

## BASIC CANADA EDUCATION SAVINGS GRANT (CESG)

### Definition:

The Basic CESG is a federal government program administered by Human Resources and Skills Development Canada (HRSDC). It is an incentive offered to encourage Canadian families to start saving for a child's post secondary education.

### Eligibility Requirements:

To be eligible for the Basic CESG, the beneficiary must meet all of the following conditions:

- Has a Social Insurance Number (SIN)
- Canadian resident
- Named as a beneficiary on a Registered Education Savings Plan (RESP)

### Grant:

The government offers a grant of 20% on the first \$2,500 contributed for a beneficiary each year totaling \$500.

A beneficiary begins accumulating CESG eligibility from birth until the end of the calendar year in which they turn age 15. In order to be eligible for ages 16 and 17, the beneficiary must meet one of the two conditions under the HRSDC's 16/17 rule:

1. A minimum of \$100 in annual contributions must have been made in any four years (and not withdrawn) before the end of the calendar year the beneficiary turns 15.
2. A minimum of \$2,000 in contributions must have been made (and not withdrawn) before the end of the calendar year the beneficiary turns 15.

If the 16/17 rule is passed, the beneficiary will be CESG eligible until the end of the calendar year in which they turn 17.

### Limits:

Annual: Basic CESG of \$500 on the first \$2,500 contribution. A maximum of \$1,000 on a \$5,000 contribution if the beneficiary has adequate grant carry forward available.

Lifetime: \$7,200 maximum per beneficiary. This also includes any Additional CESG received.

### How to apply:

- Opening a RESP plan with a recognized RESP promoter such as Mackenzie
- A completed HRSDC grant application for each beneficiary