

This booklet gives only general information. You can seek further information from your banking institution, or from the Canada Revenue Agency website at:

<https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/registered-disability-savings-plan-rdsp.html>



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Registered Disability Savings Plan



**WHO CAN GET ONE, HOW TO GET ONE
AND WHAT ARE THE ADVANTAGES**

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Saving in an RDSP does not affect other disability benefits. Your provincial disability benefits are not affected when you save in an RDSP, no matter what province or territory you live in. Federal government benefits, like Canada Pension Plan, Disability Benefits, Old Age Security, and Guaranteed Income Supplement are also not affected.

The RDSP Savings Calculator will help you to anticipate how much money contributed to your RDSP could grow over time:

<http://www.esdc.gc.ca/cqi-bin/RdspCalculator-CalculatriceReei/calc.aspx?lang=en>

You can spend your RDSP money on anything you want. Neither the federal government nor provincial governments have placed restrictions on what you can spend your RDSP money on. It's yours – you can do what you want with it!

The money must stay in for over *ten years* in order to not have to pay a penalty for withdrawing it.

Definitions

Beneficiary: is the person eligible to receive the Disability Tax Credit who is the owner of the RDSP. The Beneficiary must have a valid SIN, be a resident of Canada, and be under the age of 60-years-old. The Beneficiary can only have one RDSP at any given time.

Holder: is the person who is legally authorized to manage and make decisions regarding an RDSP. A Holder does not have to be a resident of Canada.

Contributors: Parents, grandparents, other family, friends, charities, foundations – anyone authorized by the Holder.

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Canada Revenue Agency Definition of a Disability

Having “prolonged impairment” (being the working definition for the **disability tax credit**) requiring extensive therapy to aid in the performance of one's activities of daily living.

The Beneficiary must apply and be approved for a **Disability Tax Credit** in order to open a RDSP.

The application form is available from Canada Revenue Agency at:

<http://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t2201.html>

When you open a Registered Disability Savings Plan, the government contributions alone could amount to \$1000 EVERY YEAR of **free money** towards the future, through The Canada Disability Savings Bond, up *to the age of 49*, **without you contributing any money towards it!**

Further, if you do contribute to your RDSP, The Canada Disability Savings Grant may pay up to **3 times** the amount you contribute!

FACT:

Through an RDSP, you can get a maximum of \$3,500 in matching grants in ONE YEAR, and up to \$70,000 over the beneficiary's lifetime! PLUS, the Government of Canada will pay directly into your RDSP a bond of up to \$1,000 EVERY YEAR to low-income Canadians – and that is without any contributions having to be made!

What is a RDSP?

A REGISTERED DISABILITY SAVINGS PLAN (RDSP) is a savings plan intended to help parents and others save for the long-term financial security of a person who has a disability and is eligible for the Disability Tax Credit (DTC).

A few Good Reasons to Open an RDSP for you or your loved one with a disability:

1. Receive up to \$1,000 every year from the Federal Government, without *making a contribution!*
2. The Federal Government will match the amount you contribute – up to 3 times the amount!
3. Opening an RDSP does NOT affect other disability benefits that you already get! (Ontario Disability Support Program Benefits, Canada Pension Plan-Disability etc.)

GETTING STARTED

STEP 1

- Obtain a *Disability Tax Credit Certificate* -Form 6929 (online: <https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t2201.html> or call 1-800-959-8281)

What is a Disability Tax Credit (DTC)?

When the disability tax credit is applied for, it helps the person with the disability.

It reduces the income tax claimed, and includes supplements for persons under 18 years old.

It allows for the application of an RDSP, as well as other programs.

(See: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/segments/tax-credits-deductions-persons-disabilities/disability-tax-credit.html>)

STEP 2

- The *Disability Tax Credit Certificate form* must be filled out by your doctor or a nurse practitioner.

STEP 3

- Send the form to Revenue Canada and await the decision.

Who Can Open an RDSP?

If under the age of majority:

- a legal parent of the beneficiary
- a guardian, tutor, or curator of the beneficiary, or another individual who is legally authorized to act for the beneficiary
- a public department, agency, or institution that is legally authorized to act for beneficiary.

Opening an RDSP for yourself:

If you have reached the age of majority, and are contractually competent to enter into a plan, you can open an RDSP for yourself.

If your legal parent(s), opened an RDSP for you before you reached the age of majority, they can now add you as a joint holder of the RDSP.