


# Québec Education Savings Incentive (QESI)





## Have you thought about saving for the education of your children or grandchildren?

On February 21, 2007, the Québec government introduced the Québec education savings incentive (QESI). This tax measure encourages Québec families to save more for the education of their children and grandchildren, beginning in their infancy.

The incentive is a refundable tax credit, paid directly into a registered education savings plan (RESP) opened with a financial institution or with any other RESP provider that offers the QESI.

For the credit to be paid to your account, the trustee designated by your RESP provider must apply for it with Revenu Québec.

## How to obtain an RESP

Contact any RESP provider, such as a financial institution, group plan dealer or financial service provider.

## Eligibility requirements for the QESI

To be entitled to the QESI, the child beneficiary must meet all of the following conditions:

- be less than 18 years old
- have a social insurance number
- be resident in Québec on December 31 of the taxation year
- be the designated beneficiary of the RESP

## The QESI

### Basic amount

Each year, an RESP account may receive an amount equal to 10% of the net contributions paid during the year, up to \$250.

In addition, as of 2008, any rights accumulated during previous years can be added to the basic amount, up to \$250 a year.

Here is a sample calculation of the credit to which accumulated rights are added:

In 2007, Ms. Stone opens an RESP account for Matthew, her grandson, to save money for his education. She does not make any contributions in 2007 or in 2008. In 2009, however, she contributes \$5,000, which gives entitlement to the basic amount of \$250. In 2010, Revenu Québec will take into account the accumulated rights and pay \$500 into the RESP.



## Increased amount

To help low- and middle-income families, an increase of up to \$50 per year, calculated on the basis of family income, may be added to the basic amount.

Here is a sample calculation of the credit to which the increase is added:

In 2007, Mr. Hogan opens an RESP account for his young son John, and deposits \$1,000. In 2008, Revenu Québec will pay \$100 to the RESP, which corresponds to 10% of the contributions made by Mr. Hogan in 2007. In addition, as John's parents earn an annual family income of \$30,000, the amount of \$100 will be increased by \$50. Therefore, a tax credit of \$150 will be paid into John's RESP in 2008.

The cumulative amount of QESI that may be granted per beneficiary is \$3,600.

## How to apply for the QESI

You cannot apply for the QESI in your income tax return. The **trustee** designated by your RESP provider **will apply for it on your behalf** with Revenu Québec.

### For more information

Contact your financial institution or any other RESP provider.





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