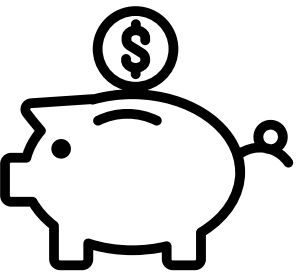


Maximizing Your RESP: A Simple Guide

Registered Education Savings Plan (RESP)

Here's how to make the most
of it:



1. Start Early

- The sooner you start, the more **time** your savings have to **grow**.
- Contributions grow **tax-free** until withdrawal.



2. Maximize Government Grants

- Canada Education Savings Grant (CESG): The government matches **20%** of your contributions **up to \$500** per year, with a lifetime maximum of **\$7,200**.
- Additional CESG: Low- and middle-income families may receive **up to 40%** on the first \$500 contributed annually.
- Canada Learning Bond (CLB): Eligible low-income families can receive **up to \$2,000** without needing to contribute.

3. Contribute Strategically

- Aim to contribute at least **\$2,500 per year** to get the **full CESG**.
- If you can't contribute every year, you can catch up on unused CESG from previous years (up to \$1,000 grant per year). Ex: \$5000 deposit = \$1000 grant



4. Invest Wisely

- Choose a mix of investments (stocks, bonds, GICs) based on your **time horizon** and **risk tolerance**.
- Consider shifting to lower-risk investments as your child approaches post-secondary age.



5. Plan Withdrawals Efficiently

- Educational Assistance Payments (EAPs) include government grants and investment growth—**these are taxable** under the student's lower income bracket.
- Return of Contributions (ROC) is **tax-free** when withdrawn.
- Withdraw EAPs strategically to minimize taxes and maximize available funding.

6. Beneficiaries

You can name **multiple beneficiaries** under a family RESP if you have more than one child. If a child does not attend post-secondary, the funds can often be transferred to another beneficiary or rolled into an RRSP under certain conditions.



7. Use RESP Funds for Various Education Costs

- RESPs can be used for tuition, books, housing,
- and even some living expenses.
- Funds can be used for **full-time** and **part-time**
- studies at universities, colleges, trade schools,
- and other eligible programs.

8. Avoid Common Mistakes

- Don't overcontribute:

The lifetime contribution limit per child is **\$50,000**.

- If the beneficiary doesn't pursue post-secondary education, there is a **backup plan** (transfer to RRSP, another beneficiary, or withdrawal with tax implications).



506-378-4333

Take Action Today!

The **earlier you start** and the more you contribute, the better prepared you'll be for your child's education expenses.

Make sure to **take full advantage** of available grants and investment opportunities!