Employment and Social Development Canada | Emploi et Développement social Canada

Canada

Processing of RESP transactions

Canada Education Savings Program

October 2, 2024

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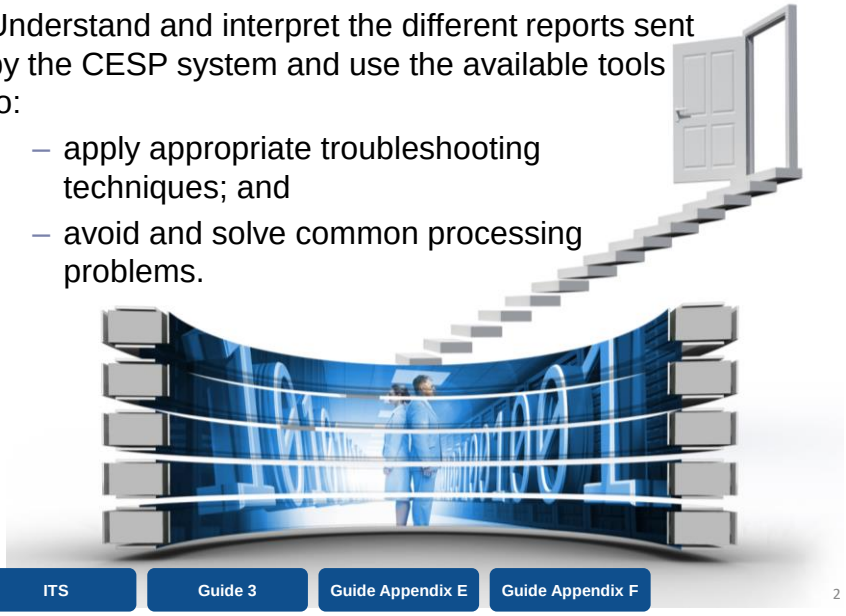
Objective

Understand and interpret the different reports sent by the CESP system and use the available tools to:

- apply appropriate troubleshooting techniques; and
- avoid and solve common processing problems.



ITS | Guide 3 | Guide Appendix E | Guide Appendix F

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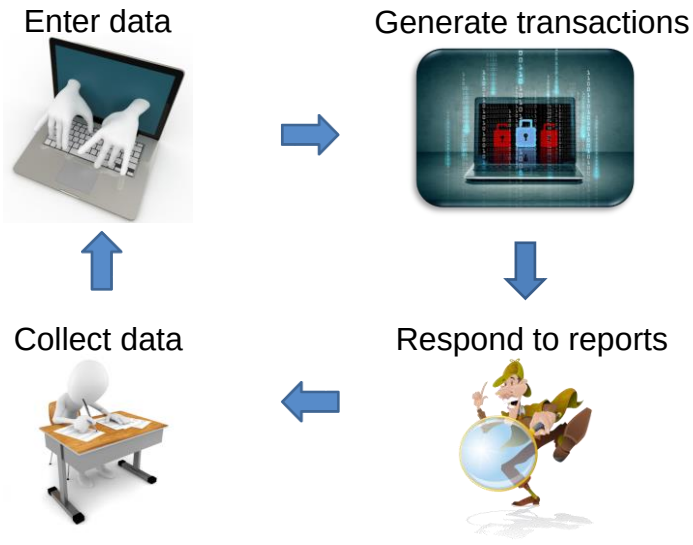
Source of common problems



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Agenda

Topic 1: Monthly production cycle
Topic 2: About the ITS
Topic 3: CESP system response to transactions
Topic 4: CESP monitoring reports
Topic 5: Common problems, by transaction
- Contract information (100-01)
- Beneficiary and subscriber information (200-03 / 200-04)
- Submitting and reversing an RT 400
- Contribution and request for CESG (400-11)
- PCG/spouse information (511-12)
- Request for the CLB (400-24)
- BCTESG related transactions (411-40 / 411-41)
- EAP transaction (400-13)
- PSE contribution withdrawal (400-14)
- Contract transfer related transactions (400-19 / 400-23)
- Incentive repayment (400-21) (400-21)
- Termination adjustment (400-22)

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Topic 1

Monthly production cycle

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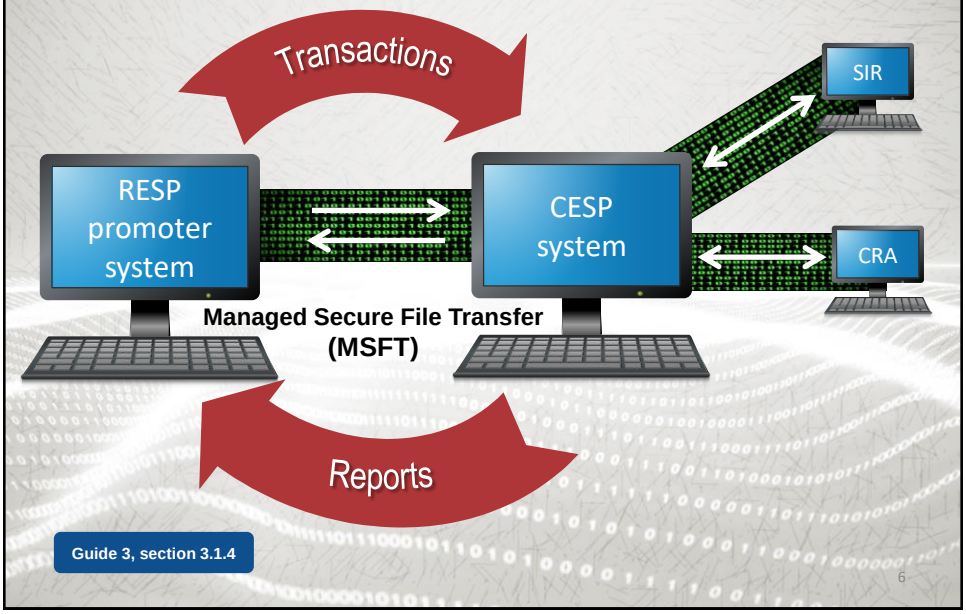
Monthly production cycle



Guide 3, section 3.1.4

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Monthly production process

Reporting Period						
M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Promoters generate new transactions, correct rejected transactions and submit production files to CESP

M S F T

3.1.3.3. Reporting and processing periods

Processing Period						
M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Cut-off

Error file / Contract status

Payments

Processing file

CESP processes promoter files that were submitted by the 4th business day cut-off

Guide 3, sections 3.1.3. & 3.1.3.3. | Cut-off dates | ITS section 3.6

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Menu

Validation

The CESP system validates:

- **Formatting rules**
- **Validation rules**
- **Incentive amounts that can be paid**

ITS section 3.2 | ITS section 5.1

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Menu

CESP system reports

	CESP system reports	RT
✗	Transaction error report (.err)	800
⚠	Severe error report (.ser)	850
⚙	Transaction processing report (.pro)	
	• Financial transactions	900
	• BCTESG transactions	911
🪪	SIN validation report (.svr)	920
📝	Contract registration report (.reg)	950
📄	Referral report (.ref)	960

ITS section 5

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Menu

CESP system reports reference sheet

CESP Reports	RT	Description
Transaction error report (.err)	800	Reports transactions containing errors and provides corresponding error codes. Rejected transactions must be corrected by the promoter and resubmitted to the CESP system.
Severe error report (.ser)	850	Reports transaction error types which cannot have regular error messages. Rejected transactions must be corrected by the promoter and resubmitted to the CESP system.
Transaction processing report (.pro)	002	Supplies reporting period information and indicates the net amount of incentives that will be paid to the promoter for all beneficiaries throughout the reporting period, after subtracting repayment amounts and taking reversed transactions into consideration.
	003	Identifies the promoter file processed by the CESP system. Each file processed in the reporting period generates a corresponding RT 003 record.
	900	Acknowledges the successful processing of each RT 100, RT 200, RT 400 and RT 511 transaction. These records also provide information required to update RESP notional accounts and may include refusal reasons for the Basic CESG, the Additional CESG and the CLB.
	911	Acknowledges the successful processing of each RT 411 transaction and each RT 400 transaction that includes BCTESG amounts greater than zero. These records also provide information required to update the BCTESG notional accounts and may include refusal reasons for the BCTESG.
SIN validation report (.svr)	920	Identifies beneficiaries who have already been successfully validated by the CESP system, but have since been flagged with Social Insurance Number (SIN) issues. Promoters are responsible for reviewing these reports and resolving these issues.
Contract registration report (.reg)	950	Reports the status of non-financial transactions required for contract registration. The CESP system sends contract information to the CRA for registration only if the CESP system validation of these transactions indicates that a contract would be eligible for registration by the CRA.
Referral report (.ref)	960	Reports referral transactions to RESP promoters participating in the Education Savings Referral Service that are received by the CESP system from Service Ontario.

ITS sections 7.10 & 7.15

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Topic 2

About the Interface Transaction Standards (ITS)

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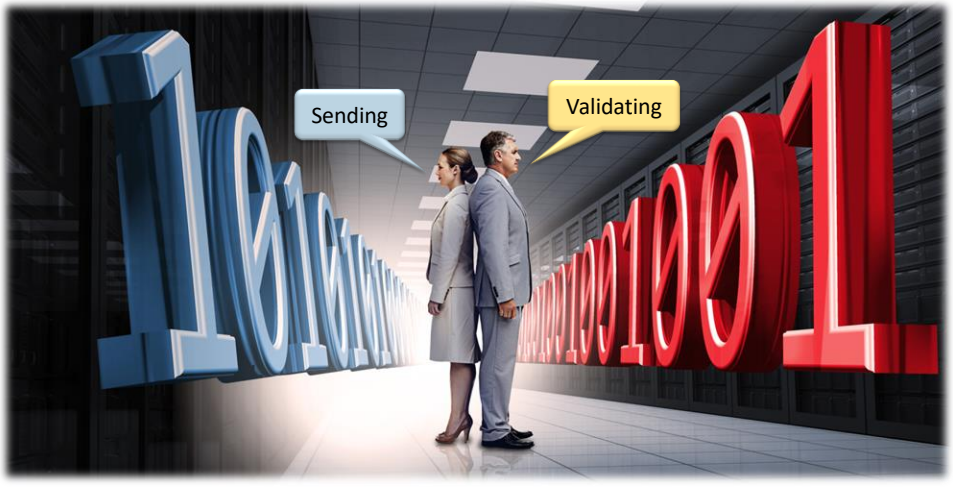
Purpose of the ITS



ITS section 2 | ITS section 6.1 | Guide 3, section 3.2 | Notice 984

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Menu

How to read the ITS (5 key formatting symbols)

A

X

1234567890

9

( )

Recurrence of the preceding data type

V

Implied decimal

ITS section 6.11

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Menu

What is a record

Up to 500 characters long

Record: 10020171126407234543564677895635874RT00010100012860010….

2 0 1 7 1 1 2 6 ← transaction date

4 5 6 7 8 9 10 11 ← positions 4 to 11

Transaction Date
9(8)
4-11

Guide 3, section 3.2.2

ITS section 3.7

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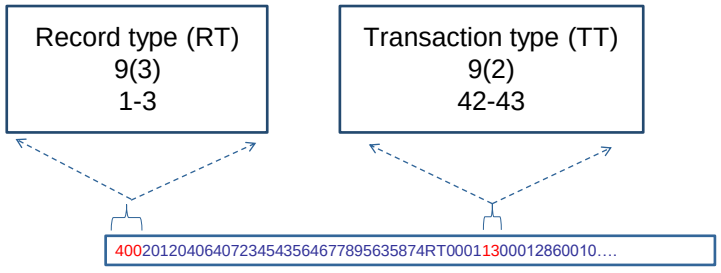
Record type and transaction type



ITS section 3.2 | ITS section 4.4 | ITS section 7.6

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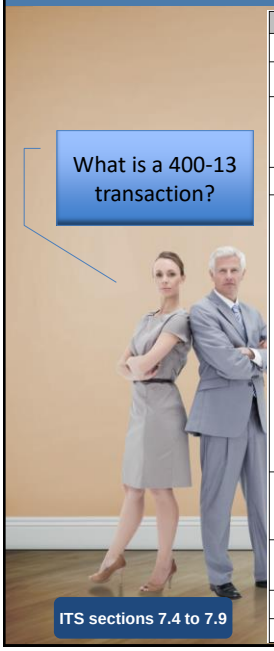
Promoter transactions reference sheet



RT	TT	Transaction	Purpose
Non-financial transactions required to register an RESP			
100	01	Contract information	Provides RESP contract information to create or update contract records
200	03	Beneficiary information	Provides information to create or update beneficiary records
	04	Subscriber information	Provides information to create or update subscriber records
Transactions with a financial impact on RESPs			
400	11	Contribution	Reports contributions and may also request the Basic and the Additional CESG
	13	EAP	Reports required information when a beneficiary is paid an EAP
	14	PSE contribution withdrawal	Reports a contribution withdrawal when a beneficiary is eligible for an EAP
	19	Transfer in	Reports required information when an RESP receives an RESP transfer
	21	Incentive repayment	Reports the amount and reason when incentives must be repaid to the CESP system
	22	Termination adjustment	Reports incentive amounts lost when terminating an RESP with a loss
	23	Transfer out	Reports required information when an RESP transfers funds to another RESP
	24	Request for CLB payment	Requests the CLB
411	40	BCTESG request	Requests the British Columbia Training and Education Savings Grant (BCTESG)
	41	Cancel BCTESG request	Cancels a previous request for the BCTESG
511	12	PCG/spouse information	Provides or updates the PCG/spouse information to request the Additional CESG for a processed contribution transaction
Summary Records			
700	None	Summary report transaction	Reports fair market value of an RESP

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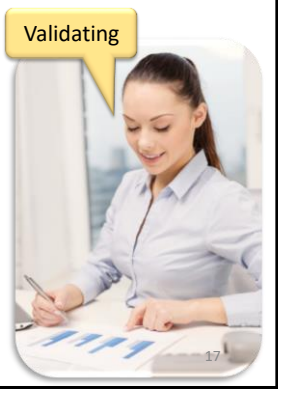
Formatting and validating a record

Data element name	Type size	Trxn posn
Record type	9(3)	1-3
Transaction date	9(8)	4-11
Promoter transaction ID	X(15)	12-26

Data element name	Rule	Error code(s)
Record type	Mandatory field	.ser file
Transaction date	• Mandatory field • Valid date • Etc.	7005 7000
Promoter transaction ID	• Mandatory field • Must be unique for each promoter	.ser .ser

ITS section 6.12



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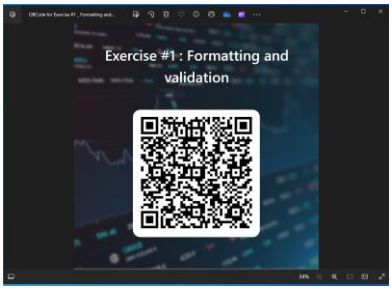
Exercise #1: Format and validation



Training material

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Topic 3

CESP system response to transactions

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CESP system validation process

In order of processing

1. **Check transaction formatting** (date is sent as YYYYMMDD, etc.)
2. **Business rules validation** (contract associated with specimen plan, SIN must exist in CESP system, etc.)

Errors (sent in RT 800 and RT 850 files)

3. **Incentive payment validation** (beneficiary age, annual and lifetime limits reached, etc.)
4. **CRA** (PCG/spouse information, eligibility for CLB and Additional CESG)

Refusal reasons (sent in RT 900 & RT 911 processing file)

Reports from ESDC | ITS | Guide Appendix E | Guide Appendix F

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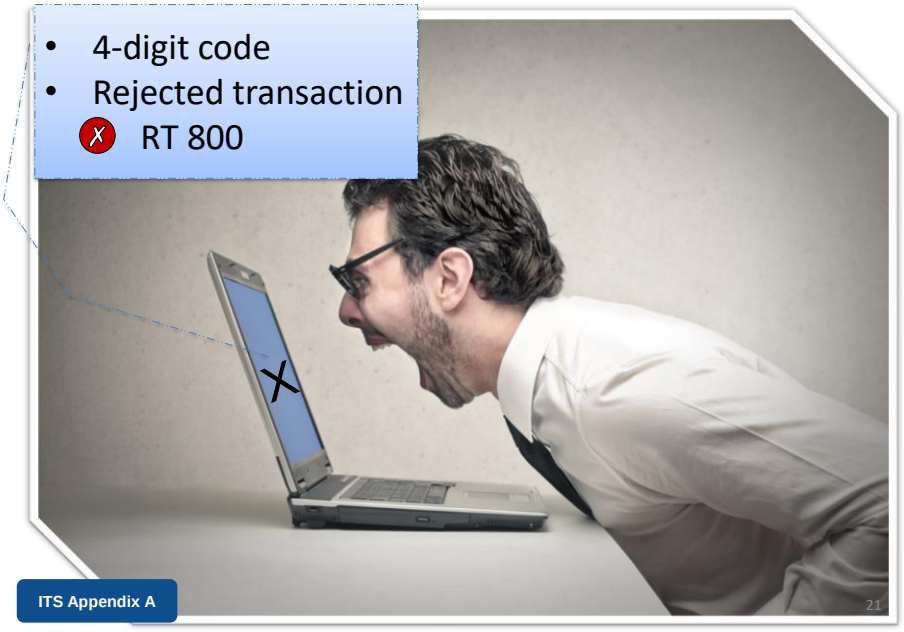
Menu

What is an error code?

- 4-digit code
- Rejected transaction
  - RT 800



ITS Appendix A

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Menu

Understanding error codes

Guide Appendix E

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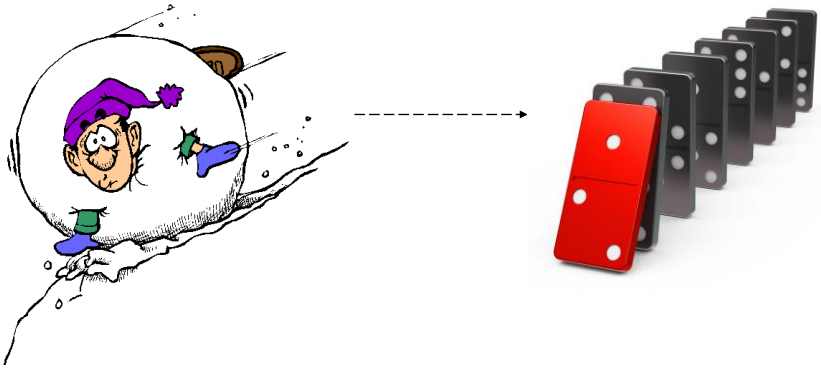
Menu

Repeated errors accumulate

Unless promoters fix the errors before resubmitting



ITS section 5.1 | ITS section 7.10

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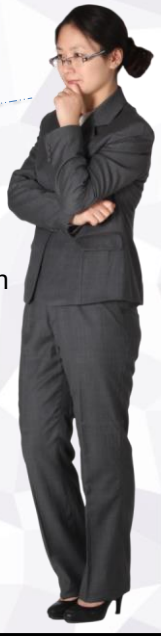
What is a refusal reason?

- 1-digit code
  - RT 900 (CESG, CLB)
  - RT 911 (BCTESG)

Explains why a successfully processed transaction

Did not receive full grant or bond payment



ITS 5.3 | ITS 7.12 | ITS Appendix A | Guide Appendix F

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Understanding refusal reasons

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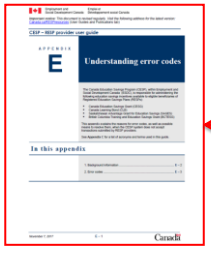
Review of possible outcomes for each transaction



Promoter system

CESP system

Rejected

Processed

RT 800
RT 850

Error code/type

Common error codes:
7006
7001 / 7031
1010

RT 900
RT 911

Possible refusal reason

Common refusal reasons:
RR 3
RR J

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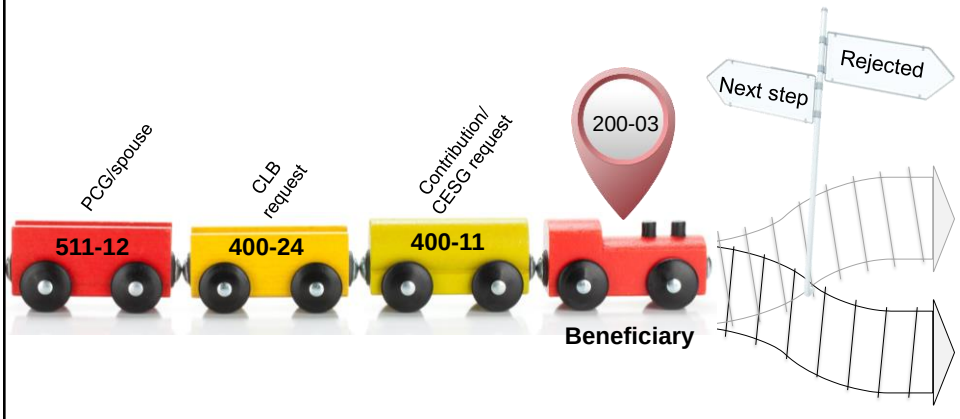
Link between transactions



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Exercise #2: Refusal reasons

Training material

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Topic 4

CESP monitoring reports

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CESP monitoring reports

- **Not in the ITS**
- **Based on monitoring results at ESDC**
- Sent only when applicable

Guide 3 section 3.3.3.

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CESP monitoring reports

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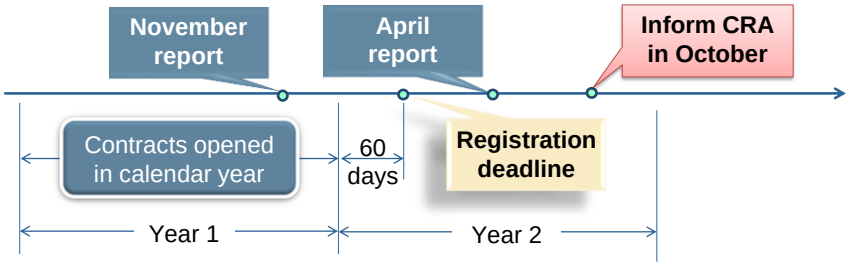
Unregistered contracts monitoring report

Promoters are responsible for ensuring contracts reach registerable status within the CRA timelines

- November reports address issues before the deadline
- April reports identify late registration issues



CRA - IC93-3R2

Guide 3, section 3.4.3.1.

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SIN error monitoring report

Generated in **April and October**

- Identifies financial transactions **rejected repeatedly in the last 6 months** due to:
  - Beneficiary information transaction (200-03) rejected with an error code 7006

Guide 3, section 3.4.3.2.

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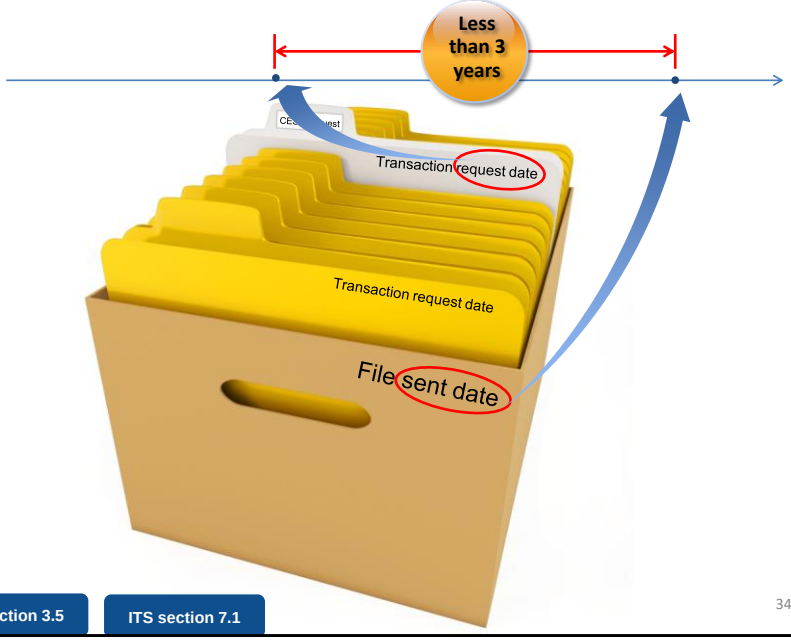
The three-year rule explained



ITS section 3.5

ITS section 7.1

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Three-year rule monitoring report

Generated in **April and October**

- Advises promoters of rejected **financial** transactions at **risk of failing the three-year rule** in 4-10 months

Guide 3, section 3.4.3.3.

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CLB resubmissions monitoring report

Generated in **January, April, July, October**

Refusal reason 4 or L

Guide 3, section 3.5.6.4

Guide Appendix F

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Monthly monitoring

Error rate of 10% or higher

Erred contribution amount greater than $750,000

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Beneficiary matching report for refusal reason 4

Promoter submits a request for Additional CESG

ACESG beneficiary matching result example
(Excel spreadsheet)

Year	Ben SIN	Contract ID	Ben surname status	Ben given name status	Ben birth date status	PCG/spouse SIN BN	PCG/spouse SIN BN status
2016	012345678	11122233	1	**0**	1	876543210	PCG/spouse info matched

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Topic 5

Common problems, by transaction

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Contract information (100-01)

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Common problems with a 100-01 transaction

Contract set up information (100-01)

- Individual/sibling only field reported inaccurately as “0” or blank
  - The CESP system assumes there are cousins in this plan

Refusal reason J (Additional CESG)

- Contribution transaction (400-11)

Error code 1010

- PCG/spouse information (511-12)
- CLB (400-24)
- BCTESG (411-40)

Guide Appendix F | Guide Appendix E | ITS section 7.4

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Beneficiary and subscriber information (200-03 / 200-04)

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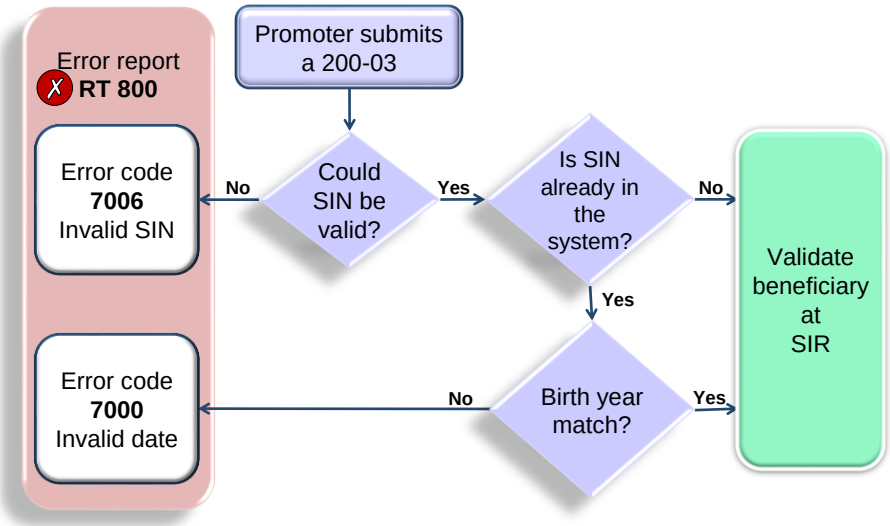
Before validating a 200-03 transaction at SIR



ITS section 7.5.1

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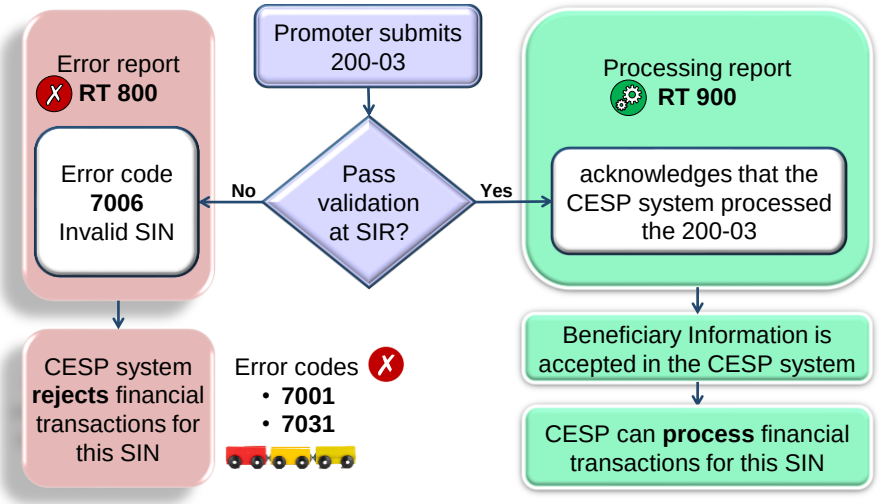
SIR validation for a 200-03 transaction



Guide Appendix E | ITS section 7.5.1 | ITS section 7.10

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Common problems with a 200-03 transaction

- **Error code 7006** (Invalid SIN)
  - Nicknames v names, first and last name reversed, day/month reversed in birth year
- **Privacy issues for the custodial parent**
- **One-name beneficiary**

Consequences of a rejected 200-03 transaction:

- **Error codes (7001 or 7031)**
  - All financial transactions related to that SIN

Guide Appendix E | Guide 3.4.1.2 | ITS section 7.5

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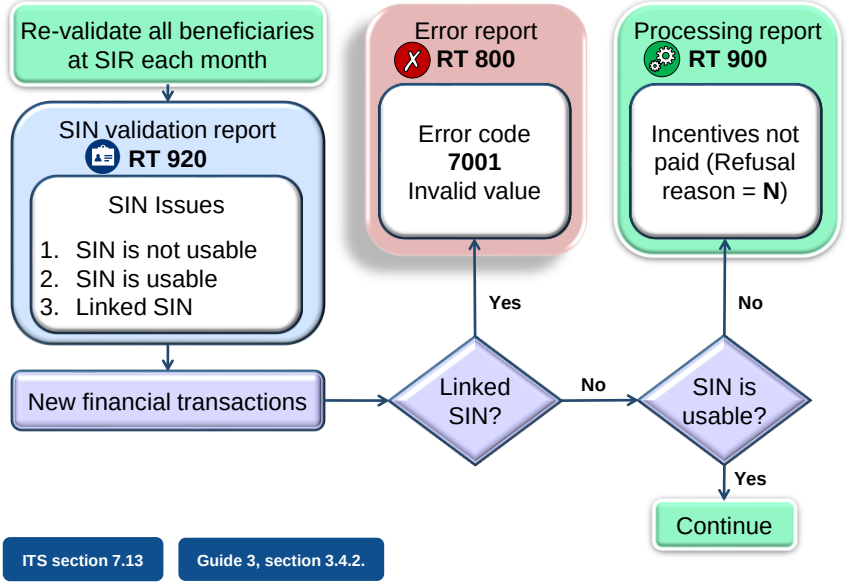
SIN validation report (RT 920)



ITS section 7.13 | Guide 3, section 3.4.2.

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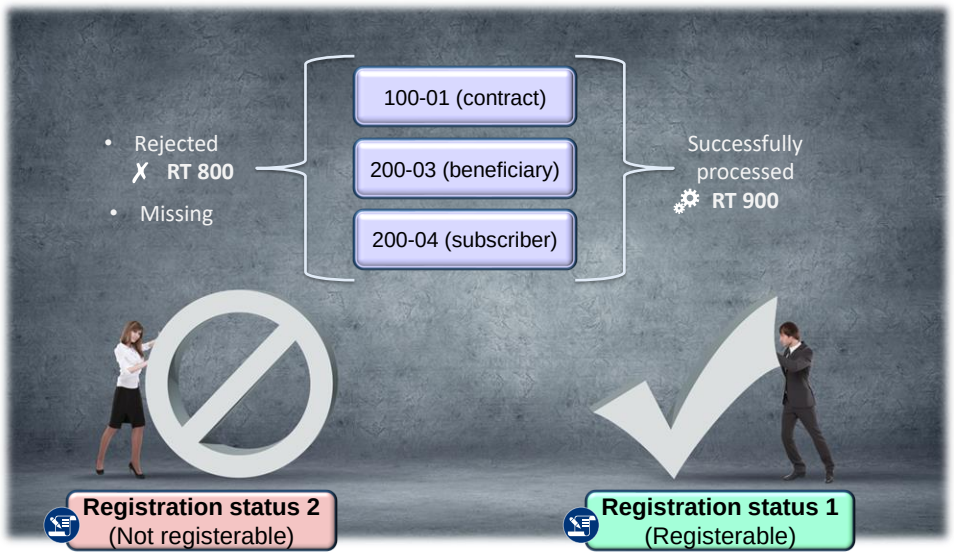
Contract registration report (RT 950)



ITS section 7.14

Guide 3, section 3.3.1.5.

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Exercise #3: Mandatory fields

Training material

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Submitting and reversing an RT400

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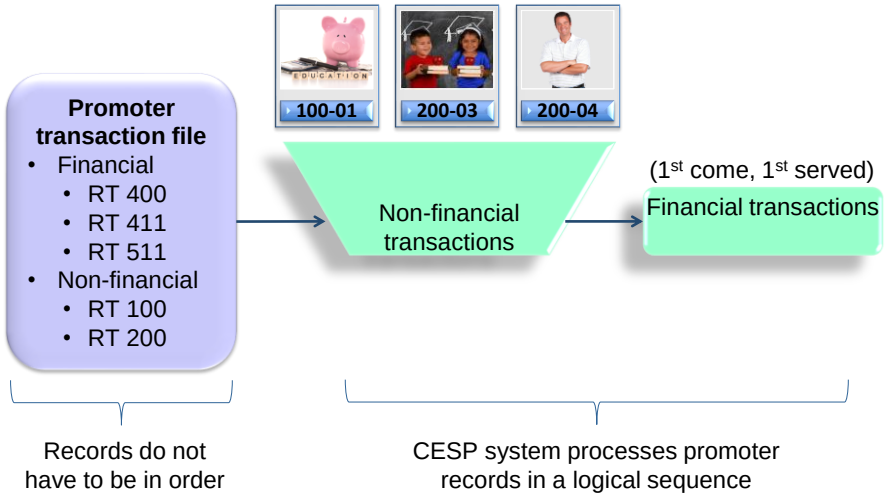
Logical processing sequence



ITS section 3.2 | Guide 3.5.1.

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Fields used for RT 400 transaction types

Canada Education Savings Program — *Interface Transaction Standards*

Appendix D – RT 400 Data Elements

Listed below is a complete breakdown of the RT400 data elements. Noted with an 'x' are those elements that are retrieved by the CESP system, depending on the transaction type on which they are reported, from the sender files and stored in the database.

	RT400 Transaction Type							
	Contrib. (11)	EAP (13)	PSE (14)	Trans. In (19)	Trans.Out (23)	Repayment (21)	Adjustment (22)	CLB Request (24)
Trans Date	X	x	x	x	x	x	x	x
Prom Trans ID	x	x	x	x	x	x	x	x
Prom BN	x	x	x	x	x	x	x	x
Trans Type	x	x	x	x	x	x	x	x
Spec Plan ID	x	x	x	x	x	x	x	x
Contract ID	x	x	x	x	x	x	x	x
Subscriber SIN	x	x	x	x	x	x	x	x
Ben SIN	x	x	x			x		x
Contribution Amount	x							
Grant Requested	x							x
Academic Year Start Date		x	x					

More fields

If a field containing an "x" is not used

Causes a rejected transaction with **error code**

7005

ITS Appendix D

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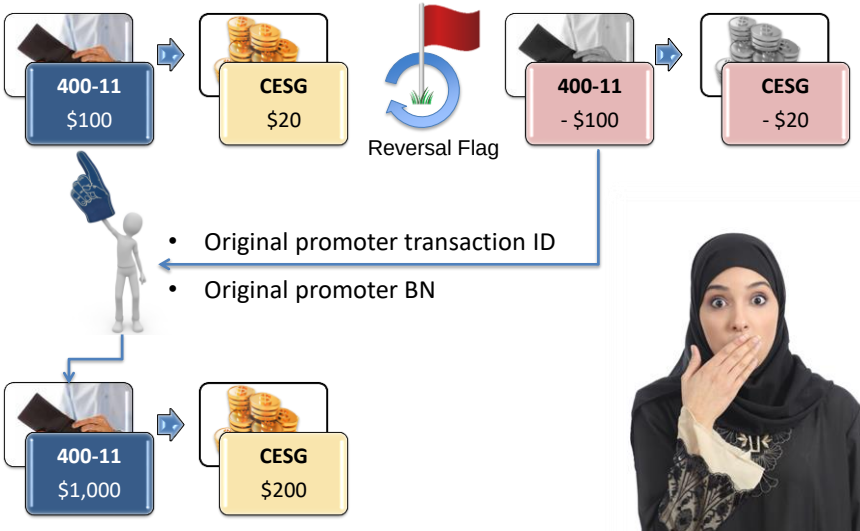
Reversing an RT 400 transaction



ITS section 7.6 & 7.6.1

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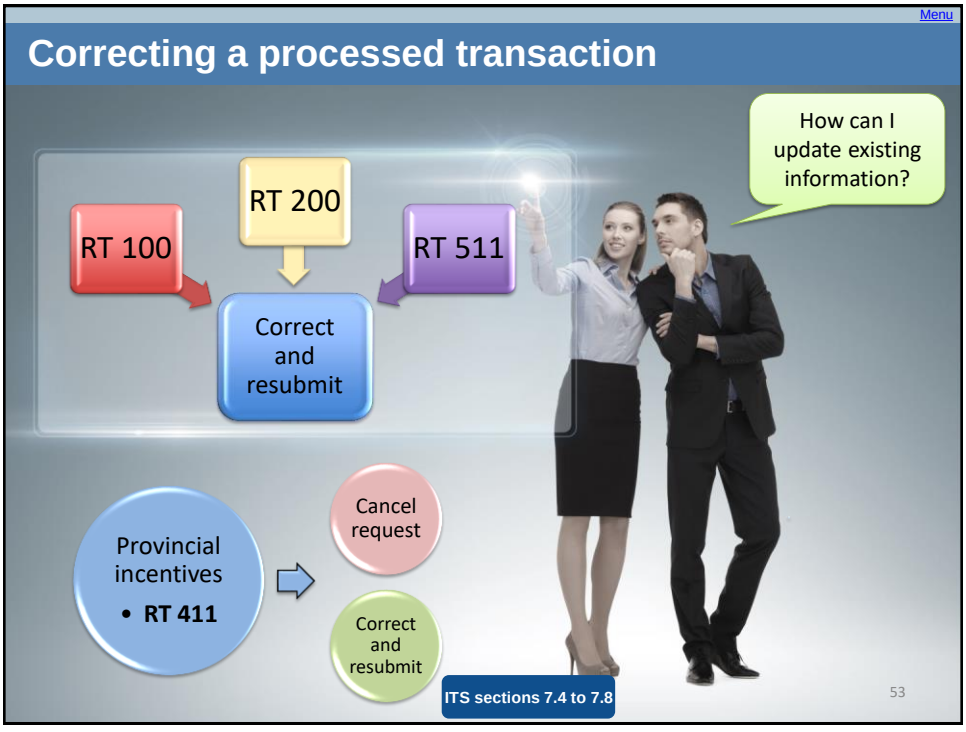

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Contribution and request for CESG (400-11)

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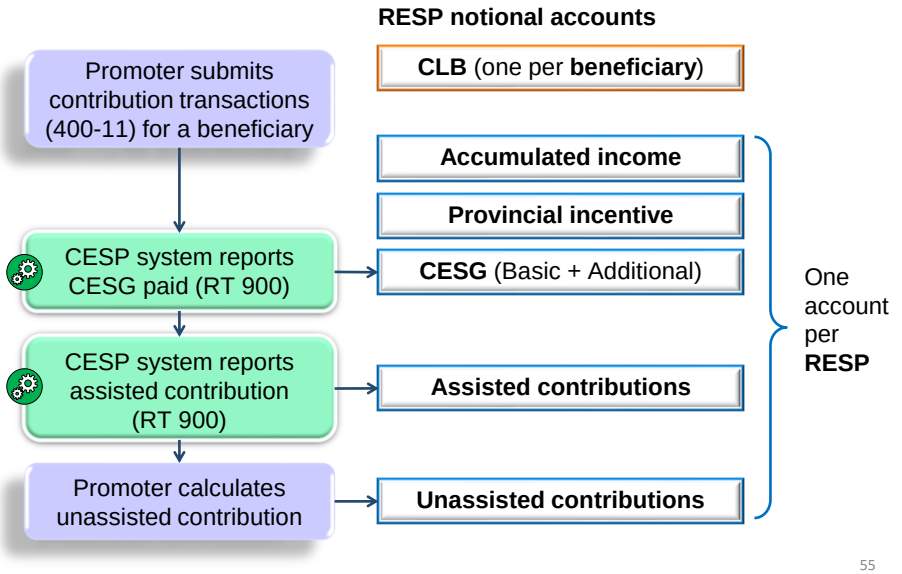
Contribution transaction (400-11)



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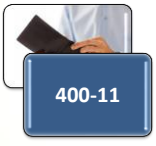
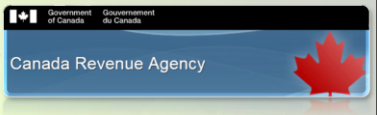
Key fields for contributions



PCG/spouse fields completed?

Additional CESG requested?



In a RT 900

- Basic CESG refusal reason *(position 67)*
- Additional CESG refusal reason *(position 174)*

ITS section 7.6

ITS section 7.12

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Common problems with a 400-11 transaction

Error codes 7001 and 7031

- Beneficiary not established in the system or not associated with the specimen plan ID of the financial transaction

Refusal reason L (PCG/spouse SIN or agency BN not matched by the CRA)

- Prior to 2018: wrong PCG, or PCG not established at the CRA
- Since 2018: wrong PCG, cohabiting spouse or common-law partner or, not established at the CRA

Refusal reason J (Additional CESG)

- Contract is not an individual/sibling only
  - field reported inaccurately as "0" or blank in the 100-01 transaction
  - the CESP system assumes there are cousins in this plan

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PCG/spouse information (511-12)

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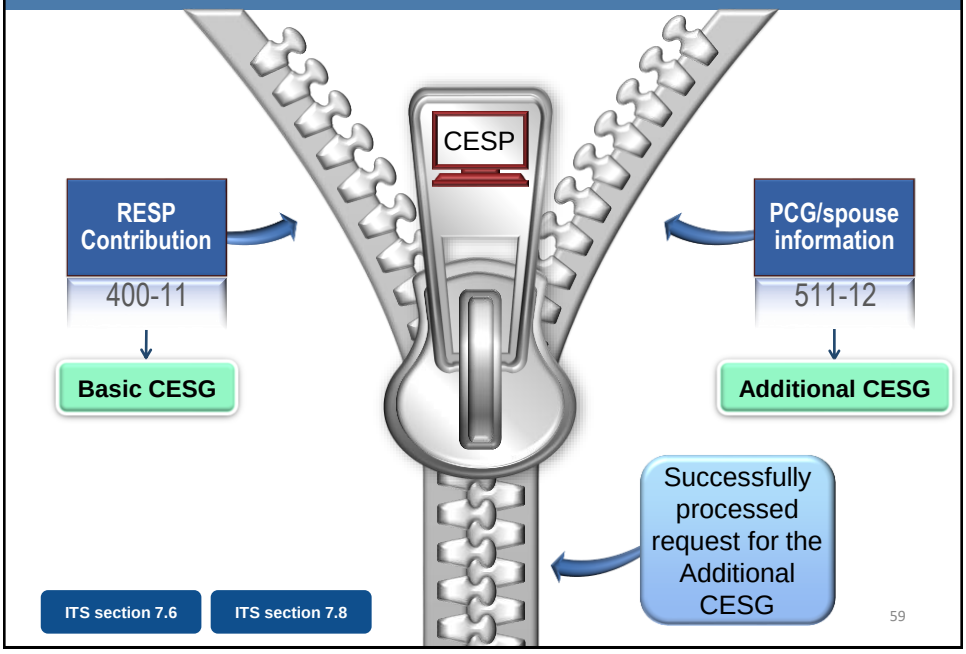
PCG/spouse information transaction (511-12)



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Menu

Common problems with a 511-12 transaction

Error code 5032
- Previous 511-12 with the same transaction date

Error code 5033
- Late contribution transaction (Three-year rule)

Refusal reason L
- PCG/spouse SIN or agency BN not matched by the CRA

Guide Appendix E | Guide Appendix F

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Request for the CLB (400-24)

Guide 6 | ITS 7.6 | Notice #925

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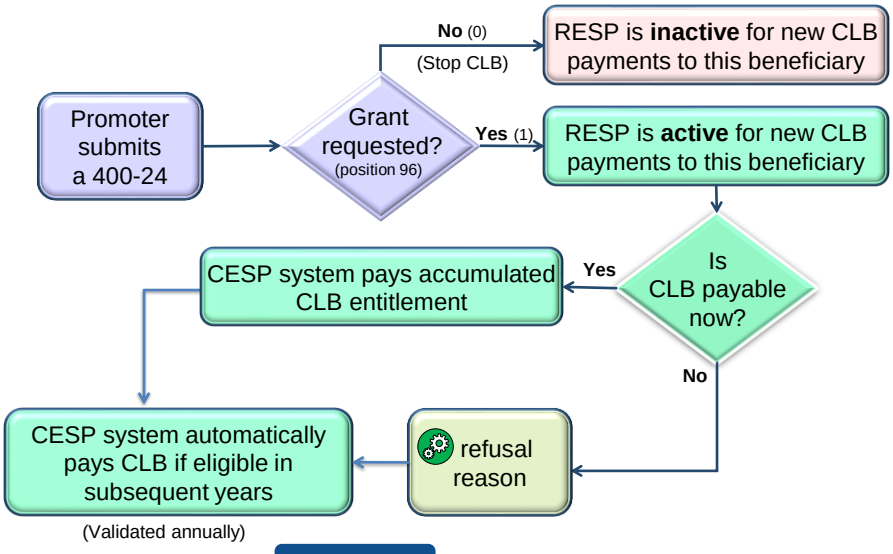
Request for CLB payment transaction (400-24)



ITS 7.6

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Menu

Common problems with a 400-24 transaction

Error code 7001 or 7031

- Beneficiary not established in the system or not associated with the specimen plan ID of the financial transaction

Error code 1010

- Contract is not an Individual/sibling only
  - field reported inaccurately as “0” or blank in the 100-01 transaction
  - the CESP system assumes there are cousins in this plan

Refusal reason L

- PCG/spouse SIN or agency BN not matched by the CRA

Guide Appendix E | Guide Appendix F

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BCTESG related transactions (411-40 / 411-41)

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Menu

BCTESG transactions

BCTESG request transaction:
(411-40)

- Transaction date
- Promoter transaction ID
- Promoter BN
- Transaction type (40)
- Specimen plan ID
- Contract ID
- Beneficiary SIN

Cancel BCTESG transaction:
(411-41)

- Transaction date
- Promoter transaction ID
- Promoter BN
- Transaction type (41)
- Specimen plan ID
- Contract ID
- Original promoter transaction ID
- Original promoter BN

BCTESG request

- $1,200 / beneficiary limit
- 1st come 1st served

Cancel BCTESG request

- Administrative errors only

ITS section 4.5 | ITS section 7.7 | Guide 3, section 3.5.7

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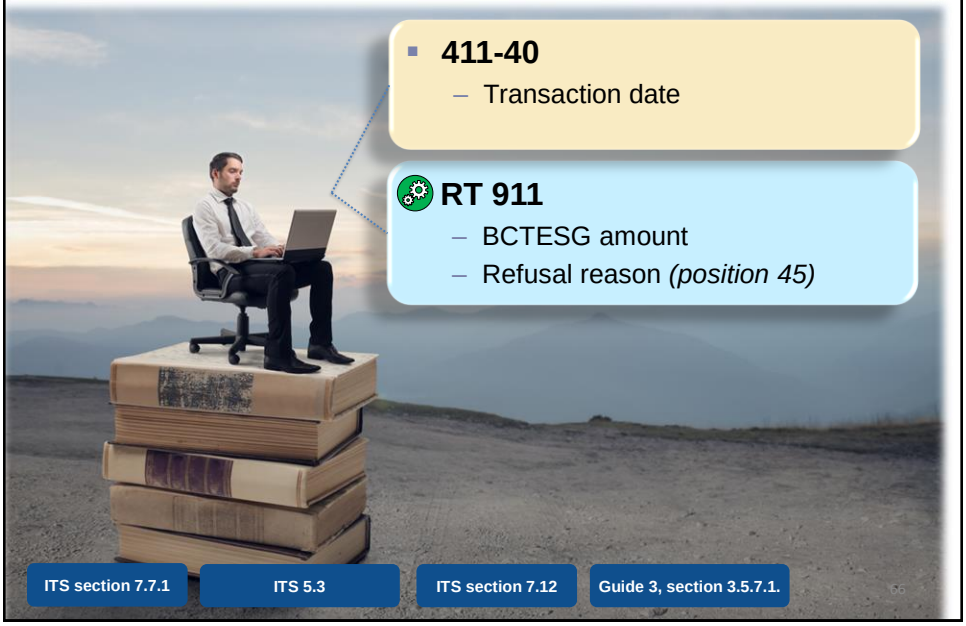
Menu

Key fields for BCTESG transactions



- **411-40**
  - Transaction date
- **RT 911**
  - BCTESG amount
  - Refusal reason *(position 45)*

ITS section 7.7.1 | ITS 5.3 | ITS section 7.12 | Guide 3, section 3.5.7.1.

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Menu

Common problems with a 411-40 transaction

Error code 7001 or 7031

- Beneficiary not established in the system or not associated with the specimen plan ID of the financial transaction

Error code 1010

- Contract is not an Individual/Sibling only
  - field set to “0” or blank in the 100-01 transaction
  - Indicates a “non-sibling only” family plan = Cousin plan

Refusal reason E

- Lifetime limit exceeded

Refusal reason 3

- Age of beneficiary

Guide Appendix E | Guide Appendix F

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EAP transaction (400-13)

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Menu

Common problems with a 400-13 transaction

- **Error code 7001 or 7031**
  - Beneficiary not established in the system or not associated with the specimen plan ID of the financial transaction

- **Error code 7005**
  - Mandatory data is missing
    - Various fields for statistical purposes
      - See ITS Appendix D

Guide Appendix E | ITS – Appendix D | Guide 3, section 3.5.8.1

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PSE contribution withdrawal (400-14)

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Menu

Common problems with a 400-14 transaction

- **Error code 7001 or 7031**
  - Beneficiary not established in the system or not associated with the specimen plan ID of the financial transaction

- **Error code 7005**
  - Data missing from field
    - Various fields for statistical purposes
      - See ITS Appendix D

Guide Appendix E | ITS – Appendix D | Guide 3, section 3.5.9

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Contract transfer related transactions (400-19 / 400-23)

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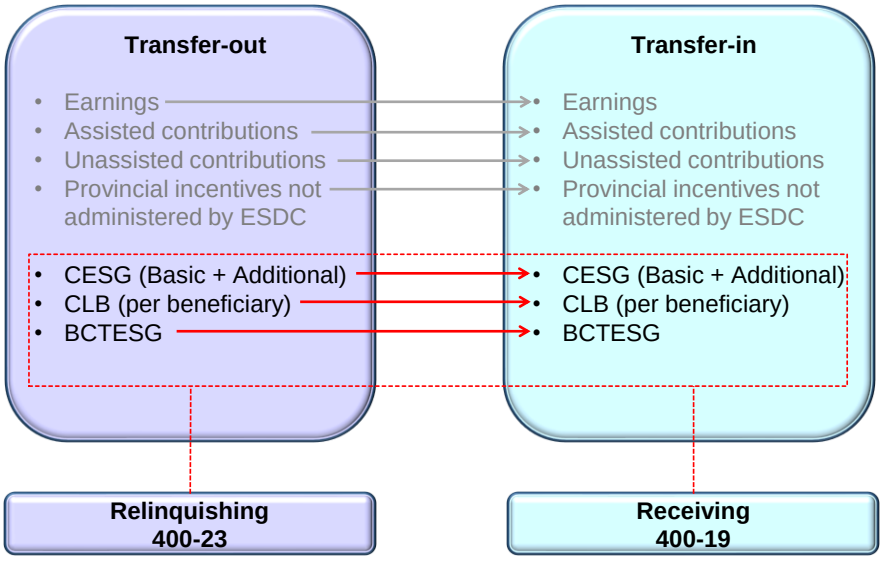
Transfers and notional accounts



Guide 9, Transfers | ITS section 7.6 | Guide 3, section 3.5.10.

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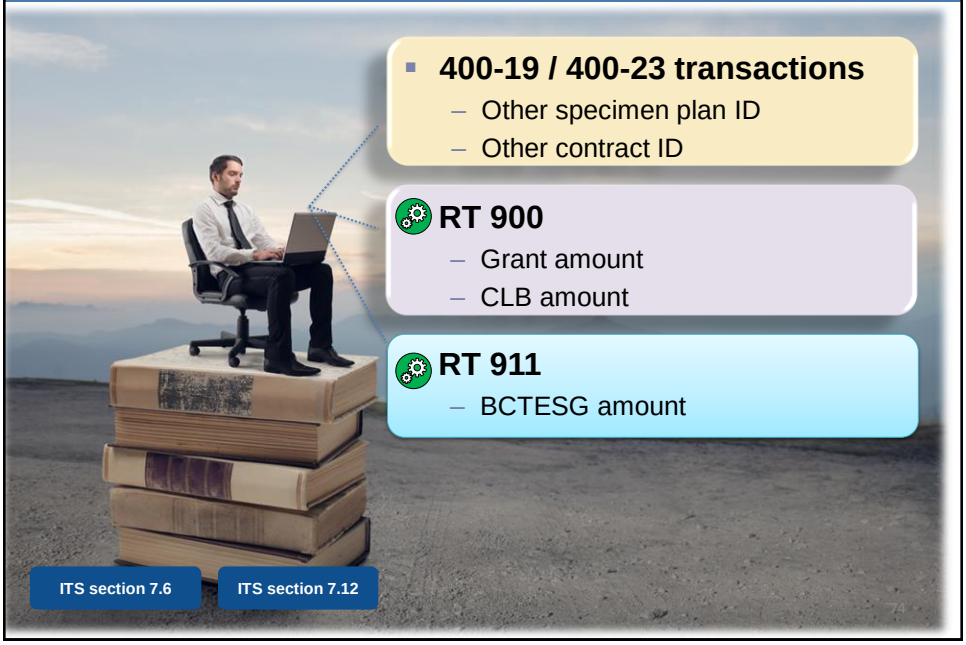
Key fields for transfer transactions



ITS section 7.6 | ITS section 7.12

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Menu

Common problems with transfer transactions

- **Error code 1005**
  - Other specimen plan ID does not exist
    - See ITS section 7.6.1
- **Error code 7005**
  - Data missing from field
    - **The other specimen plan ID**
    - **The other contract ID**
      - See ITS Appendix D

ITS section 7.6 | ITS Appendix D | Guide Appendix E

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Incentive repayment (400-21)

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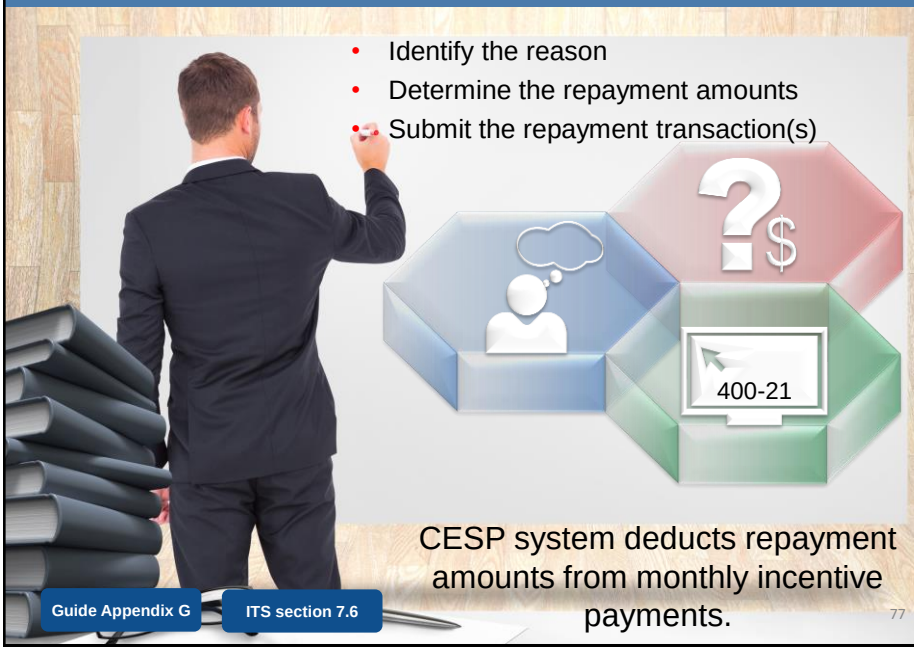
Incentive repayment transaction (400-21)



- Identify the reason
- Determine the repayment amounts
- Submit the repayment transaction(s)

CESP system deducts repayment amounts from monthly incentive payments.

Guide Appendix G | ITS section 7.6

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Menu

Twelve repayment reasons

Code - Description	Examples
01 - Contribution withdrawal	Promoters must calculate the amount of CESG to repay if contributions are withdrawn when no beneficiary in the RESP is eligible for an EAP.
02 - AIP	Repay all incentives when a subscriber receives an accumulated income payment (AIP) from the RESP.
03 - Contract termination	Repay all incentives (if applicable) and inform the CESP system that an RESP has been terminated. The transaction is mandatory when RESPs are terminated.
04 - Ineligible transfer	Repay all incentives when an ineligible transfer occurs.
05 - Ineligible beneficiary replacement	Repay all incentives when an ineligible replacement of a beneficiary occurs.
06 - Payment to educational Institution	Repay all incentives if the subscriber pays accumulated earnings to a Canadian designated educational institution instead of taking an accumulated income payment.
07 - Revocation	Repay all incentives when the CRA revokes the registration of an RESP.
08 - Ceases to meet sibling only condition	Repay incentives, which can only be paid into a sibling only RESP, when a subscriber adds a cousin to a sibling only family RESP.
09 - Deceased	Repay incentives when a beneficiary dies. With the exception of CLB, incentives paid for a deceased beneficiary might be used instead by other beneficiaries in the same RESP, or transferred to another RESP.
10 - Overcontribution withdrawal	Repay the CESG amount if contributions were withdrawn to correct an overcontribution. If the amount of overcontribution is $4,000 or less at the time of the withdrawal, the CESG amount to repay is zero. However, a repayment transaction (400-21) must still be submitted to the CESP.
11 - Other	Promoter support officers may instruct promoters to use this reason in various situations.
12 - Non-resident	Repay incentive amounts if it is determined that the beneficiary did not satisfy required residency criteria to be eligible for incentive payments.

Guide 3, section 3.5.11.3 | Guide Appendix G | ITS section 7.6

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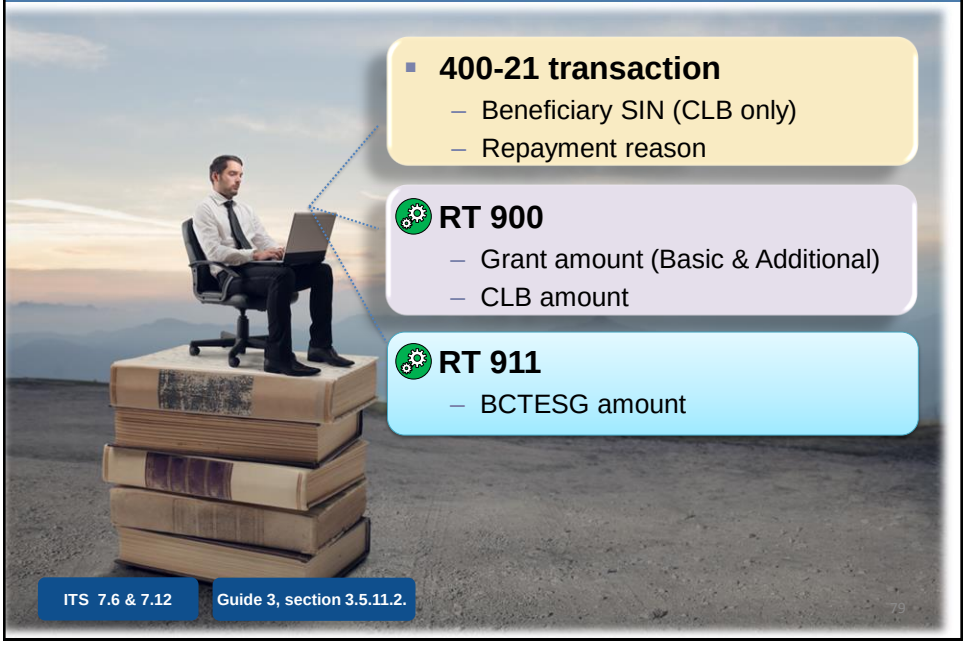
Key fields for incentive repayment transactions



- **400-21 transaction**
  - Beneficiary SIN (CLB only)
  - Repayment reason
- **RT 900**
  - Grant amount (Basic & Additional)
  - CLB amount
- **RT 911**
  - BCTESG amount

ITS 7.6 & 7.12

Guide 3, section 3.5.11.2.

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Menu

Transactions for terminated RESPs

- **400-21: Incentive repayment**
  - Repayment reason = 03 (Contract termination)
    - **400-24: CLB request**
      - Grant requested = 0 (No)

ITS section 7.6

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Menu

Common problems with a 400-21 transaction

Error code 7036
- Must be zero or blank if repayment reason is 01
  - CLB amount and BCTESG

Promoters do not notify the CESP about terminations
- Submit a 400-21 (reason 03)
- Even if repayment amounts are zero

Using reversals instead of repayments
- Reversals are for administrative errors only

Using repayments instead of reversals
- Repayments do not restore grant room

Guide Appendix E | Guide 3, section 3.5.11.7

81

Termination adjustment (400-22)

Guide 3, section 3.5.12 | ITS section 4.4 | ITS section 7.6

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Menu

Terminating an RESP with a loss

$2,500 Contribution

$500 CESG

$3,000 Fair market value
(when the plan was opened)

$400 New fair market value
(when the plan is terminated with a loss)

$400 Repay CESG (400-21, reason "03")

$100 Termination adjustment for CESG (400-22)

$500 Balance CESG liability

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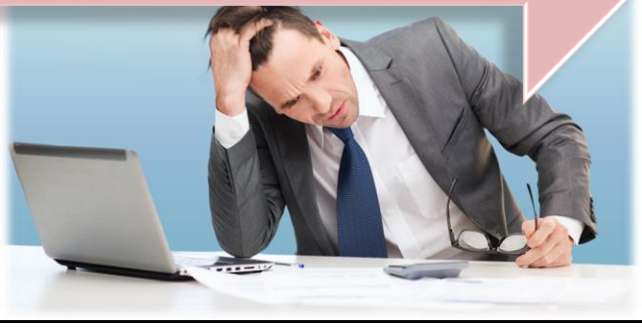
Menu

Order of losses in an RESP

1 Earnings

2 Contributions

3 Incentives (proportionally)



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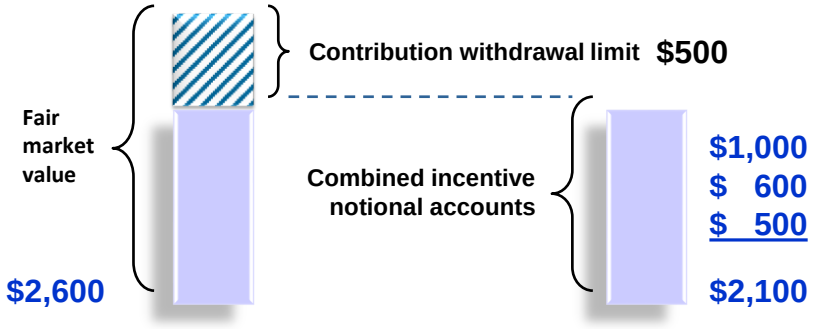
Menu

The fair market value test

FMV – combined incentive amounts = Contribution withdrawal limit

$2,600 - $2,100 = $500



Guide 3, section 3.5.12.4

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Menu

Common problems with a 400-22 transaction

- **Used incorrectly to reconcile accounting errors**
  - Should use only on termination to report incentive amounts that cannot be repaid due to losses

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Email: cesp-pcee@hrsdc-rhdcc.gc.ca

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