Withdrawing Unused Education Savings - RESP VS TFSA VS ITF

	SELF-DIRECTED RESP	IN TRUST FOR (ITF)	TFSA
Usage Restrictions	Education	None	None
Ownership of Funds	Subscriber/Parent	Parent/ITF Child	Subscriber/Parent
Control of Account	Subscriber/Parent	Parent/Trustee while child is a minor; Child at age of majority	Subscriber/Parent
Investments Allowed	Wide range of stocks and bonds	Wide range of stocks and bonds	Wide range of stocks and bonds
Contributors Allowed	Anyone	Anyone	Anyone
Contribution Limit	$50,000 lifetime per student; $2,500/yr to get max CESG	None	The TFSA contribution limit for 2020 is $6,000. As of January 1, 2020, the total cumulative contribution room for a TFSA is $69,500 for those who have been 18 years or older and residents of Canada for all eligible years.
Government Extras	CESG up to $7,200 lifetime; CLB up to $2,000 lifetime	None	None
Time Limit for Account	35 years	Trust expires when beneficiary reaches age of majority	None
Taxed in the Hands of…	Student/Beneficiary if used for education; Subscriber if not used for education	Contributor for interest, dividends; Child for capital gains	Interest, dividends, and capital gains earned on investments in a TFSA are not taxable
Tax Attribution to Child When…	Funds used for education	Child's property: earnings, government child benefits, inheritances, gifts from non-family; Income on income is considered child's; Contributor must not be the Trustee	Not applicable.
Tax Rates Applicable	Income withdrawals (i.e., excluding contributions) taxed as interest; Student income rate – likely low or no tax bracket; Otherwise, subscriber marginal rate + 20% penalty or income only	Per type of income – interest, dividends, capital gains	None
Tax Sheltering	Sheltered while inside account	None	Sheltered while inside account