AMOVA

FREE GUIDES

# Securing Your Child's Future

RESP, CESG, the Canada Learning Bond, the BC grant, wills and guardianship, explained with official sources.

## 01 The big picture

Securing a child's future has two halves: **building** (saving for education) and **protecting** (making sure the plan continues if something happens to a parent). This guide explains the official tools for both.

## 02 RESP: the education savings account

- A Registered Education Savings Plan lets savings grow tax-sheltered until withdrawn for post-secondary education. (Source: Canada.ca, RC4092 (https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4092/registered-education-savings-plans-resps.html))
- RESPs are opened with an RESP promoter such as a bank, credit union or investment firm. Fees and features vary, so compare carefully.

## 03 Canada Education Savings Grant (CESG)

- **Basic CESG:** 20% of the first $2,500 contributed each year, up to **$500 per year** per eligible child, regardless of income.
- **Additional CESG** on the first $500 contributed each year for low- and middle-income families, based on adjusted family net income. Check Canada.ca (https://www.canada.ca/en/services/benefits/education/education-savings/estimating-amounts.html) for the current income thresholds.
- **Lifetime maximum: $7,200** per child. Unused basic grant room carries forward; the CESG is available until the end of the calendar year the child turns 17.

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## 04 Canada Learning Bond (CLB)

- For eligible children from low-income families born in 2004 or later: **$500** for the first eligible year plus **$100** for each further eligible year up to age 15, to a maximum of **$2,000**. **No contributions are required.** An additional $25 helps cover the cost of opening the RESP with the first bond. It must be requested before the beneficiary turns 21. (Canada.ca and RC4092)

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## 05 BC Training and Education Savings Grant (BCTESG)

- A one-time **$1,200** grant into an eligible child's RESP. Apply between the child's 6th birthday and the day before their 9th birthday; child and guardian must be BC residents; no matching contribution required. (Source: Province of BC (https://www2.gov.bc.ca/gov/content/education-training/k-12/support/scholarships/bc-training-and-education-savings-grant))

### Checklist

- [ ] Does each child have a SIN? (needed to open an RESP and receive grants)
- [ ] Have we checked Canada Learning Bond eligibility?
- [ ] Is a calendar reminder set for the BCTESG window (age 6 to 9)?

- [ ] Are we using the $2,500 a year that attracts the basic CESG, or catching up on carried-forward room?

## 06 Wills and guardianship (BC basics)

- In BC a parent can name a preferred guardian for their children in a will. The court acts in the child's best interests and usually appoints the named person unless there is a good reason not to. If no guardian is named, the court decides, and the Public Guardian and Trustee may become involved. (Source: Province of BC, wills and estates (https://www2.gov.bc.ca/gov/content/life-events/death/after-death/wills-estates))

- [ ] Do both parents have a current will?
- [ ] Have we named a guardian and talked with them?
- [ ] Who would manage money left to a minor child (a trustee)?
- [ ] Are beneficiary designations on RRSPs, TFSAs and insurance consistent with our wills? (A BC lawyer or notary can help.)

## 07 The role of life insurance

- An education plan depends on someone continuing to contribute. Life insurance on a parent is one way some families make sure savings, housing and daily costs continue if that parent dies. See the Family Protection Checklist for how it works.
- Naming a minor child directly as a beneficiary can create complications; many families discuss a trustee or a trust with a lawyer.

## → Next step

Want to talk it through? Book a complimentary 30-minute conversation with Amova Financials at amovafinancials.com/book.

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