



# Registered Education Savings Plan (RESP)

A **Registered Education Savings Plan (RESP)** is a dedicated savings plan to help you save for your children's education after high school. For children under 17, the federal government also contributes money in the form of a grant or a bond. RESP investment earnings grow tax free while in the plan.

There are three types of RESPs: individual plans, family plans, and group plans.

## Individual/family plan

An individual plan is intended to pay for the education of one beneficiary (student). Anyone can open an individual plan and anyone can contribute to it. A family plan can have more than one beneficiary. But each beneficiary must be related to the person who opens the plan and under 21 when you name them.

You can open an individual or family RESP at most financial institutions (like a bank, trust company or mutual fund dealer). How much and how often you contribute to the plan and any investment decisions are made by you.

## Group plan

Group plans work differently from individual and family plans, and each plan has its own rules. They also tend to have higher fees and more restrictive rules.

Group RESPs are only offered by scholarship plan dealers. In a group plan, your contributions are pooled with other plan members' money and invested. Basically, you are purchasing units of a pooled plan. When you join a group RESP, you agree to put money into the plan according to a set schedule.

Scholarship plan dealers are required to provide a prospectus that includes a plan summary with the information you need. Be sure to read and understand this document. If you join a group plan, you have the right to withdraw all of your money within 60 days if you change your mind. After 60 days, you can get your money back, less any fees.

---

## Questions to ask when choosing a plan provider:

1. What fees are you expected to pay? When do you have to pay them?
2. Do you have to make regular contributions? If so, what happens if you miss a contribution?
3. Can you withdraw money if you need it? Are there fees or penalties for early withdrawal?
4. What kinds of post-secondary programs qualify? Are there any restrictions on the types of educational programs the RESP can be used for?
5. What investment options are available?
6. When and how will payments be made from the plan?
7. What happens if your beneficiary doesn't continue with their education after high school?
8. What happens if you want to cancel the plan? Is it easy to get your money out? Will you have to forfeit your earnings?

Learn more at [GetSmarterAboutMoney.ca](https://www.getsmarteraboutmoney.ca)

---

### Ontario Securities Commission

20 Queen St. W., 22nd Floor, Toronto, Ontario M5H 3S8

Tel: 1-877-785-1555 Email: [inquiries@osc.gov.on.ca](mailto:inquiries@osc.gov.on.ca)

