



## Definitions

### **Beneficiary**

A "Beneficiary" under a Registered Education Savings Plan is an individual named by the subscriber who will receive Educational Assistance Payments if the individual qualifies for these payments under the terms of the plan.

### **Canada Education Savings Grant (CESG)**

"Canada Education Savings Grant" means a grant paid by Human Resources and Social Development Canada to the RESP trustee for deposit on behalf of the beneficiary.

### **Education Savings Plan**

According to the Income Tax Act, section 146.1(1), an "education savings plan" means a contract entered into at any time between an individual (in this section referred to as a "subscriber") and a person or organization (in this section referred to as a "promoter") under which, the promoter agrees to pay or cause to be paid educational assistance payments to or for one or more beneficiaries.

### **Educational Assistance Payment (EAP)**

An "Educational Assistance Payment" means any amount paid or payable under an RESP to or for an individual (called the beneficiary) to assist with the individual's education at the post-secondary school level. These amounts do not include refunds of contributions made to the subscriber of the plan.

### **Post Secondary Capital Withdrawal (PSE)**

Post Secondary Capital Withdrawal is a withdrawal of contributions made by the subscriber during the time a beneficiary is eligible to receive EAPs. Since the beneficiary is pursuing post secondary education, the subscriber may withdraw his/her contributions without being required to repay any grant amounts. The subscriber must sign the request for PSE Capital Withdrawals.

### **Post Secondary Education Institution:**

A "Post Secondary educational institution" can be any of the following:

(a) A university, college, or other educational institution in Canada that has been designated for purposes of the Canada Student Loans Act or the Canada Student Financial Assistance Act, or is recognized for purposes of the Quebec Student Loans and Scholarships Act.

(b) An educational institution in Canada certified by the Minister of Human Resources Development to be providing courses, other than courses designed for university credit, that give a person occupational skills or improve a person's occupational skills.

(c) A university, college or other educational institution outside Canada that provides courses at a post-secondary school level, provided the beneficiary is enrolled in a course that runs at least 13 consecutive weeks.

### **Promoter**

The promoter can be any person/organization offering a Registered Education Savings Plan to the Public.

### **Subscriber/Contributor**

A person who enters into an RESP contract with the promoter is the subscriber. The subscriber agrees to contribute to the contract on behalf of an individual named under the plan as the beneficiary.

Note: If the plan permits, spouses can be joint subscribers. The subscriber must be a person. Therefore a corporation, trust, church, or charity cannot be a subscriber.

### **Trustee**

The Income Tax Act requires RESP funds to be held by a corporation licensed to be a trustee. The trustee is engaged by the promoter and can be the promoter itself. The CESG will be provided directly to the plan trustee.