



# CANADIAN GRADS

## Background – Canada Learning Bond (CLB)

### How much can a child get from CLB?

The Government of Canada contributes up to \$2,000 for an eligible child. This includes:

- \$500 for the first year of eligibility
- \$100 each year the child continues to be eligible (up to and including the year in they turn 15)

Accessing the CLB requires no contribution, but does require an RESP account. The CLB is **free money**, for those who are eligible. If the subscriber makes contributions, the RESP account will also receive The Canada Education Savings Grant, (CESG) which is 20% (more for lower income families) of the contribution.

### Definitions and Roles:

**Subscriber** – The person who establishes the RESP and makes any contributions; normally this is a parent (or primary caregiver) but anyone can open an RESP account for a child—parents, guardians, grandparents, other relatives or friends.

- Selects a Registered Education Savings Plan and names an eligible beneficiary (ies);
- Provides Social Insurance Numbers and certifies that eligibility conditions have been met;
- Requests the CESG, the CLB and/or provincial grants and completes application forms;
- Directs Educational Assistance Payments to an eligible beneficiary;
- Informs the RESP provider of any change to a beneficiary's status.

**Primary Caregiver** – The person who the subscriber lives with usually, normally a parent

- Consents to family income testing to determine beneficiary eligibility for CLB and additional CESG
- Authorizes and designates the RESP where the CLB & CESG are to be deposited;
- Provides their Social Insurance Number or Business Number (if an agency).

**Beneficiary** – The person who will receive the funds from the RESP to pursue post-secondary education, usually a child

**The RESP Provider (Promoter)** – The Company that offers RESPs to the public such as banks, mutual fund companies, scholarship foundations, and trust companies.

- Asks the Canada Revenue Agency to register the plans on behalf of the subscribers;
- Applies to Employment and Social Development Canada for the CLB, CESG and any provincial grants on behalf of the subscribers;
- Receives and deposits the CLB, CESG and any provincial grants into the RESP account;
- Informs subscribers if the CLB, CESG and provincial grants were paid (or not);
- Maintains and submits monthly records of RESP transactions to Employment and Social Development Canada;
- Makes Educational Assistance Payments to an eligible beneficiary;
- Provides the beneficiary with a breakdown of Educational Assistance Payments made;
- Repays the CLB, CESG and/or provincial grants, if required;
- Administers RESPs in accordance with the terms and conditions of their agreement with the Canada Education Savings Program.

## **Instructions to Access the Canada Learning Bond (CLB)**

### **1. Confirm Child eligibility** A child is eligible for the CLB if they:

- are born on or after January 1, 2004
- are a resident of Canada
- are from a low-income family, as defined below

No. of Children	Adjusted Max. Net Family Income
1 to 3	\$49,020
4	\$55,311
5	\$61,626
6	\$67,942
7	\$74,257
8	\$80,572
9	\$86,888
10	\$93,203

**Adjusted Net Family Income** -The net income of the primary caregiver (line 23600 of tax return), plus the net income of any cohabitating spouse or common-law partner, minus any universal child care benefit (UCCB) and any registered disability savings plan (RDSP) income received.

If unsure whether you earn too much to be eligible for the CLB, proceed anyway, because every year the government will check your income tax records, to determine your eligibility.

### **2. Determine who Will be the Subscriber**

The Subscriber could be the primary caregiver or parent. However, the primary caregiver may have family or friends who could serve this role. See information on previous page to understand roles.

### **3. Obtain SIN if Needed**

Obtain a Social Insurance Number (SIN) for the child, by completing and sending in an application by mail or on line to the Government of Canada. Call 1-866-274-6627 to get started. Or, go to: <https://www.canada.ca/en/employment-social-development/services/sin.html>

### **4. Open RESP Account**

Open an RESP account at the bank or financial institution where you do your banking. You do not have to contribute any money, but you can if you are able. If you do not already have a bank, select one that is convenient or close-by you. You can open an RESP account without having a bank account.

### **5. Name Beneficiaries**

If you have or are planning to have more than 1 child, open a FAMILY RESP and name all the children as beneficiaries.

Want to learn more about funding your family's post-secondary education?

Visit the Canadian GRADS website: [www.canadiangrads.ca](http://www.canadiangrads.ca)