

FAMILY FORWARD

When I Grow Up... I want to be an Astronaut! Saving for your Child's Education

Your little one is a bundle of promise, and what they want to be when they “grow up” will change many times over the coming years. One thing is certain, however, the cost of their education will continue to rise. Planning today opens the door to possibilities tomorrow. We can set your child up to realize their potential by making some smart choices today.

1. Invest in an RESP

We recommend opening a Registered Education Savings Plan (RESP) through your financial institution. Registered Education Savings Plans are set up through the Federal Government to help people save for their children's education. By putting money away each year, you can ensure that your child will have money available for post-secondary school. A family can set up a plan in which one or more of their children are listed as beneficiaries. While they are not tax deductible like RRSPs, RESPs do offer some tax benefits. Interest earned within an RESP is tax-free, and when your child starts using the money for school, only the accumulated interest is taxable as income.

2. Set up a Preauthorized Contribution to your RESP

Once you've opened the RESP, make it easy to add to by setting up a pre-authorized contribution. You decide on how much you can contribute each paycheck or each month, and those funds will flow automatically into the RESP. An automatic contribution ensures your goals will be met and minimizes the potential for funds to be spent elsewhere. How much do you need to save each month to reach your education savings goal? Use our [online calculator](#) to find out.

3. Make it a Family Affair

Did you know that anyone can contribute to an RESP, not just the parents or guardians of the child? If your toy room is full and family and friends are looking for a meaningful gift at birthday and holiday times, offer them the opportunity to support to your child's future by making a contribution to their RESP in lieu of a gift. Watch those savings grow even faster when everyone gets involved.



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4. Free Money – Make Sure you Get Your Share!

Investing in RESPs provides families with an opportunity to take advantage of the many grants available through the provincial and federal governments.

- The [Canada Education Savings Grant](#) enables RESP investors to receive an additional grant of 20% from the government on the first \$2,500 of an annual investment. This means that the RESP can collect an extra \$500 a year towards the child's education.
- The B.C. Government will contribute \$1,200 to eligible children (those born in 2006 or later) through the [B.C. Training and Education Savings Grant](#) (BCTESG). Additional financial contributions are not required, however, there are specific application deadlines related to this grant that you will want to be familiar with so that you don't miss out (applications may occur only between six and nine years of age).
- The [Canada Learning Bond](#) is an additional grant meant to help modest income families. A federally-funded grant, it offers a one-time initial \$500 contribution when a RESP is opened. The parent or guardian must be eligible to receive the National Child Benefit (NCB) supplement in order to receive the Canada Learning Bond. A child may also qualify for an additional \$100 every year until he/she turns 15 years old, up to a maximum of \$2,000. Contributions are not required to take advantage of this Bond.

5. Take Advantage of Scholarships and Bursaries

A little bit of research goes a long way when it comes to discovering the scholarships and bursaries that are available to your child. Community organizations may offer these, as well as schools. Each year SCCU is pleased to contribute to two types of bursaries in support of our Coast youth:

- [CUs of BC Bursary Program](#)
- Bursaries through each of the three local high schools.

This information is made available to you for convenience and is not intended to provide investment, legal or tax advice. We do not guarantee the applicability or accuracy. To ensure your own circumstances have been considered, seek personalized advice from qualified professionals before acting on the information within.



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