

**February Newsletter | Thinking about opening a registered education savings plan (RESP) for your child? Find out about government incentives that can help you invest more in their future.**



## **RESP Government Grants: An Incentive to Save**

### **The RESP: Investing in your children's future**

Like all parents, you want to help your children achieve their dreams. To do that, many people open RESPs when their children are still young, so they can grow their contributions tax free and benefit from government grant programs to help fund their children's post-secondary education.

But did you know that you can contribute up to \$2,500 to an RESP per child, per year? If you have two children, for example, you should be saving \$5,000 per year for their post-secondary education, or \$416 per month. However, it can be difficult to have funds available to reach this level of contributions.

Thanks to the RESP Loan, you can maximize your RESP contributions without changing your budget.

#### **Maximize your contributions with the RESP Loan**

The RESP loan can help you contribute more to your child's RESP and take full advantage of generous government grants, without going over budget.

The way the RESP Loan works is simple: in addition to your contributions, you also deposit the borrowed amount into your child's RESP. Combined, these amounts will help you receive government grants. The more you contribute to your RESP, the more you receive in grants, up to

an annual maximum. The total accumulated amount of your contributions, the loan, and the grants will generate returns which will grow the RESP as time goes on, tax free.

### **More savings for your child**



If your contributions are less than \$208 per month, or \$2,500 per year, you might be missing out on substantial grants. Why turn down these generous grants offered by the government for your child's future?

If you get started early on saving in your child's RESP and you contribute the maximum amount, based on your province of residence, you can receive up to \$10,800 in grants! You can take advantage of this significant amount by borrowing for your child's RESP. By the time your child is ready to start post-secondary education, they can devote themselves entirely to their career, without worrying about the finances.

### **Recover government grants from previous years**

An RESP loan also gives you the option of recovering unused grants from previous years and, based on how much you contribute, doubling your grants, without spending a dime! The total return from your RESP is increased because the additional amounts from the loan and the grants received through the loan are invested.

### **What happens when your child is ready to start post-secondary education For parents.**

When your child is old enough to start post-secondary education, you'll receive back the amounts that you deposited into the RESP and you'll pay back the amount of the loan and the interest on the loan. You can also use part of the recovered contributions to pay back the loan interest.

### **More money for your child**

Your child will receive the grants and the returns accumulated in the RESP which were generated from your contributions, the grants and the loan. The accumulated amount will be much higher than they would have received without the RESP loan.

Need more information ?

I'm happy to help.

For more information visit my [Linktr.ee](#) or call me at (647) 823-1053 to get your FREE consultation today. Best Regards, Lineth Orea

