Registered Education Savings Plan (RESP) for Children or Youth in Care

A fact sheet for caregivers of a child or youth in care aged 0 to 17

Are you the legal caregiver of a child or youth aged 0 to 17 in the care of a children’s aid society (society)? Have you considered how to prepare for the child or youth’s post-secondary education? Sometimes the barrier to young people pursuing post-secondary education or training is money.

What is an RESP?

An RESP is a savings account registered with the Government of Canada that allows parents, caregivers and other subscribers (including societies) to save for a child’s post-secondary education or training. Opening an account attracts additional grants from the federal government that are deposited into the RESP account. The invested funds grow tax-free until the recipient enrols in an eligible post-secondary education or training program, or until the RESP is transferred. Further information is available through the Government of Canada: [http://www.canlearn.ca/eng/savings/index.shtml](http://www.canlearn.ca/eng/savings/index.shtml)

What is the Ministry of Children and Youth Services’ RESP policy?

The RESP policy requires societies to direct funding of $160 per month for eligible children in care under the age of six and $60 per month for eligible children and youth in care aged six through 17. Eligible children and youth include children and youth for whom the society is in receipt of the Children’s Special Allowance (CSA) [a payment to an agency (such as a children's aid society) that provides care for children], and who are:

- In care,
- In customary care, or
- In a Voluntary Youth Services Agreement (VYSA) and who choose to have an RESP opened on their behalf.

Effective April 30, 2018, youth in a VYSA for whom the society is in receipt of the CSA will have the option to have an RESP established, or can choose to open a savings account in lieu of the RESP.

The goal of the RESP policy is to promote increased educational attainment for eligible children and youth in and from care by providing increased financial resources.
How does it work?

- Children and youth from birth to age seventeen for whom a society is receiving or has received the CSA and who are in extended society care, or in interim society care for at least twelve consecutive months, or subject to a customary care agreement for at least twelve consecutive months, or youth in a VYSA, are eligible for the RESP.

How can an RESP be transferred to a caregiver if a child or youth leaves care?

- If a child or youth in care with an RESP has left care and has been with a legal caregiver for twelve consecutive months or longer, all funds accumulated in an RESP can be transferred from the society to an account held by the caregiver.

- For youth in a VYSA, youth will have the option to have the society continue to hold the RESP on the youth’s behalf, or transfer the RESP to a caregiver.

If a child or youth is eligible for an RESP transfer, the society will inform the caregiver in writing that the child or youth is the beneficiary of an RESP for which the society is the subscriber. The society will also advise the caregiver of the requirements to transfer RESP funds, including the requirement to open an RESP account which names the child or youth as the beneficiary.

All children and youth should be supported in their pursuit of higher education or vocational training. By saving now, young people in care will have the required support to accomplish their goals and achieve their full potential. The RESP policy can help make this happen.

Talk to your society worker today to ensure that the child in your care has an RESP!