



## **RDSP: Registered Disability Savings Plan**

**It is a Registered investment plan**

**It was Launched in 2008 by the Federal Government**

**There is Federal/provincial matching and funding**

**You are only allowed one account per beneficiary**

**In order to open an RDSP, the person with the disability MUST:**

- 1) Be Recipient of Disability Tax Credit  
(T2201 Disability Tax Credit Certificate)  
<http://www.cra-arc.gc.ca/E/pbg/tf/t2201/t2201-fill-11e.pdf>

**DTC Eligibility:**

**Generally Disabled Described as:**

- Impairment in Physical or Mental Functions lasting or expected to last at least 12 months

**Specifically Disabled Described as:**

- Blindness
- Receiving life-sustaining therapy

Markedly restricted in one or more daily living activities (e.g., speaking, feeding, dressing, walking, mental functions, digestion)

- 2) Be less than 60 years of age
- 3) Be a Canadian resident
- 4) Have a valid Social Insurance Number

**Why to open an RDSP:**

- ▶ Benefit from a reduction in income tax payable
  - Non-refundable tax credits
  - Medical Expense deductions (not covered by other means)
- ▶ Can be transferred from a dependant
- ▶ CRA will back-date and review tax returns
  - 10 years back
  - Date of disability

**Contributions:**

- ▶ Non-deductible contributions can be made by anyone
  - Plan holder must authorize
- ▶ Tax-deferred rollovers of RRSP/RRIF/RPP
  - No Government matching on these
- ▶ No annual limit
- ▶ Contributions **must be** made before age 60
- ▶ **Maximum of \$200,000 lifetime contributions** (excluding growth & bonds/grants)



## **RDSP and the Government:**

### **Canada Disability Savings Grants (CDSG)**

**Contributions may qualify for matching CDSG between 100%-300%** (income dependent)

- Eligible until December 31<sup>st</sup> at age 49
- **Maximum lifetime CDSG is \$70,000**

**Canada Disability Savings Bond (CDSB) up to \$1000** (income dependent)

- Eligible until December 31<sup>st</sup> at age 49
- **Maximum lifetime CDSB is \$20,000**

### **How to get the money out:**

1. Lifetime Disability Assistance Payment (LDAP)
2. Disability Assistance Payment (DAP)

\*\*\*Payments from an RDSP do not impact other income-tested federal government programs, including:

1. Old Age Security (OAS)
2. Guaranteed Income Supplement (GIS)
3. Canada Pension Plan (CPP)
4. The Goods and Services Tax Benefit (GST Benefit)
5. Social assistance benefits

### **Assistance Holdback Amount “AHA”**

- ▶ All Government monies (CDSG/CDSB) received have a 10-year hold
- ▶ Any payments made within 10-year period will force repayment

**Account opened in 2008**

**CDSB received 2008, 2009, 2010, 2011, 2012**

**Withdrawal 2013 – \$3 dollars for every \$1**