



## CANADA APPRENTICE LOAN: NEW LOAN FUNDING FOR APPRENTICES

### What is the Canada Apprentice Loan (CAL)?

CAL is loan funding offered by the Government of Canada to apprentices registered in a Red Seal trade apprenticeship program who are enrolled in technical training. CAL is meant to help apprentices pay for tuition, tools, equipment, living expenses, cover forgone wages or support their family.

### How can CAL help me?

If you meet the eligibility requirements for CAL you may receive:

- Up to \$4,000 in loans per period of technical training;
- Up to 5 funded periods of technical training;
- Up to 6 years of interest-free status.

### Am I eligible?

You are eligible for CAL if you:

- ✓ Are a Canadian Citizen, Permanent Resident or Protected Person;
- ✓ Are registered in a Red Seal trade apprentice program;
- ✓ Are enrolled in block release technical training or the equivalent full-time technical training (pre-apprenticeship, day release or part-time technical training are not eligible);
- ✓ Pass a credit check (required if you are applying for the first time).

### How do I apply?

Starting **January 2<sup>nd</sup>, 2015** you can apply for a CAL, online or by paper, at [www.canada.ca/apprentice](http://www.canada.ca/apprentice). The Canada Apprentice Loan Service Centre (CALSC) will assess your application and, if approved, will administer your loan.

#### • *To apply online:*

You must first 'Register' for a CALSC Online Services account, and then 'Sign In' to complete and submit your application. Applying online is quick and easy, and will speed up application processing time. You will also be able to check your application status online, update your account profile and receive important updates.

#### • *To apply using a paper application:*

You can download an application from the website, complete it, and mail it to the CALSC. You must include copies of supporting documentation as detailed in the application.

### What are the application deadlines?

- The earliest that you can apply is 3 months before your technical training starts.
- The latest that you can apply is the last day of your technical training.

### How does repayment work?

- CAL is interest-free until you complete or terminate your apprenticeship program, up to a maximum of 6 years, as long as you provide confirmation that you are still a registered apprentice.
- CAL enters repayment when you are no longer confirmed as a registered apprentice:
  - No payments are required for the first 6 months, but interest will accrue, which you can pay or add to your loan balance;
  - You can choose a variable interest rate of prime plus 2.5% or a fixed interest rate of prime plus 5%;
  - CAL is typically repaid over 9.5 years, but you have the choice to pay it off sooner, or take up to 14.5 years;
  - If you face financial difficulty making payments, you may be able to take advantage of the Repayment Assistance Plan (RAP), or other repayment assistance measures.

For more information visit [www.canada.ca/apprentice](http://www.canada.ca/apprentice). You can apply for a Canada Apprentice Loan at this website as early as **January 2<sup>nd</sup>, 2015**.



## CANADA APPRENTICE LOAN (CAL) FREQUENTLY ASKED QUESTIONS FOR TECHNICAL TRAINING PROVIDERS

### Application and Eligibility

#### 1. What is the Canada Apprentice Loan (CAL)? Where do apprentices apply?

CAL provides apprentices registered in a Red Seal trade apprenticeship program with up to \$4,000 in loans per period of technical training. These loans are interest-free until apprentices complete or terminate their program. Apprentices can apply for this benefit by visiting [www.canada.ca/apprentice](http://www.canada.ca/apprentice).

#### 2. Who is eligible for the CAL?

To be eligible, an apprentice must meet ALL of the following conditions:

- Be a Canadian Citizen, Permanent Resident or Protected Person;
- Be registered in a Red Seal trade apprenticeship program that is designated by the province or territory where he/she is registered as an apprentice;
- Be enrolled in block release technical training or the equivalent full-time technical training with an approved technical training provider; and
- Pass a credit check (required when applying for the first time).

#### 3. Who is not eligible for the CAL?

- High school students (unless enrolled in adult learning/professional upgrading classes);
- Apprentices registered in the province of Quebec;
- Apprentices receiving a Canada Student Loan for the same technical training;
- Apprentices who are restricted from receiving a CAL or a Canada Student Loan;
- Apprentices who have already received funding for 5 periods of technical training; or
- Apprentices who have already received 6 years of interest-free status.

#### 4. When can apprentices start to apply for the CAL?

Apprentices can apply for the CAL beginning January 2<sup>nd</sup>, 2015.

#### 5. What are the application deadlines for the CAL?

Apprentices can apply up to 90 days before their technical training starts and must apply no later than the last day of their technical training.

#### 6. If an apprentice's technical training started in 2014 can they still apply for CAL?

Apprentices who are registered in a Red Seal trade and are in technical training that started in 2014 and continues past January 2<sup>nd</sup>, 2015 can apply for CAL as long as they submit their application on or before their technical training end date.

#### 7. How can apprentices apply for CAL?

Apprentices can apply online by visiting [www.canada.ca/apprentice](http://www.canada.ca/apprentice) and registering for a Canada Apprentice Loan Service Centre (CALSC) Online Services account where they can apply for and manage their CAL. Paper applications will be available for download/printing on the CALSC Online Services website.

#### 8. When will the Canada Apprentice Loan Service Centre (CALSC) Online Services website be available?

The CALSC Online Services website will be available on January 2<sup>nd</sup>, 2015. The website will be accessible through the Government of Canada apprenticeship website at [www.canada.ca/apprentice](http://www.canada.ca/apprentice), which already includes federal apprenticeship funding information.



## **CANADA APPRENTICE LOAN (CAL) FREQUENTLY ASKED QUESTIONS FOR TECHNICAL TRAINING PROVIDERS**

### **9. Are processing times for the online and paper applications different?**

An online application will be automatically processed the day it is received unless the applicant has not provided banking information or supporting documentation (apprentices that have a SIN starting with a "9" are required to provide supporting documentation). A paper application, once received at the CALSC, is keyed and follows the same process as the online application.

### **10. What is the overall application processing time from application through disbursement of funding?**

It depends on a number of variables. Generally, after an application is submitted, it will go through a SIN check for first time applicants (24 hours), a credit check for first time applicants (24 hours), and lastly enrolment must be confirmed by the applicant's Technical Training Provider before the disbursement is processed. Once confirmation of enrolment is received by the CALSC, applicants will receive their funding within 3-5 business days, as early as their technical training start date.

### **11. What should Technical Training Providers do if they receive a paper CAL application?**

Please direct the applicant to mail his/her application directly to the CALSC for assessment.

### **12. Is there a Master Student Financial Assistance Agreement (MSFAA) for CAL?**

There is no MSFAA for CAL. The applicant will sign an agreement each time they apply for CAL.

### **13. What are the requirements for the credit check?**

First time applicants will be required to pass a credit check and will be denied funding if:

- In the 36 months before applying the applicant missed payments on at least three debts;
- Each debt was higher than \$1,000; and
- Each debt was more than 90 days overdue.

### **14. Is there a minimum age for a credit check?**

No, there is no minimum age for the credit check for CAL.

### **15. Is there an appeal process if the applicant does not pass the credit check?**

There is an appeal process for applicants who do not pass the credit check. An applicant may request that the CALSC escalate their case to CSLP for consideration.

### **16. How can applicants provide banking information?**

Applicants can provide their banking information online when applying for CAL during the application or through their 'My Profile' after they have submitted their application (i.e., if they do not have their banking information on hand when applying). If applying by paper, applicants can provide their banking information in the space provided, or attach a void cheque to the application before mailing it to the CALSC. Paper applicants can also provide their banking information online through their 'My Profile' if they did include it on their application.

### **17. What are the minimum and maximum amounts of funding that can be requested?**

Applicants can request a minimum of \$500 and a maximum of \$4,000 for each technical training period.

### **18. Who determines the loan amount? Is there a needs assessment or income threshold for CAL?**

The applicant determines the loan amount. There is no needs assessment or income thresholds for CAL. If an applicant is eligible for CAL the amount he/she requests will be the amount disbursed given that it is within the established amounts.



## CANADA APPRENTICE LOAN (CAL) FREQUENTLY ASKED QUESTIONS FOR TECHNICAL TRAINING PROVIDERS

**19. If an applicant requests less than \$4,000, can he/she request a higher amount after applying?**

Once funds have been disbursed, an applicant cannot request a higher amount for the same technical training period. If funds are not yet disbursed, the applicant may be able to modify the amount requested online through his/her CALSC Online Services account. The applicant can create an account if they do not have one, and make this update even if they originally applied using a paper application. The applicant may also call the CALSC with this request.

**20. Will applicants have to offer collateral or a co-signer in order to receive a CAL?**

There is no collateral or co-signer required in order to receive a CAL.

**21. Can the Technical Training Provider cancel an application or just the applicant?**

Only the applicant can cancel an application for CAL funding. Applicants can do so online through their CALSC Online Services account regardless of whether they originally applied online or by paper. They can also call the CALSC.

**22. Is an applicant eligible for CAL if their Technical Training Provider also provides funds for training?**

An apprentice is still eligible for CAL if they receive funding from other sources.

**23. How does CAL interact with other apprenticeship funding?**

CAL is intended to complement other apprenticeship funding from the Government of Canada, including the Apprenticeship Incentive Grant (AIG) and the Apprenticeship Completion Grant (ACG). CAL offers up-front funding to apprentices who are completing their block release technical training.

The application period for the AIG is open to apprentices when they complete their first and second levels of training, while the application for the ACG is open to apprentices when they complete their Red Seal trade apprenticeship program and receive their journeyman certificate. Apprentices can learn more about these apprenticeship grants by visiting [www.canada.ca/apprentice](http://www.canada.ca/apprentice).

**24. How does CAL interact with Employment Insurance (EI)?**

CAL applicants do not need to include EI information on their application, and likewise EI applicants do not need to include CAL information on their EI reports as CAL is a loan that has to be repaid, rather than a source of income. Apprentices can learn more about EI by visiting [www.canada.ca/EI](http://www.canada.ca/EI).

**25. How does CAL interact with tax benefits offered through the Canada Revenue Agency (CRA)?**

CAL recipients may be eligible for the Tradesperson's Tool Deduction and Tuition Tax Credit benefits administered by the CRA. Apprentices can learn more about these benefits by visiting [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca).

**26. Does CAL have to be reported to CRA on a tax return?**

CAL is not a taxable benefit and does not have to be reported for income tax purposes.

**27. What are the interactions between a Canada Student Loan (CSL) and a CAL?**

A CAL and a CSL are separate loan products offered by the Government of Canada. There are some restrictions types that may affect apprentices' eligibility for a CSL and/or CAL. The applicant will be notified by the CALSC if they are ineligible for CAL due to a CAL or CSL restriction.

**28. Can high school students apply for CAL?**

High school students are not eligible for CAL, unless they are only taking high school courses for the purpose of upgrading, such as adult learning or professional upgrading classes, and they meet all other CAL eligibility requirements.



## CANADA APPRENTICE LOAN (CAL) FREQUENTLY ASKED QUESTIONS FOR TECHNICAL TRAINING PROVIDER

### 29. Is pre-apprenticeship training eligible for CAL?

Individuals are not eligible for CAL if they are not registered with their provincial or territorial apprenticeship authority in a Red Seal trade apprenticeship program. The person may be eligible for a Canada Student Loan (CSL) if the pre-apprenticeship training program meets the eligibility requirements for a CSL.

### 30. Are applicants eligible for CAL if they are not registered in a Red Seal trade but have an agreement with their provincial or territorial apprenticeship authority?

The applicant is not eligible for CAL as they must be registered in a Red Seal trade apprenticeship program.

### 31. Is a journeyperson equivalent to a Red Seal trade for CAL eligibility?

A journeyperson is not equivalent to a Red Seal trade. It is the certification that apprentices receive once they have completed their Red Seal trade apprenticeship program.

### 32. What is a designated Red Seal trade?

A Red Seal trade is one of the 57 trades that are designated under the Interprovincial Standards Red Seal Program. Each provincial and territorial apprenticeship authority offers apprenticeship programs for many of these trades in addition to other trades that are not designated as Red Seal. For more information visit [www.red-seal.ca](http://www.red-seal.ca).

### 33. What does block release mean?

Block release means that the technical training is taken full-time over a consecutive period. Technical training must be block release or the equivalent full-time technical training as defined by the applicable provincial or territorial apprenticeship authority. For example, 6 continuous weeks of full-time training is considered block release, whereas one day a week over 30 weeks is considered day release. Day release training does not qualify for CAL.

### 34. Is an applicant eligible for CAL if they are taking part-time technical training?

An applicant taking part-time technical training is not eligible for CAL.

### 35. What is the minimum or maximum duration of a technical training block to be eligible for CAL?

There are no minimum or maximum defined periods of technical training. However, provincial and territorial apprenticeship offices have confirmed that block release technical training periods usually range from 4-8 weeks. CSLP asks that Technical Training Providers use discretion when providing confirmation of enrolment and ensure that the apprentice is enrolled in block release or the equivalent full-time technical training.

### 36. How many blocks of technical training can an apprentice receive funding for?

An apprentice may receive funding for up to 5 blocks of technical training.

### 37. Can an apprentice apply for CAL if they were not successful in completing previous technical training?

If an apprentice was not successful in completing previous technical training he/she may still apply for CAL as long as he/she has not reached his/her lifetime maximum of 5 technical training periods for which apprentices may receive funding.

### 38. How many periods of CAL funding is an apprentice eligible for if he/she is enrolled in back-to-back training?

An apprentice who is enrolled in back-to-back periods of technical training may receive a CAL disbursement for each discrete period of technical training. An apprentice would therefore need to apply for each technical training period separately and each period would have to be confirmed separately by his/her Technical Training Provider.





## CANADA APPRENTICE LOAN (CAL) FREQUENTLY ASKED QUESTIONS FOR TECHNICAL TRAINING PROVIDERS

### 39. Is online technical training considered eligible technical training?

If the online training is considered equivalent to full-time block release technical training offered by an institution then it may be eligible for CAL. Technical Training Providers should consult with CSLP if they have questions about specific technical training delivery methods.

### 40. If an apprentice is completing technical training and the Technical Training Provider is his/her sponsor, are they eligible for CAL?

The apprentice is eligible for CAL as long as they are registered in a Red Seal trade apprenticeship program and completing technical training at an institution approved by their province/territory of registration to deliver technical training required for that program.

### 41. If an apprentice is laid off and loses their sponsored employer are they eligible to continue their current technical training with CAL funding? Are they eligible to apply for and receive CAL funding for future periods?

An apprentice can complete his/her technical training period with CAL funding and there is no obligation to repay until six months after they are no longer a registered apprentice. If the loss of a sponsored employer means that the apprentice is no longer considered as registered in a Red Seal trade apprenticeship program then they would no longer be eligible for further CAL funding.

### 42. If the apprentice changes their Red Seal trade but has already received funding for 5 technical training periods will they receive additional funding?

The apprentice will not receive additional funding. CAL includes a lifetime maximum of 5 funded technical training periods and up to a maximum of 6 years of interest-free status.

## Confirmation of Enrolment

### 43. When can Technical Training Providers confirm enrolment?

Technical Training Providers can confirm enrolment as early as 21 days before the start of an apprentice's technical training. Having said that, CSLP requests that the confirmation of enrolment be completed only when the institution, in its judgement, has a confidence level that the apprentice is enrolled/will attend. Some institutions may prefer to only confirm enrolment as of the first day of technical training, in which case the apprentice should receive his/her funding within 3-5 business days from the date of confirmation of enrolment. In either case, CAL will not be disbursed prior to the first day of technical training.

### 44. Can Technical Training Providers request that a portion of a CAL disbursement be directed to the institution to pay tuition and fees?

CAL funds may not be used to pay tuition and fees directly to a Technical Training Provider through a remittance process. Those arrangements must be made directly with the apprentice.

### 45. Are there any reporting responsibilities for early withdrawals?

There is no early withdrawal reporting requirement for Technical Training Providers. If an apprentice withdraws early his/her disbursement will count towards the lifetime maximum of 5 funded periods and will have to be repaid once the apprentice enters repayment.

### 46. Will Technical Training Providers be required to confirm enrolment for interest-free status?

Technical Training Providers will not be required to provide confirmation of enrolment for interest-free status similar to the "Schedule 2" process for Canada Student Loans. The CALSC will be confirming apprentices' ongoing registration status directly with their provincial or territorial apprenticeship authority.



## CANADA APPRENTICE LOAN (CAL) FREQUENTLY ASKED QUESTIONS FOR TECHNICAL TRAINING PROVIDERS

**47. Are apprentices who are in interest-free status on their CAL automatically placed in interest-free status on their Canada Student Loan (CSL)?**

CAL and CSL are separate loan types. Interest free status on one loan type does not result in interest free status on the other loan type.

**48. Will Technical Training Providers receive information on the disbursement status of a CAL?**

Technical Training Providers will not receive information on an apprentice's disbursement status. The CSLP encourages apprentices to register for and use their CALSC Online Services account to obtain these updates directly (or by contacting the CALSC). Technical Training Providers may contact the CALSC to inquire on behalf of an applicant.

### **Maintaining and Repaying**

**49. How do apprentices maintain interest-free status on their CAL?**

Registered apprentices are not required to make payments on their loan(s) and no interest will accrue if they:

- Are returning to technical training and apply for and receive CAL funding;
- Have their ongoing registration confirmed by their provincial/territorial apprenticeship office (whether returning to technical training or not).

If an apprentice does not confirm that they are still a registered apprentice in a Red Seal trade apprenticeship program by the apprenticeship end date, interest will begin to accrue on the loan and repayment will commence 6 months after this date.

- The apprenticeship end date is 12 months following either an apprentice's last funded technical training end date or the date their ongoing registration was last confirmed with their provincial/territorial apprenticeship office.

The CALSC will inform the apprentice when confirmation of registration is required and the steps necessary to complete this process.

**50. Why is the interest-free period capped at 6 years?**

Since most apprenticeship programs take no more than three to four years to complete, this provides some flexibility in recognition of some of the barriers to completion and/or life circumstances that are sometimes beyond an apprentice's control.

**51. How does repayment work for CAL?**

Repayment of a CAL will start when the apprentice:

- Has completed his/her Red Seal trade apprenticeship program;
- Is no longer registered in a Red Seal trade apprenticeship program;
- Did not confirm registration by the apprenticeship end date; or
- Has reached the lifetime maximum of 6 years of interest-free status.

Interest will begin to accrue on the loan the day after the apprenticeship end date. No payments are required for the first 6 months after the apprenticeship end date, although interest will accrue on the outstanding loan balance. At the end of the 6 month non-repayment period, the borrower will be required to start making regular loan payments.

**52. What are the interest rates for CAL?**

Apprentices may choose between a variable (prime + 2.5%) or fixed (prime + 5%) interest rate.



## CANADA APPRENTICE LOAN (CAL) FREQUENTLY ASKED QUESTIONS FOR TECHNICAL TRAINING PROVIDERS

### 53. Can CAL be repaid at any time?

Borrowers may make payments on their CAL at any time and should be directed to the CALSC for details.

### 54. Does CAL have disability-related provisions?

CAL does not incorporate disability provisions for up-front loan funding, but will include repayment measures that will mirror those in place for Canada Student Loans, including the:

- Repayment Assistance Plan for Borrowers with a Permanent Disability (RAP-PD); and
- Severe Permanent Disability Benefit (SPDB).

### 55. How does receipt of Severe Permanent Disability Benefit (SPDB) affect CAL?

If a borrower qualifies for and receives the SPDB they will not have to repay their CAL, and will no longer be eligible to receive additional CAL or CSL funding.

### General

### 56. Is the CALSC the same as the National Student Loans Service Centre (NSLSC)?

The CALSC and NSLSC are different service centers responsible for the administration of CAL and Canada Student Loans (CSL), respectively. However, the CALSC and NSLSC are managed by the same CSLP service provider and Technical Training Providers should experience consistent service.

Questions related to CAL should be directed towards the CALSC **as of January 2<sup>nd</sup>**, and questions related to CSL should continue to be directed to the NSLSC.

**CALSC:** 1-855-844-5670 (within North America)  
1-855-844-5671 (TTY for the hearing impaired)

**NSLSC:** 1-888-815-4514 (within North America)  
1-877-815-4556 (TTY for the hearing impaired)

### 57. How can CAL be promoted?

Please refer apprentices to [www.canada.ca/apprentice](http://www.canada.ca/apprentice).