

# REGISTERED EDUCATION SAVINGS PLAN PLAN COMPARISON



## Registered Education Savings Plans (RESPs)

help you save tax-free for your children's post-secondary education. There is a lifetime contribution limit of \$50,000 per beneficiary (student). For children aged 17 and under, the federal government also contributes money to the RESP in the form of a grant or bond (however, special rules apply if your child is between the ages of 15 and 17).

There are three types of RESPs: individual plans, family plans, and group plans. Group RESPs work differently from individual and family plans, and each plan has its own rules. Group RESPs also tend to have higher fees and more restrictive rules.

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 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 plan, you agree to put money into the plan according to a set schedule. Before you open a group plan, make sure you read all the documents you are given about the plan. If you don't understand the plan or the investment, don't invest.

Learn more about RESPs and investing at [www.GetSmarterAboutMoney.ca](http://www.GetSmarterAboutMoney.ca)

	Individual/ family	Group
Open a plan at a financial institution	✓	
Join a plan by purchasing shares/units of a pooled plan		✓
Eligible for government grants	✓	✓
Earnings on investments are tax-free	✓	✓
Contribute when you want to and how much	✓	
Investment decisions are made for you		✓
Additional restrictions/rules on applicable post-secondary programs; when you can withdraw funds etc.		✓



### If you have 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. 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.

## Ontario Securities Commission

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