

The Saskatchewan Advantage Grant for Education Savings (SAGES) Regulations

being

Chapter S-5.1 Reg 1 (effective January 1, 2013) as amended
by Saskatchewan Regulations [91/2013](#) and [23/2023](#).

NOTE:

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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CHAPTER S-5.1 REG 1

The Saskatchewan Advantage Grant for Education Savings (SAGES) Act

Title

1 These regulations may be cited as *The Saskatchewan Advantage Grant for Education Savings (SAGES) Regulations*.

Interpretation

2(1) In these regulations:

- (a) **“accumulated income”** under an RESP means the amount in the RESP earned that exceeds the fair market value of any consideration given to the RESP;
 - (a.1) **“Act”** means *The Saskatchewan Advantage Grant for Education Savings (SAGES) Act*;
 - (b) **“brother”**, in relation to an eligible beneficiary, includes a son of the common-law partner or spouse of a parent of the eligible beneficiary;
 - (c) **“common-law partner”** means common-law partner as defined in subsection 248(1) of the *Income Tax Act* (Canada);
 - (d) **“EAP”** means an educational assistance payment;
 - (e) **“grant account”** means an account that holds all SAGES grants paid into an RESP;
 - (f) **“HRSDC”** means the Department of Human Resources and Skills Development or any successor department of the Government of Canada;
 - (g) **“RESP”** means a registered education savings plan;
 - (h) **“SAGES grant”** means a grant paid pursuant to the Act;
 - (i) **“sister”**, in relation to an eligible beneficiary, includes a daughter of the common-law partner or spouse of a parent of the eligible beneficiary;
 - (j) **“trustee”** means a trustee under an RESP;
 - (k) **“trustee agreement”** means an agreement entered into by the Minister of HRSDC and a trustee in accordance with these regulations that relates to the administration of a SAGES grant in an RESP.
- (2) Unless a contrary intention appears in the Act or these regulations, an expression used in these regulations that is defined in section 146.1 of the *Income Tax Act* (Canada) has the same meaning in these regulations as it has for the purposes of that section.

S-5.1 REG 1**SASKATCHEWAN ADVANTAGE GRANT
FOR EDUCATION SAVINGS (SAGES)****Conversion of SAGES grants to accumulated income**

2.1 Notwithstanding any other provision in these regulations, on and after September 1, 2023, all SAGES grants that remain in grant accounts on that date are deemed to be accumulated income of the RESP into which the SAGES grants are paid.

14 Apr 2023 SR 23/2023 s4.

Application for grant

3 For the purposes of section 4 of the Act, an application for a SAGES grant must contain the following information:

- (a) the eligible beneficiary's name;
- (b) the eligible beneficiary's date of birth;
- (c) any declarations that the minister may require as proof that the eligible beneficiary is a resident of Saskatchewan at the relevant time;
- (d) any additional information that the minister may require to administer the Act and these regulations.

5 Apr 2013 cS-5.1 Reg 1 s3.

Amount of grant

4(1) The amount of a SAGES grant that may be paid into an RESP for a particular year at any time is equal to the lesser of:

- (a) 10% of the eligible contribution; and
- (b) the amount, if any, by which the lesser of:
 - (i) \$500; and
 - (ii) the beneficiary's unused SAGES grant room for the particular year at that time;
 exceeds:
 - (iii) the total of all SAGES grants paid before that time with respect to eligible contributions made in the particular year with respect to the beneficiary.

(2) The unused SAGES grant room for a beneficiary for a particular year at any time is:

- (a) if the beneficiary was 17 years of age or older as at December 31 of the preceding year, nil; or
- (b) in any other case, the amount A calculated in accordance with the following formula:

$$A = (\$250 \times B) - C$$

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where:

B is the number of years after 2012 in which the beneficiary was alive, up to and including the particular year; and

C is the total of all SAGES grants paid before that time with respect to eligible contributions made in a preceding year with respect to the beneficiary.

- (3) When an eligible contribution has been made in a particular year and a SAGES grant with respect to the eligible contribution would otherwise be payable at a time in a year following the particular year, the SAGES grant shall be reduced by the total of all amounts each of which is, with respect to another SAGES grant paid after the particular year and before that time, the amount by which the other SAGES grant would have been reduced had the SAGES grant been paid in the particular year.

5 Apr 2013 cS-5.1 Reg 1 s4; 25 Oct 2013 SR
91/2013 s3.

Conditions for payment of grant

5(1) The minister may pay a SAGES grant with respect to an eligible contribution made to an RESP if:

- (a) within three years after the date of the eligible contribution, the subscriber under the RESP submits an application for a SAGES grant to the trustee;
- (b) within three years after receiving an application from a subscriber pursuant to clause (a), the trustee submits the application for the SAGES grant to the minister;
- (c) the trustee enters into a trustee agreement with the Minister of HRSDC with respect to the RESP that includes the terms and conditions set out in section 6;
- (d) in the case where the eligible beneficiary attains 16 or 17 years of age in the year in which the eligible contribution is made:
 - (i) a minimum of \$2,000 of contributions has been made to, and not withdrawn from, RESPs with respect to the beneficiary before the year in which the beneficiary attains 16 years of age; or
 - (ii) a minimum of \$100 of annual contributions has been made to, and not withdrawn from, RESPs with respect to the beneficiary in at least any four years before the year in which the beneficiary attains 16 years of age;
- (e) the total of the eligible contribution and all other contributions to the RESPs made, or deemed to have been made for the purpose of Part X.4 of the *Income Tax Act* (Canada), with respect to the beneficiary does not exceed the RESP lifetime limit, as defined in subsection 204.9(1) of the *Income Tax Act*, for the year in which the eligible contribution is made;

- (f) when there is more than one beneficiary under the RESP, every beneficiary under the RESP is a brother or sister of every other beneficiary; and
 - (g) the trustee complies with the terms and conditions of these regulations and the trustee agreement that applies to the RESP.
- (2) Not more than \$4,500 in SAGES grants may be paid with respect to an eligible beneficiary during his or her lifetime.
- (3) At the time a SAGES grant is paid to an RESP, the trustee shall credit the grant account of the RESP with the amount of the SAGES grant paid.

5 Apr 2013 cS-5.1 Reg 1 s5.

Trustee agreements

- 6(1) Every trustee agreement must include the following terms and conditions:
- (a) the trustee shall provide the Minister of HRSDC with any information that the Minister of HRSDC requires for the purposes of the Act and these regulations;
 - (b) the trustee shall maintain records and books of account that relate to the amounts paid pursuant to the Act and these regulations, in the form and containing the information that the Minister of HRSDC requires to enable the Minister of HRSDC to determine whether the amounts will be paid or are required to be repaid;
 - (c) the trustee shall allow the Minister of HRSDC access to all documents and other information that the Minister of HRSDC requires for auditing payments or repayments made pursuant to the Act and these regulations;
 - (d) the trustee shall report to the Minister of HRSDC, with respect to SAGES grants:
 - (i) all contributions and transfers to, and all withdrawals and transfers from, an RESP that are made after 2012;
 - (ii) the portion of EAPs made from the RESP that is attributable to a SAGES grant; and
 - (iii) any other information related to the RESP that is specified in the trustee agreement;
 - (e) the reporting mentioned in clause (d) shall be done annually or within any shorter period that is set out in the trustee agreement;
 - (f) the trustee shall submit all information to the Minister of HRSDC in a format and manner that is acceptable to the Minister of HRSDC;
 - (g) the trustee shall repay any amount required to be repaid to the minister pursuant to the Act and these regulations;
 - (h) the trustee shall not charge fees related to the RESP against the balance of the grant account of any beneficiary under the RESP.

- (2) For the purposes of subclause (1)(d)(ii):
- (a) the portion of an EAP that is attributable to a SAGES grant is nil if the beneficiary is not resident in Canada at the time the EAP is made; and
 - (b) the portion of an EAP made to a beneficiary under an RESP that allows for more than one beneficiary at any one time that is attributable to a SAGES grant is nil if the beneficiary became a beneficiary under the RESP after attaining 21 years of age, unless, before attaining 21 years of age, the beneficiary had been a beneficiary under another RESP that allows for more than one beneficiary at any one time.

5 Apr 2013 cS-5.1 Reg 1 s6.

Repayments

7(1) Subject to subsection (2), if contributions are withdrawn from an RESP, other than by way of transfer to another RESP, when no beneficiary under the RESP is eligible to receive an EAP, the trustee shall, within the period set out in the trustee agreement that applies to the RESP, repay to the minister an amount equal to the lesser of:

- (a) 10% of the contributions withdrawn; and
 - (b) the balance in the grant account of the RESP immediately before the withdrawal.
- (2) A trustee is not required to repay any amount of a SAGES grant paid with respect to a beneficiary if there is a withdrawal of contributions and the withdrawal is all or part of an excess amount of contributions to reduce the amount of tax payable under Part X.4 of the *Income Tax Act* (Canada), and, at the time of the withdrawal, the excess amount for the year is not greater than \$4,000.
- (3) A trustee shall repay to the minister an amount calculated in accordance with the trustee agreement that applies to the RESP, and within the period set out in the trustee agreement, if:
- (a) the RESP is terminated;
 - (b) the registration of the RESP is revoked;
 - (c) a payment described in paragraph (b) or (d) of the definition “trust” in subsection 146.1(1) of the *Income Tax Act* (Canada) is made under the RESP;
 - (d) an EAP is made under the RESP to an individual who is not a beneficiary under the RESP;
 - (e) property is transferred from the RESP to another RESP, except where the transfer qualifies as an eligible transfer pursuant to section 9; or
 - (f) an individual becomes a beneficiary under the RESP in place of another beneficiary, except where paragraph 204.9(4)(b) of the *Income Tax Act* (Canada) applies with respect to the replacement.

(4) A trustee shall, within the period set out in the trustee agreement that applies to the RESP, repay to the minister any portion of an amount paid as a SAGES grant to which the trustee was not entitled under the Act or these regulations.

(5) A beneficiary under an RESP shall repay to the minister any portion of an EAP attributable to a SAGES grant to which the beneficiary was not entitled under the Act or these regulations.

(6) A beneficiary's unused SAGES grant room is not restored when a SAGES grant is repaid to the minister pursuant to this section.

(7) Notwithstanding any other provision in these regulations, on and after September 1, 2023, a trustee is not required to make any repayments to the minister pursuant to these regulations.

5 Apr 2013 cS-5.1 Reg 1 s7 14 Apr 2023 SR
23/2023 s5.

Waiver re-repayment

8(1) On application made by or on behalf of a subscriber under an RESP or the primary caregiver of a beneficiary or, if the beneficiary is 18 years of age or more, by or on behalf of the beneficiary, the minister may, to avoid undue hardship, waive any of the requirements of these regulations that relate to the repayment of SAGES grants.

(2) An application made pursuant to subsection (1) must:

- (a) be in the form and manner approved by the minister; and
- (b) be submitted to the minister before May 31, 2023.

5 Apr 2013 cS-5.1 Reg 1 s8 14 Apr 2023 SR
23/2023 s6.

Eligible transfers

9(1) The transfer of an amount attributable to a SAGES grant from one RESP to another RESP is an eligible transfer if the following conditions are met:

- (a) if:
 - (i) immediately before the transfer, any beneficiary under the receiving RESP is a beneficiary under the transferring RESP; or
 - (ii) a parent of a beneficiary under the receiving RESP is a parent of an individual who, immediately before the transfer, was a beneficiary under the transferring RESP, and:
 - (A) the receiving RESP is an RESP that allows more than one beneficiary at any one time; or
 - (B) in any other case, the beneficiary under the receiving RESP had not attained 21 years of age at the time the receiving RESP was entered into;

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- (b) if, at the time of the transfer:
 - (i) the receiving RESP has only one beneficiary; or
 - (ii) if there is more than one beneficiary, every beneficiary under the receiving RESP is a brother or sister of every other beneficiary;
 - (c) if the receiving RESP complies with the conditions for registration set out in subsection 146.1(2) of the *Income Tax Act* (Canada) that apply with respect to education savings plans entered into on or after January 1, 1999; and
 - (d) if the trustee under the receiving RESP is subject to a trustee agreement entered into in accordance with these regulations that relates to the administration of the SAGES grant in the receiving RESP.
- (2) If less than all of the property held in connection with an RESP is transferred to another RESP, the SAGES grants are considered to be transferred in the same proportion as the value of the property transferred is to the total value of the property in the RESP at the time of the transfer.
- (3) If property held in connection with an RESP is transferred to another RESP, the amount of the SAGES grant that is transferred or considered to be transferred pursuant to subsection (2) is, at the time of the transfer:
- (a) debited from the grant account of the transferring RESP; and
 - (b) credited to the grant account of the receiving RESP.
- (4) The amount of the SAGES grant that is transferred or considered to be transferred pursuant to subsection (2) is considered to have been paid to the trustee under the receiving RESP.
- (5) The contributions that are transferred or considered to be transferred pursuant to subsection (2) are considered to have been made to the receiving RESP.

5 Apr 2013 cS-5.1 Reg 1 s9; 25 Oct 2013 SR
91/2013 s4.

Coming into force

10 These regulations come into force on the day on which section 1 of *The Saskatchewan Advantage Grant for Education Savings (SAGES) Act* comes into force but are retroactive and are deemed to have been in force on and from January 1, 2013.

5 Apr 2013 cS-5.1 Reg 1 s10.

