



*Canada
Learning Bond*



**ACT NOW AND
GET \$500 FOR
YOUR CHILD**



Government
of Canada

Gouvernement
du Canada

Canada

LC-010-03-05



- The new **Canada Learning Bond** can help you to get started on savings so that your child can continue his or her education after high school.
- You could get **\$500 now**, to help you start saving for your child's education. You may also get **an extra \$100 each year for up to 15 years**.
- This can be used to pay for full-time or part-time studies in an apprenticeship program, a trade school, CEGEP, college, or university.

WHO CAN GET THE CANADA LEARNING BOND?

You can get the **\$500 Canada Learning Bond**:

- If your child was born after December 31st, 2003,

AND

- If you get the National Child Benefit Supplement as part of the Canada Child Tax Benefit (sometimes called the family allowance or baby bonus payment). This usually applies to families whose net family income is less than \$36,378.*

You can also get an extra \$100 per year for up to 15 years, as long as you continue to receive the National Child Benefit Supplement.

Over time, the Canada Learning Bond could add up to \$2,000 in grant money (plus interest) for your child's education after high school.

** This dollar amount is updated every year.*

HOW DO I GET THE CANADA LEARNING BOND?

- You need to open a **Registered Education Savings Plan (RESP)**. You can do this through a financial institution such as a bank or a credit union, or also through a group plan dealer, or a certified financial planner.
- To open an RESP, you will need to get:
 - **A birth certificate for your child** from your provincial or territorial government; *and*
 - **A Social Insurance Number for your child** from the Government of Canada. There is no cost for a Social Insurance Number. Anybody, even a baby, can get one.
- The Canada Learning Bond will be deposited directly into your child's RESP.



WHAT IS AN RESP?

- An RESP is a special savings account to help you, your family, or friends save for your child's education.
- The money in the RESP will be invested so it can grow and earn interest.
- You will not be taxed on the interest, and your child can usually withdraw the money tax-free.

IS THERE A FEE TO OPEN AN RESP?

- At some financial institutions, opening an RESP account is free. At others, there may be fees.
- The first Canada Learning Bond payment includes an additional \$25 to help cover the costs of opening the RESP account.

DO I HAVE TO PUT MONEY INTO THE RESP?

- **NO.** Even if you don't put any money into the RESP right now, the Government of Canada will still deposit the Canada Learning Bond into the RESP account that you opened.
- You, your family, or your friends can also put money in your child's RESP.
- You can put as little or as much money as you want, whenever you want.
- If you or your family can put money in the RESP, the Government will also give you up to 40 cents for every dollar you save, up to the first \$500. This is called the Canada Education Savings Grant.
- Even deposits of \$5 a week can make a difference, especially when the Canada Education Savings Grant is added. Plus, that money will earn interest over time.
- The sooner you start to save, the more your savings will grow!



WILL I BE TAXED ON THE MONEY THE GOVERNMENT OF CANADA PUTS INTO MY CHILD'S RESP?

- **NO.** You won't be taxed on money that the Government of Canada adds to your child's RESP.

WILL THE GRANT MONEY AFFECT OTHER GOVERNMENT OF CANADA BENEFITS I RECEIVE?

- **NO,** the Canada Learning Bond and the Canada Education Savings Grant will not affect your other Government of Canada benefits.

WHAT HAPPENS IF MY CHILD DOESN'T CONTINUE EDUCATION AFTER HIGH SCHOOL?

- **The RESP can stay open for up to 26 years,** so if your child doesn't continue his or her education right after high school, the money can be used if he or she returns to school later.
- If the money is not used 26 years after the RESP is opened, **the amount you saved goes back to you,** and the Canada Learning Bond is returned to the Government of Canada.



WHERE CAN I GET HELP OR MORE INFORMATION?

- Call toll-free at **1 800 O-CANADA (1 800 622-6232)** for free brochures on the Canada Education Savings Grant and Registered Education Savings Plans.
- If you use a **TTY,** call **1 800 465-7735.**
- Look on the Internet at **www.hrsdc.gc.ca** and click on *Training and Learning.*

This publication is available in multiple formats (large print, audio cassette, braille and diskette) in English and French.

Call **1 866 386-9624** (toll free) on a touch-tone phone.

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**Enquiries Centre
Human Resources and Social Development Canada**

140 Promenade du Portage
Phase IV, Level 0
Gatineau, Quebec
K1A 0J9

Fax: (819) 953-7260

E-mail: publications@hrsdc-rhdcc.gc.ca

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