

Registered Education Savings Plan (RESP)

Your Registered Education Savings Plan (RESP) can be used towards your child's enrolment in the CLAC Career Development College's: **Pre-Employment First Period Welding Program.**

What is an RESP?

A **Registered Education Savings Plan (RESP)** is sponsored by the Canadian government and encourages parents to invest in a child's future post-secondary education. Subscribers to an RESP make contributions that build up tax-free earnings—tax-free because subscribers cannot deduct payments made to the plan from their income. The government also contributes a certain amount to plans for children under 18, through the Canada Education Savings Grant (CESG).

How does an RESP work?

Payments are made by a contributor (parent) on behalf of a beneficiary (child). Once the child is in a post-secondary institution, he or she will receive **educational assistance payments (EAPs)**. These EAPs count as income for the child (beneficiary). Please note that the EAPs are subject to income taxation on the part of the beneficiary. If the beneficiary doesn't receive payments—either by choice of the contributor or because the beneficiary does not attend a post-secondary institution, the contributor will receive the amount in the RESP back tax-free.

How to access your RESP

1. Enrol in the CDC Pre-Employment Welding Program by paying a \$500 registration fee (which counts towards your tuition) and signing the Alberta Student Enrolment Contract
2. CLAC CDC will provide you with a letter confirming your enrolment in the program
3. The contributor (parent) will take the confirmation of enrolment letter to the bank to access an RESP.

What can RESP funds be used for?

Funds can be used for, but are not limited to, the following: student tuition, course supplies such as PPE, cost of living, transportation costs, computers/lap tops, etc. There is no limit to the amount of funds that can be withdrawn from an RESP for the purpose of post-secondary education.

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