

LIFE LONG LEARNING PLAN (LLP)

- You can withdraw amounts from your RRSP to finance **full-time** training or education for **you or your spouse or common-law partner**. You cannot participate in the LLP to finance your children's training or education
- Can withdraw up to **\$10,000** per year from RRSP for a maximum cumulative total of **\$20,000**
 - Must include any **excess withdrawals** into income (as an RRSP withdrawal)
- You have **10 years** to repay the amount withdrawn under the LLP
 - Repayments must be made in less than ten years if the following applies
 1. The person who made the LLP withdrawal dies
 2. The person who made the LLP withdrawal becomes a non-resident
 3. The person who made the LLP withdrawal turns 71 years old
 4. Student leaves school or does not enrol in time
- Usually each year you have to pay **1/10** of the total amount withdrawn until full amount is repaid

When does a taxpayer need to repay the amount into the RRSP?

- CRA determines when the re-payment year starts by looking to see if the student was entitled to the **education amount** as a full-time student **for at least three months** on the tax return every year after the LLP withdrawal.

1. **Case 1:** If the LLP student does not meet the education amount condition two years in a row, the repayment period starts in the **second of those two years**.

Example: John made a LLP withdrawal in 2009. He attended full-time classes in 2009 and 2010. He was entitled to the full-time education amount for at least three months for both years. However by the end of 2010, he graduated. In 2011 and 2012, he had no education amount on his tax return. John's repayment period starts in 2012 and ends in 2021. His first payment is due 60 days after the end of 2012 (March 1, 2013).

2. **Case 2:** If the LLP student continues to meet this condition every year, the repayment period starts in the **fifth year after your first LLP withdrawal**.

Example: Mary made LLP withdrawals from 2009 to 2012. She was enrolled in full-time classes at a University from 2009 to 2013, and qualified for the full-time education amount for at least three months during each of those years. Mary's repayment period starts 5 years from the date of withdrawal (i.e. in 2014) and ends in 2023. Her first payment is due 60 days after the end of 2014 (March 1, 2015).

- If you pay less than the amount that you are required to repay to the RRSP (i.e. 1/10th); you need to include the amount not repaid in income
- You can designate unused RRSP contributions as repayment of LLP amounts
- You can participate in the plan as many times as you wish over your lifetime. Starting the year after you bring your LLP balance to zero, and you can participate in the LLP even if you have withdrawn amounts from your RRSP under the Home Buyers' Plan (HBP) that have not been fully repaid.