



Lifelong Learning Plan

The cost of post-secondary education is very expensive. It can be difficult for anyone trying to upgrade their education and to move into their next career. The Lifelong Learning plan (LLP) allows an individual to withdraw up to \$10,000 in one calendar year or up to \$20,000 total from their RRSP. The individual can withdraw under the LLP for themselves or a spouse or common law partner. An individual that withdraws \$10,000 from themselves and then in a future year withdraws \$10,000 for their partner, they will have hit their \$20,000 lifetime limit.

Repayment to a lifelong learning plan must begin in the second year after the individual has stopped receiving an education amount for tuition paid over a 3-month period. As an example, let's assume an individual withdrew \$10,000 from their RRSP in 2012 under the Lifelong Learning Plan and was a full-time student for 2012 until April of 2015. This would make the first year of required repayment as 2017. The amount of the repayment must be a minimum of 1/10th of the withdrawal. In the previous example, this would mean that the individual must contribute \$1,000 back to their RRSP in 2017 or have to report that income on their 2017 return.

Individuals who participate in a lifelong learning plan have the option of repaying more than the minimum repayment. This will reduce the minimum repayment in the following year. Let's continue the previous example with \$10,000 withdrawal and the minimum repayment in 2017 for \$1,000 and the individual wants to recontribute \$5,000 to the LLP in 2017. This would reduce his balance owing to \$5,000 with nine years remaining. This would reduce their mandatory repayment from \$1,000 to \$555.56 ($\$10,000 \text{ less } \$5,000 / \text{Nine Years} = \555.56 2018 minimum)