the additional CESG.**

### To qualify

#### Basic CESG

Child is age 17 or younger, is a resident of Canada, has a valid SIN, and is named as beneficiary in an RESP.

#### Additional CESG

Child is age 17 or younger, is a resident of Canada, has a valid SIN, and is named as beneficiary in an RESP.

Your household income falls below the set limit.

### To apply

Have the social insurance numbers (SIN) for you and your child.

- If someone other than you is opening the RESP, that person's SIN is also needed.

Open an RESP at a promotor (for example, a bank) that offers the basic CESG and additional CESG.

Fill out any application form(s) that the promotor provides.

Apply and make contributions before December 31st of the year your child turns 15.

- If your child is already 16 or 17 years of age, there are special requirements to receive the CESG.

### What you can receive

#### Basic CESG

Grant equal to 20% of RESP contributions made each year, up to a maximum of \$500 each year.

- For example, if you contribute \$100 into the RESP, the government will put in an additional \$20.

Each beneficiary can receive a maximum lifetime CESG amount of \$7200.

You can carry-forward any contribution room that you did not use to future years.

#### Additional CESG

Additional payment equal to 10% or 20% (depending on your household income) of the first \$500 in RESP contributions made each year.

- For example, if you contribute \$100 and qualify for 20% additional CESG, the government will put in \$20 for the basic CESG and another \$20 for the additional CESG.

Each beneficiary can receive a maximum lifetime CESG and additional CES combined amount of \$7200.