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Evaluation of the Canada Disability Savings Grant and Bond 2008-2009 to 2011-2012: Phase I

Final Report
October 27, 2014

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***Evaluation of the Canada
Disability Savings Grant and Bond
2008-2009 to 2011-2012: Phase I***

Final Report

***Evaluation Directorate
Strategic Policy and Research Branch
Employment and Social Development Canada***

October 27, 2014

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List of Acronyms

AAD	Analytical Administrative Database
CDSB	Canada Disability Savings Bonds (bond)
CDSG	Canada Disability Savings Grants (grant)
CDSP	Canada Disability Savings Program
CESP	Canada Education Savings Program
CRA	Canada Revenue Agency
DTC	Disability Tax Credit
ESDC	Employment and Social Development Canada
LAD	Longitudinal Administrative Databank
PALS	Participation and Activity Limitation Survey
PMF	Performance Measurement Framework
RBAF	Risk-based Audit Framework
RDSP	Registered Disability Savings Plan
RESP	Registered Education Savings Plan
RMAF	Results-Based Management and Accountability Framework
SHS	Survey of Household Spending

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Executive Summary

The Canada Disability Savings Program (CDSP) was designed to encourage savings through Registered Disability Savings Plans (RDSPs) to provide for the long-term financial security of persons with severe and prolonged disabilities through:

- Canada Disability Savings Grants (CDSG)¹ which are limited matching grants payable against contributions made to an RDSP, tested against family income, and
- Canada Disability Savings Bonds (CDSB)² provided to RDSP beneficiaries with low to modest net family income (regardless of whether they contribute to the RDSP).

Grants and bonds are held in Registered Disability Savings Plans (RDSPs) which became available in December 2008. The Canada Disability Savings Program and related features, including design and delivery, are within the purview of Employment and Social Development Canada.³ References to the RDSP in this report are made for the purpose of providing context; however, the scope of the evaluation is focused on the Canada Disability Savings Grant and Bond.

The goal of this evaluation is to examine early outcomes of the Canada Disability Savings Grant and Bond to determine if the program is functioning as intended, as such it is referred to as Phase I with a subsequent Phase II planned to start in 2015-2016 which will examine outcomes. Covering the period from 2008-2009 to 2011-2012, multiple lines of evidence were used to collect and analyze data in support of this evaluation (see Annex III). It should be noted that the program has evolved since this time period through the introduction of changes to the program (see Annex V).⁴

The key findings of the evaluation are the following:

Relevance

- The Canada Disability Savings Grant and Bond responds to long-standing and ongoing needs identified by persons with disabilities, their families and organizations supporting persons with disabilities to reduce barriers for persons with severe and prolonged disabilities in saving for their future.
- The Canada Disability Savings Grant and Bond introduce a new element in the suite of programs available to provide financial security to people with disabilities, namely asset-

¹ The CDSG: is referred to as the grant in this evaluation report.

² The CDSB: is referred to as the bond in this evaluation report.

³ The RDSP, as a tax-assisted savings vehicle, is legislated under the provisions of the *Income Tax Act* (ITA) (Section 146.4), as such related policy parameters are the responsibility of the Department of Finance Canada. The administration of the *ITA* is the responsibility of the Canada Revenue Agency. For more information see the [Canada Disability Savings Act](#) (accessed June 27, 2014).

⁴ For more information about the changes, see [Budget 2012](#).

development, in support of economic self-sufficiency. This aligns with the Government of Canada's priorities and ESDC's strategic objectives.

Design and delivery

Elements that contribute to achieving outcomes include the availability of grants and bonds, and collaboration between federal departments, financial institutions, and non-government organizations serving persons with disabilities. Another factor contributing to the achievement of outcomes is that the Canada Disability Savings Grant and Bond is implemented according to plans (e. g. timing, resources, etc.). Some challenges are noted including administrative complexity, lack of awareness of the grant and bond, and confusion about eligibility requirements and the application process. The Government of Canada has worked with provinces and territories to make full or partial exemptions to RDSP income and assets for persons with disabilities applying for social assistance.

Achievement of Outcomes

Awareness and understanding: Eligible persons with disabilities are increasingly aware of the RDSP as evidenced by a growing number of plan holders since the RDSP, the grant and the bond were introduced in 2008. RDSP plan holders who had someone assist them (e.g., family member or friend) reported little or no difficulty with the application process compared to those who did not have such assistance.

Financial institutions meet needs: Findings indicate that overall, the financial institutions meet the needs of persons with disabilities and their families. Some mixed experiences in interactions with financial institutions were noted as some persons with disabilities and their families found that financial institutions staff lacked training or understanding regarding the RDSP. It is difficult however to assess the frequency and/or quality of these interactions due to lack of data. The evidence indicates that training and information resources were provided by ESDC to the delivery partners. However, the extent to which RDSP information and the needs of the target population were understood by financial institutions and non-government organizations involved with persons with disabilities and their families is unknown.

Eligible persons with disabilities open RDSPs: In 2010 the take up rate of RDSPs, based on data limited to persons with disabilities aged between 18 to 49 who had the Disability Tax Credit, was 14.8%. At December 2012, 63,944 RDSPs had been created and beneficiaries accumulated \$919.9 million in assets for future benefit. These assets included the following:

- \$313.1 million in private contributions (in 2010, 20 % contract holders of CDSP were agencies);
- \$432.3 million in grants; and
- \$174.5 million in bonds.

The total assets and number of participants are growing steadily; however, findings suggest that the Canada Disability Savings Grant and Bond remain beyond the reach of some segments of the

target population (e. g., newcomers to Canada, rural residents, etc.). More analysis is required to better understand the situation in further depth.

Areas for improvement identified: Recommendations are made in the following areas:

1. Enhance performance measurement.
2. Improve the Canada Disability Savings Grant and Bond communications approach and outreach, particularly for target population segments disproportionately not participating.
3. Continue to streamline and simplify existing complexities with respect to the application process.
4. Support awareness and knowledge development of financial institutions and other delivery partners of the RDSP, the grant and bond.

Management Response

The Registered Disability Savings Plan (RDSP) is a long-term savings plan designed to help Canadians with disabilities and their families save for the future. To help savings grow, the Government of Canada will deposit a Canada Disability Savings Bond (bond) of up to \$1,000 per year into the RDSPs of eligible low- and modest-income Canadians with disabilities, without requiring them to make contributions. In addition, if contributions are made to an RDSP, the Government could deposit a Canada Disability Savings Grant (grant) of up to \$3,500 per year, depending on the amount contributed and the beneficiary's family income. The Program complements other government measures that help support financial security for people with disabilities (i.e. tax support and benefits, earnings replacement and income support programs). The RDSP, the grant and bond are delivered through a partnership between the Government of Canada (Employment and Social Development, the Canada Revenue Agency and Finance Canada) and participating financial institutions (issuers). Canadians set up RDSPs by opening a plan with an issuer, who in turn invests, administers and disburses the money for the benefit of the RDSP beneficiary.

The Department welcomes and agrees with the evaluation findings, which will help further the Department's work to deliver the program. This management response outlines how the Department will review and implement the recommendations in the report.

RECOMMENDATION 1 – Enhance performance measurement

Adjustments should be made to the program performance measurement strategy in order to enhance its data collection by:

- Expanding data to include indicators to measure awareness of the RDSP, grant and bond.
- Collecting feedback from participants of in-person groups, webinars and one-on-one information sessions offered by community-based organizations to capture the change in the level of awareness about the Program as a result of the service offered.
- Conduct more in-depth analyses to identify and address the needs of particular sub-populations (i.e., disability type) of persons with disabilities that may be underserved. These populations may have different needs and reaching them could require different, albeit equitable, communications approaches.

Management agrees with this recommendation. Work is underway to review the Performance Measurement Framework (PMF), including the logic model. This work seeks to adjust the PMF in light of the knowledge and experience gained since the Program was launched in 2008 and to integrate some of the Program changes that have since been introduced (e.g., carry forward provisions). This work will explore how outcome indicators related to program awareness and understanding can be incorporated. The revised PMF will be completed in 2015-2016.

As part of a 2013 review of the outreach contracts with non-government organizations (NGOs) who deliver information sessions and one-on-one support to people with disabilities and their families across Canada, program officials are requiring contractors to collect more detailed participant feedback. This exercise is capturing a range of new information, including the change in participants' level of awareness. This feedback will be reviewed on an ongoing basis to better

understand the extent to which awareness is being raised. Program officials will also ascertain if this information can be used to help improve program awareness indicators.

The Program's administrative data does not capture the beneficiary's disability and modifying the system to do so is not an option that will be pursued given privacy concerns. As a result, the program cannot disaggregate its administrative data by disability type. This being noted, the program will continue to work with disability organizations representing the range of disability types to raise program awareness among the clients they serve. Further, the program will review the findings from the Canadian Survey on Disability and Canada Revenue Agency data on Disability Tax Credit (DTC) applicants to review how best the program can reach all disability populations.

RECOMMENDATION 2 – Improve the Canada Disability Savings Grant and Bond communication approach and outreach, particularly for target population segments less likely to participate

- Identify people with disabilities and families who are less likely to be reached and adapt the communication and outreach approaches to increase inclusion.
- Consider working through national disability programs and provincial disability financial assistance programs. This would reach a broader audience with initial information, after which they could be directed to the contracted organizations and financial institutions for more in-depth and personally relevant information.
- Work with a greater number and range of disability organizations to promote the RDSP, the grant and bond among their membership.
- Partnering with provincial social assistance and disability programs to send out notifications and contact information for greater awareness

Management agrees with this recommendation. A multi-pronged outreach strategy has been developed to help create awareness and enhance understanding. Activities include: contracting with community NGOs to provide information sessions and one-on-one assistance, undertaking mass mail-outs to newly DTC-eligible individuals who would be eligible to receive the grant and bond, sending email blasts to community and stakeholder organizations, attending conferences to reach relevant populations (e.g. health care professionals), and engaging with other stakeholders such as the financial planning industry. Outreach activities and products are designed to engage the maximum number of individuals as possible by using plain language, different formats and multiple means of distribution.

A stakeholder engagement strategy is being developed and includes plans to develop new partnerships internally with other programs and with other government departments that may have overlapping target populations, such as veterans with disabilities (Veterans Affairs Canada) and DTC-eligible populations (CRA). Approaches for promoting through other departmental programs with a similar target audience are being explored. The strategy includes plans to continue promoting the RDSP, the grant and bond among disability organizations across Canada. Continued efforts to engage the financial sector are also part of the strategy. The strategy will be developed, and implementation begun, by the fall of 2014.

Program officials are increasingly working with their provincial/territorial counterparts and welcome further collaboration. Program officials have worked with Ontario and British Columbia officials to further program promotion in those provinces. In addition, program officials worked with representatives of provincial/territorial governments through the F-P/T Persons with Disabilities Advisory Committee to explore possible ways to collaborate. For example, CDSF administrative data disaggregated to a P/T level is now shared with P/Ts on a regular basis.

RECOMMENDATION 3 (a) – Support awareness and knowledge development of financial institutions and other delivery partners of the RDSP

- Review the effectiveness of existing communications methods for the RDSP, the grant and bond, such as the CRA notice of assessment and media campaigns.
- Simplify the content of Government of Canada materials, such as fact sheets, website and brochures, used to communicate about the RDSP, the grant and bond with the target audience—to make them more accessible to Persons with disabilities and their families.
- Ensure that the information provided about the plan rules, such as those related to potential repayments obligations, are clear, detailed and easy to understand.

Management agrees with this recommendation. Communication and outreach products are reviewed on an ongoing basis to ensure clarity and facilitate comprehension. Ways to simplify the communications products will continue to be examined. As the Program matures and more people start drawing savings from the RDSPs, additional information on withdrawals will be developed.

ESDC collaborates with CRA on outreach activities, including providing information on the RDSP in the letters Canadians receive when their application for the DTC is approved. A collaborative relationship with the CRA area responsible for the DTC is also leading to joint activities (e.g., a joint webinar in November 2013). Program officials are committed to continue to work with CRA on informing DTC-eligible individuals about the program.

RECOMMENDATION 3 (b) – Continue to support participating financial institutions:

- Work to ensure the Canada Disability Savings Grant and Bond application and RDSP transfer forms are easier to complete.
- Conduct regular outreach with the financial institutions to understand front-line service delivery issues.

Management agrees with this recommendation. ESDC has developed web-based training and reference tools to help Issuers administer RDSPs and explain the program to applicants (e.g., RDSP Provider User Guide, InfoCapsules and on-line training modules) and sends regular Listservs to provide updates on changes. Additionally, the RDSP Advisory Committee (RDSPAC) was created in 2012 to provide a forum for delivery partners to discuss key issues, including providing advice on program administration issues and identifying approaches to improve delivery. ESDC and CRA co-chair the committee that brings together representatives from all Issuers. Meetings occur annually, with occasional teleconferences during the year.

Regular engagement through RDSPAC will continue and participation in meetings/discussions by delivery partners will be encouraged.

Work is underway to improve the grant and bond application form to make it clearer and reflect program enhancements, such as the carry forward provision. Feedback was solicited from Issuers to improve the application form. The improved grant and bond application form will be finalized in 2014-2015 and provided, along with guidance, to Issuers.

Outreach activities will continue to focus on empowering clients to understand the program so as to more effectively deal with the financial institutions. Communication products have been developed to direct clients to help facilitate interactions between clients and financial institutions (e.g., development of an outreach tool that provides the direct phone number to the financial institutions call centres that handle RDSP inquiries and transactions). This type of work will be continued as part of regular outreach activities.

1 Introduction

This report presents the results of the evaluation of the Canada Disability Savings Grant and Bond for the period 2008-2009 to 2011-2012. The evaluation is being conducted in two phases: Phase I (this report) is based on an assessment of early program outcomes and results to determine if the CDSG and CDSB are functioning as intended and whether they are on target to meet their objectives. The evaluation examined the program relevance and early directional impacts of the grant and bond. A mixed-methods approach was used, combining both quantitative and qualitative methods, to address the evaluation issues and questions. (See Appendix III for a detailed matrix of evaluation issues and questions by line of evidence). Phase II, set to start in 2015-2016, will build on the findings from Phase I and will focus on assessing longer-term outcomes including efficiency and economy, and alternative design and delivery approaches.

1.1 Description of the Canada Disability Savings Grant and Bond

For the purpose of this evaluation, the CDSP is comprised of two components: the Canada Disability Savings Grant (grant) and the Canada Disability Savings Bond (bond). These are governed by the *Canada Disability Savings Act* and the *Canada Disability Savings Regulations*, for which ESDC is responsible. The CDSP is the focus of this evaluation. The grant and bond are paid into a Registered Disability Savings Plan (RDSP), which is a registered tax-assisted⁵ investment account that is governed by the *Income Tax Act* for which the responsibility lies with the Department of Finance Canada and the Canada Revenue Agency. Neither the accounts themselves nor their overall administration are being evaluated. As an RDSP account is required to obtain a bond or grant, the report contains references to the RDSP as it is the terminology that is often used and understood by Canadians when referring to the accounts, bonds and grants.

Through Budget 2007, the Government of Canada announced the introduction of a new tax-assisted RDSP. Reinforced in the October 16, 2007 Speech from the Throne, the program was launched in December 2008.

The objective of the CDSP is to encourage long-term savings through RDSPs, and as such, to promote the financial security of persons with disabilities by providing Government of Canada contributions (grant and bond) as an incentive to both open and contribute to an RDSP.

Registered Disability Savings Plan (RDSP): A tax-assisted⁶ savings vehicle administered by the Canada Revenue Agency (CRA). It is an arrangement between a financial institution and a plan holder⁷ that is designed to encourage savings for the long-term financial security of a person

⁵ The tax-assisted terminology was used in the Program official documents, including Treasury Board Submission, RMAF/RBAF, etc. These types of accounts are now referred to as tax-deferred.

⁶ Ibid

⁷ A Plan holder is an individual (parent or legal guardian), agency, department or institution that opens an RDSP, names one beneficiary and may deposit money (contributions) for the beneficiary. A beneficiary may also be the plan holder.

with a severe and prolonged disability. Contributions to an RDSP for a beneficiary are limited to a lifetime maximum of \$200,000.

Canada Disability Savings Grants (grant): Through this grant, the federal government deposits money into individual RDSPs to encourage savings for Persons with disabilities. The Government of Canada provides matching grants of up to 300%, depending on the amount contributed and the beneficiary's family income. The current maximum grant entitlement is \$3,500 each year, with a limit of \$70,000 over the beneficiary's lifetime. Grants can be paid on contributions made to an RDSP until the end of the calendar year that the beneficiary becomes 49 years old.

Canada Disability Savings Bond (bond): Through these bonds, the federal government deposits money into the RDSPs of low-income and modest-income Canadians. Those who qualify for the bond could receive up to \$1,000 a year from the Government of Canada, up to a limit of \$20,000 over the beneficiary's lifetime. To receive the bond, plan holders do not need to contribute to the RDSP. Bonds can be paid to an RDSP until the end of the calendar year that the beneficiary becomes 49 years old.

1.1.1 Eligibility Criteria

Eligibility for RDSPs is defined as Canadian residents with long-term disabilities, who:

- Have a Social Insurance Number (SIN);
- Are eligible for the Disability Tax Credit (DTC);⁸ and
- Are under 60 years of age.

In addition to the above, eligibility for the grant depends on the amount contributed to the RDSP that year and the matching rate depends on family net income (eligible income thresholds are adjusted annually).⁹

Eligibility for the bond also depends on family net income; however, RDSP holders do not need to contribute to the RDSP to be eligible for the bond. Eligible income thresholds are adjusted annually and the amount of the bond decreases as family income increases.

1.1.2 Profile of Canada Disability Savings Grant and Bond-Population

In 2010, about 225,000 Canadians between 18 and 49 were eligible to claim the Disability Tax Credit when they filed their income tax return.¹⁰ The table below presents both the number of persons with disabilities eligible for and claiming the DTC from 2006 to 2010.

⁸ Persons with disabilities who are eligible for the DTC meet the criteria of having an impairment in physical or mental functions which is both severe and prolonged.

⁹ In 2012, Persons with disabilities with a family net income of \$85,414 or less were eligible for the grant. When the family income was greater than \$85,414, the beneficiary was eligible for a grant of equal to 100% of the first \$1,000 contributed. As for eligibility for the bond, the family income limit was \$42,707 or less. The bond increases as the family income decreases—up to a maximum of \$1,000 per year.

¹⁰ From the technical report: Analysis of the CDSP Using Administrative and CRA data (2014), p. 14.

Table 1: Trends in DTC claimants: Ages 18-49, 2006-2010

	Number of DTC eligible individuals	Growth rate of DTC eligible individuals	Number of DTC claimants	DTC claim rate
2006	224,656		126,798	56.4%
2007	222,627	-0.9%	129,716	58.3%
2008	221,185	-0.6%	134,262	60.7%
2009	223,538	1.1%	140,027	62.6%
2010	224,885	0.6%	140,971	62.7%
Source: T1 file 2006-2010				

1.2 Methodology

A mixed-methods approach was used, including quantitative and qualitative methods, to address key evaluation issues and questions in Annex III. The multiple lines of evidence, described below, were used to collect and analyze information in support of this evaluation:

- **Document and File Review:** of program documentation from various sources, including official documents, project files and reports from 2008-2009 to 2011-2012.
- **Literature Review:** of Canadian and international sources on asset development programs for individuals and families affected by disability and the costs associated with disability.
- **Key Informant Interviews:** with representatives from Program delivery agencies, federal officials, provincial and territorial officials and organizations that advocate on behalf of persons with disabilities.
- **Focus Groups:** conducted in 10 Canadian cities with persons with disabilities and families to assess understanding and knowledge of the grant and bond among its target audience and collect data on expectations, experiences and levels of satisfaction among RDSP holders. Interviews were used with persons with disabilities unable to participate in focus groups.
- **Statistical data analysis:** of the 2006 Survey of Participation and Activity Limitation Survey (PALS) and Survey of Household Spending (SHS), to answer questions on additional living costs, barriers, and savings among families and persons with disabilities.
- **Longitudinal administrative data (LAD) analysis:** to estimate the size of the eligible population for the RDSP and examine their characteristics.
- **Analysis of linked ESDC-CRA Data:** to assess the take-up rate of the program, trends and differences by various characteristics, as well as program delivery and progress towards outcomes achievement.

2 Key Findings

2.1 Relevance

This section presents the evaluation findings related to ongoing need for the Canada Disability Savings Grant and Bond; its alignment with federal government and ESDC priorities; and with federal roles and responsibilities.

Findings from various sources of information support a demonstrated need for the grant and bond and its underlying components. The grant and bond responds to the needs of Canadians with disabilities by increasing knowledge and/or awareness of savings and encouraging contributions to their long-term financial security. The grant and bond, and RDSP more broadly complement existing provisions for persons with disabilities, including the Disability Tax Credit, the Medical Expenses Tax Credit, the Caregiver Tax Credit, and the Infirm Dependent Tax Credit.¹¹

Is there an Identified Responsibility for Society to Support Persons with Disabilities?

Findings indicate that the federal government has progressively developed policies to support equity and inclusion for Canadians with disabilities since the 1970s.¹² The federal government has formally recognized that persons with disabilities have extraordinary economic circumstances, which affect not only themselves, but their families as well.¹³ The evidence also demonstrates that persons with disabilities have many other characteristics that make it difficult or impossible to save for the future, or to accumulate assets, and benefit from support in increasing their long-term financial security.¹⁴

The RDSP, along with the grant and bond, is a unique approach as it focuses on persons with disabilities and takes a long-term view. Some program elements have similarities with programs implemented in other countries in recent years (specifically the United States, the United Kingdom, Australia), which are based on models of asset development to address the financial needs of low-income populations. These international programs¹⁵ show that matched savings programs have positive effects on the savings of people who otherwise experience financial challenges.

What are the Additional Costs of Living Associated with Disability and Do Long-Term Costs Justify the Need for the Canada Disability Savings Grant and Bond?

While consistent with the principles underlying Canadian disability policy to date, the RDSP, the grant and bond, introduce a new element in the suite of programs available to persons with disabilities, namely an asset-based approach that seeks to increase economic self-sufficiency of persons with disabilities and their families. The evidence suggests that families supporting a person with disabilities accumulate fewer assets, and therefore face higher economic risks and lower rates of self-sufficiency than families who are not supporting a member with a disability.¹⁶ At the household level, it is estimated that about one quarter to one half of household income is spent on specific disability-related costs in households that include someone with a disability. In terms of additional lifetime disability-related costs to persons with disabilities and families

¹¹ From technical reports: Key Informant Interviews for the Evaluation of the Canada Disability Savings Program (2012), p. 7.

¹² From the technical reports: Literature Review on Disability, Savings, and the Canada Disability Savings Program in Support of the Formative Evaluation of the CDSP (2012), and File and Document Review for the Formative Evaluation of the CDSP (2013).

¹³ “[Helping Parents Save to Ensure the Long-Term Financial Security of a Child With a Severe Disability](#)” as announced in Budget 2007.

¹⁴ Literature Review on Disability, Savings, and the Canada Disability Savings Program in Support of the Formative Evaluation of the CDSP (2012), p. 35.

¹⁵ Ibid, p. 13.

¹⁶ Ibid, p. 18.

generated between 2006 and 2012, estimates are between \$100,000 and \$3 million, while costs to society are in the billions.¹⁷

These findings are confirmed by other sources indicating that between 2004 and 2009, Canadian households with persons with disabilities spent in general more than their comparable households without persons with disabilities.¹⁸ Specifically, households with persons with disabilities spent more on their shelter, household operation, and on furniture, possibly due to the costs of adaptation needs. On average they also spent almost twice the amount of families without persons with disabilities on health care supplies, medical and pharmaceutical products, and health care practitioners (\$803 compared to \$423 per household). Households with persons with disabilities (without children) spent 4 to 6 percent more on food, shelter, household operation, furniture, and transportation than households without persons with disabilities.

It is important to note that there are significant challenges to estimating the costs of disability due to the multidimensionality of variables and a lack of standardized approaches to measurement. The evidence indicates that additional living costs faced by persons with disabilities and their families are better understood within the categories of lifetime costs, specific costs and asset poverty.¹⁹

As indicated in Figure 1 below, data analysis²⁰ suggests that households with persons or child/children with a disability for the most part have lower incomes than households without a person with disability or children with disabilities. Between 2004 and 2009, persons with disabilities with severe disabilities were more likely to have out-of-pocket expenses than those with less severe disabilities: approximately 80 percent of persons with disabilities with more severe disabilities had at least one out-of-pocket expense, almost 18 percentage points higher than for those with less severe disabilities. Over half of those with more severe disabilities had out-of-pocket expenses for drugs that were not covered by insurance from a government program; they were also more likely to have out-of-pocket expenses for the purchase of aids and specialized equipment, health care and social services, transportation, and the modification of their residence than those with less severe disabilities.²¹

¹⁷ Ibid, p. 35

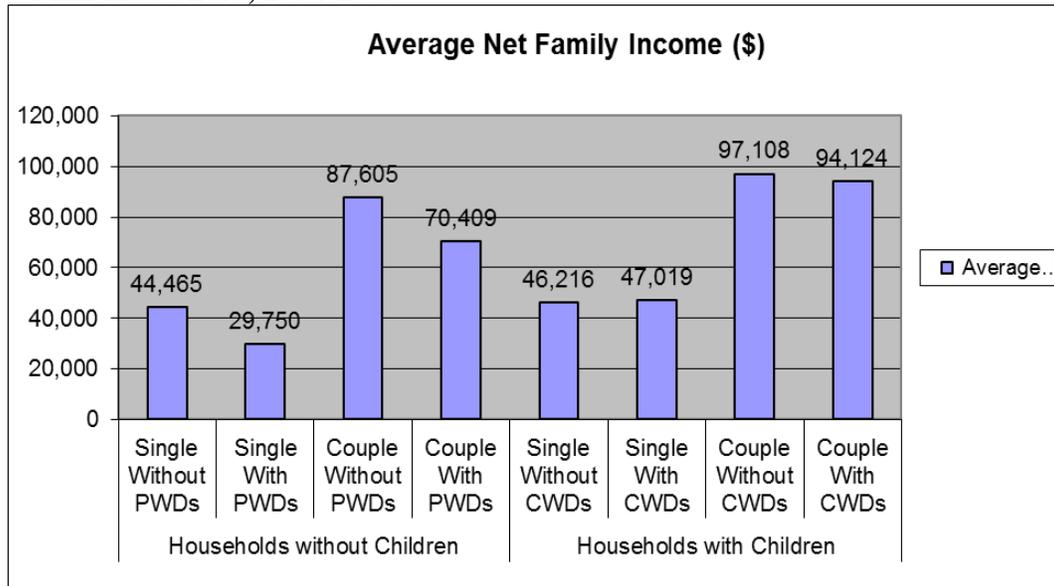
¹⁸ ESDC (2013) Savings Among Persons with Disabilities: Findings from the Survey of Household Spending (SHS), pp. 10-11.

¹⁹ Literature Review on Disability, Savings, and the Canada Disability Savings Program in Support of the Formative Evaluation of the CDSP (2012), p. 18.

²⁰ ESDC (2013) Additional Living Costs and Barriers Faced by Persons with Disabilities: Findings from the Participation and Activity Limitation Survey (PALS 2006), p. 14.

²¹ Ibid, pp. 13-14.

Figure 1: Average Net Family Income by Presence of Persons with Disabilities within Household, 2004-2009



Source: Statistics Canada – Survey of Household Spending, 2004 to 2009, PWDs – Persons with Disabilities, CWDs – Children with Disabilities.

Furthermore, persons with a disability also experience a larger financial burden due to the often large “opportunity costs” associated with care-givers’ foregone earnings.

Why should the federal government be responsible for the Canada Disability Savings Grant and Bond?

The RDSP is part of a long history of Canadian legislation providing support to people with disabilities.²² Since 2010, the federal government has focused on a series of financial and tax initiatives to support persons with disabilities. The RDSP complements existing provisions for persons with disabilities, including for example, the Disability Tax Credit, the Medical Expenses Tax Credit, the Caregiver Tax credit, and the Infirm Dependent Tax Credit.

In 2006, the Minister of Finance appointed an Expert Panel on Financial Security for Children with severe disabilities, whose mandate was to identify ways to help parents and grandparents save for the long-term financial security of a child with a severe disability.²³ By providing an incentive for eligible people to both open and contribute to a registered disability savings plan, the RDSP, the grant and bond align with the federal role and responsibility to build a strong and inclusive society, including working with provincial and territorial partners with the aim of securing a high quality of life for all Canadians.

²² Beginning with the *Canada Pension Plan Act* (1970), the *Canadian Charter of Rights and Freedoms* (1982), the *Employment Equity Act* (1995), and the Multilateral Framework for Labour Market Agreements for Persons with Disabilities (2003); the protection of the rights of persons with disabilities was confirmed in 2010 with Canada’s Ratification of the UN Convention on the Rights of People with Disabilities.

²³ Department of Finance Canada. (2006). *A New Beginning. The Report of the Minister of Finance’s Expert Panel on Financial Security for Children with Severe Disabilities*, p. 8.

The constitutional responsibility for income support for persons with disabilities resides within provincial jurisdiction; the federal RDSP, the grant and bond complement existing provincial disability income support programs by supporting families to save for the future financial security of persons with disabilities. To ensure that the RDSP, the grant and bond achieve their intended objectives, the Government of Canada has worked with its provincial/territorial partners to make full or partial exemptions for RDSP assets and income when determining financial eligibility for provincial assistance programs.

Why should ESDC Deliver the Canada Disability Savings Grant and Bond?

Findings from three lines of evidence²⁴ indicate that by supporting parents and families to develop financial security for persons with severe and prolonged disabilities, the Canada Disability Savings Grant and Bond is aligned with the Government of Canada's priority of "enabling all Canadians to participate fully in society." It is further suggested that the RDSP, the grant and bond, may also act to empower persons with disabilities by giving them greater choice and control over their lives.²⁵ Finally, by providing persons with disabilities and their families with the opportunity to interact with financial institutions, the RDSP enhances their financial literacy in general, which is important to participating in modern Canadian society.²⁶ The RDSP is identified as a central vehicle to support savings among persons with disabilities and their families.

The interview evidence²⁷ also identifies several ways in which the Canada Disability Savings Grant and Bond supports federal government priorities, including: helping Canadians with disabilities to participate more fully in society; complementing the federal government's suite of measures for families with children;²⁸ contributing to a suite of policies/programs designed for persons with disabilities; supporting self-reliance and self-sufficiency; and promoting income security for Canadians by supporting saving for the future.

The Canada Disability Savings Grant and Bond objectives support ESDC's priorities in helping Canadians achieve basic income security and providing access to opportunities for the well-being of persons with disabilities, families and communities.²⁹ The grant and bond are consistent with ESDC's mission to support Canadians in making choices that help them live productive and rewarding lives and to improve Canadians' quality of life.

²⁴ From the technical reports: Literature Review on Disability, Savings, and the Canada Disability Savings Program in Support of the Formative Evaluation of the CDSP (2012); File and Document Review for the Formative Evaluation of the CDSP (2013); and Key Informant Interviews for the Evaluation of the Canada Disability Savings Program (2012).

²⁵ From technical report: Key Informant Interviews for the Evaluation of CDSP (2012), p. 15.

²⁶ Ibid, p. 15.

²⁷ From technical report: Key Informant Interviews for the Evaluation of CDSP (2012), pp. 13-14.

²⁸ With such programs as National Child Benefit, the Universal Child Care Benefit, Employment Insurance Parental and Maternity Benefits, and Employment Insurance Compassionate Care Benefits.

²⁹ From the technical reports: Literature Review on Disability, Savings, and the Canada Disability Savings Program in Support of the Formative Evaluation of the CDSP (2012) and Key Informant Interviews for the Evaluation of CDSP (2012).

2.2 Program Design and Delivery

Administration

The administration of the Canada Disability Savings Grant and Bond is a cooperative effort between ESDC, CRA, and the financial institutions that establish RDSPs, and requires the administration and transfer of information (data) between them (see Annex IV). As the lead department, ESDC is responsible for ensuring that the administration of the grant and the bond adheres to the *Canada Disability Savings Act* (CDSA) and Canada Disability Savings Regulations (Regulations).³⁰

Interdepartmentally, a signed Memorandum of Understanding (MOU) between ESDC and CRA outlines primary roles and responsibilities in the delivery of the program. ESDC also has signed agreements with the participating financial institutions--specifically concerning the RDSP, the grant and bond delivery. Within ESDC, the grant and bond are delivered with the support of three other signed Letters of Agreement: two between ESDC's Office for Disability Issues (ODI) and Service Canada's Citizen Service Branch and Canada Education Savings Program (CESP) within the Learning Branch, and an information sharing agreement (ISA) between the CESP and Service Canada.

Accountability obligations are integrated into the agreements signed with external delivery partners, including measures to track and report on the outputs and outcomes in the CDSP logic model according to the performance indicators listed in the 2008 integrated RMAF-RBAF of the program. The Issuer agreements signed between financial institutions and ESDC to administer the RDSP, the grant and bond lay out the framework for the transfer of information and funds between the financial institutions and the Government of Canada. The financial institutions have adapted their systems, forms and procedures for RDSPs, the grant and bond, and keep administrative records which track their delivery of the RDSPs, grant and bond. On a monthly basis, data/statistics are reported to ESDC on the registered and pending accounts. Also on a monthly basis, statistics on RDSPs are summarized and reported by ESDC to program partners.³¹ ESDC has prepared information and guidelines, and provided training materials and sessions to support financial institutions in serving persons with disabilities.³²

Adjustments to Program Design

The system to administer the grant and bond was developed in several phases, most of which were ready for implementation in December 2008 to provide grant and bond payments. Several policy changes³³ have since been introduced as part of the federal government's budget measures in 2010, 2011 and 2012, in order to improve the effectiveness of the RDSP and respond to concerns expressed by persons with disabilities, stakeholder organizations and financial institutions. These changes are listed in Annex V.

³⁰ From the technical report: File and Document Review for the Formative Evaluation of the CDSP (2013), p.8.

³¹ Ibid, p. 22.

³² Ibid, p. 28.

³³ From technical Report: File and document Review (2013), pp. 21, 22.

2.3 *Achievement of Expected Outcomes*

Immediate Outcome #1: Eligible persons with disabilities (and their families/caregivers) are aware of the RDSP and its requirements

What is the Extent of the Canada Disability Savings Grant and Bond Outreach Activities?

The outreach strategy was predicated on three goals and involved an extensive array of various communications materials and methods³⁴ to:

1. Raise awareness of the RDSP, the grant and bond among persons with disabilities, their families, friends and Canadians in general;
2. Provide information to persons with disabilities and their families with specific information on the procedures required to open an RDSP and apply for the grant and bond; and
3. Provide support to persons with disabilities who require individual assistance accessing RDSPs, the grant and bond.

A number of communication materials and mechanisms were developed including direct mail-outs from the Canada Revenue Agency to people eligible for the DTC; RDSP web-based information on the sites of partner departments/agencies, financial institutions, provincial and territorial governments and non-profit organizations; group and individual information sessions offered by organizations serving persons with disabilities; conferences across Canada; rural exhibits; community outreach; communiqués to community-based organizations, hospitals, health and social services agencies; newspaper advertisements; Service Canada digital display network; and, advertising campaigns including social media.

Other tools included brochures, tear-away information pads, posters, order forms, ASL/LSQ videos, and an information telephone line to answer the general public's queries about the RDSP, the grant and the bond.

Evaluation reference sources³⁵ indicate that persons with disabilities and their families use more than one source of information to learn about the RDSP. They also suggest that the use of the Internet, services of accountants or financial advisor/ planners, or financial institutions are preferred methods of getting information on the RDSP. The use of Government of Canada sources including 1-800 O Canada, ESDC and the CRA are also subsequent considerations.

In addition, between 2009-2010 and 2012-2013, six organizations³⁶ across the country received federal government funding to provide outreach services on behalf of ESDC³⁷ to raise awareness of the RDSP, the grant and bond to persons with disabilities and their families. For example,

³⁴ From technical report: File and Document Review (2013), pp. 30-35.

³⁵ From the technical reports: File and Document Review for the Formative Evaluation of the CDSP (2013); Key Informant Interviews for the Evaluation of the Canada Disability Savings Program (2012); and Focus Groups for the Evaluation CDSP (2013).

³⁶ The organizations are: Community Living Ontario, Compass Inc., New Brunswick Assoc. of Community Living, Northern Lights Canada, Plan Institute and Independent Living Canada.

³⁷ From the technical reports: File and Document Review for the Formative Evaluation of the CDSP (2013), p. 35.

between December 2009 and February 2011 a total of 19,280 persons with disabilities and their families participated in information sessions about the RDSP, the grant and the bond.³⁸

What is the Extent of Awareness about the RDSP, the grant and bond, among persons with disabilities and their families?

The evaluation evidence³⁹ suggests moderate awareness of the RDSP among some persons with disabilities and their families and limited understanding of some of the eligibility criteria. Awareness and knowledge of the RDSP, the grant and bond varied considerably⁴⁰ subject to persons with disabilities' support networks, resourcefulness and experience dealing with financial institutions.

While the focus group data provide some insights, it is important to note that there is limited data on persons with disabilities and their families' awareness about the RDSP, the grant and bond. However, the multiple channels of communication and outreach targeting persons with disabilities and their families offered more sources of information. Furthermore, the increase in the number of RDSPs from 20,598 in 2009 to 63,944 in 2012 may be an indication that more persons with disabilities and their families have learned about the RDSP through one or more channels of communication and outreach.⁴¹

The findings⁴² also indicate however that there is a relatively widespread uncertainty about whether all disability groups are being reached, and if not, who is not being reached. Certain segments of the target population appear less likely to know about the program, and the likelihood of being missed appears higher for some (e.g., those persons with disabilities living alone, having no apparent familial or social ties, living in rural communities or the North, who are Aboriginal Canadians, or who are adults with a mental disability living in a group home).⁴³

The evaluation also found⁴⁴ that certain groups may be aware of the program, but do not tend to apply for it for various reasons (e.g., questions regarding eligibility requirements and complexity of the application process). Evidence⁴⁵ points to some misconceptions about the RDSP, grant and bond, including the idea that a limited number of institutions offered the RDSP, and some confusion regarding the various aspects of the program, such as eligibility, and where to find information.

³⁸ Ibid, p. 34.

³⁹ Some misconceptions about the Program and the eligibility criteria were noted in the Key Informant Interviews for the Evaluation of CDSP (2012), pp. 29-30 and Focus Groups for the Evaluation CDSP (2013), pp. 24-26 technical reports.

⁴⁰ Technical Report: Key Informant Interviews for the Evaluation of CDSP (2012), p. 30.

⁴¹ From the technical reports: File and Document Review for the Formative Evaluation of the CDSP (2013), p. 28.

⁴² From the Technical Reports: Key Informant Interviews for the Evaluation of CDSP (2012), p-18 and Focus Groups for the Evaluation CDSP (2013), p. 30.

⁴³ Ibid.

⁴⁴ From the Technical Reports: Focus Groups for the Evaluation CDSP (2013), pp. 28-29.

⁴⁵ From the Technical Reports: Focus Groups for the Evaluation CDSP (2013) and Key Informant Interviews for the Evaluation of CDSP (2012).

Immediate Outcome#2: Financial institutions offer the RDSP in a manner that meets the needs of the target population

To what extent do financial institutions meet the needs of the target population?

As part of the delivery of the Canada Disability Savings Grant and Bond, thirteen financial institutions (see Annex VI) have signed agreements with the federal government to offer and administer RDSPs, the grant and the bond. Findings⁴⁶ indicate that the financial institutions issuing RDSPs offer the target population different ways to access the program (e.g. centralized telephone system, in-person service) as well as alternative formats for information about the program (e.g. Braille, website accommodations). Evidence⁴⁷ indicates however that despite the existence of these services, applicants have limited awareness of the full spectrum of these organizations and the available options to access the RDSP. Findings⁴⁸ indicate that despite a steep learning curve in the early delivery of the RDSPs, financial institutions are doing a relatively good job in meeting the needs of the target population.

Immediate Outcome #3: Eligible persons with disabilities (and their families/guardians) open RDSPs

What is the RDSP, the grant and the bond Take-Up Rate and what is the Trend⁴⁹?

In 2010, the overall take-up rate as calculated using data on persons with disabilities aged 18 to 49 (who were DTC eligible) was 14.8%, which is consistent with the 15% target set in the CDSP's 2008 RMAF-RBAF. The outreach and awareness activities that were undertaken by community-based organizations effective as of 2009-2010 may have likely contributed to the increase in the take-up rate of the RDSPs. The evaluation also noted⁵⁰ a number of contributing factors that may influence take-up, including financial literacy, confidence over security of savings and program flexibility and alignment with the needs of persons with disabilities.

The program administrative data⁵¹ indicate that from December 2008 to December 2012, 63,944 accounts of RDSPs were opened across Canada and another 5,453 were pending. There was an increase in RDSPs from 20,598 in 2009 to 63,944 in 2012, an average growth of 38% in three fiscal years (2008-2009 to 2011-2012). This represents an overall average of 1,300 plans per month.

The evidence⁵² also suggests that the RDSP take-up rate doubled in three years, from 7% in 2008 to 15% in 2010. The bond take-up rate is high across all disability groups whereas the grant take-

⁴⁶ From Technical Report: File and Document Review for the Formative Evaluation of the CDSP (2013), pp. 28-29.

⁴⁷ From the Technical Reports: Key Informant Interviews for the Evaluation of CDSP (2012), p. 25, and Focus Groups for the Evaluation CDSP (2013), p. 29.

⁴⁸ From the Technical Report: Key Informant Interviews for the Evaluation of CDSP (2012), p. 19.

⁴⁹ From Technical Report: Analysis of the CDSP Using Administrative and CRA data (2014), p. 22. Take-Up data in Phase I of the evaluation are limited to RDSPs for persons with disabilities aged 18 to 49 as the linked RDSP-CRA data analysis did not include individuals under 18 years of age. Analysis of those under 18 and over 49 will be conducted in Phase II.

⁵⁰ From the Technical Reports: Key Informant Interviews for the Evaluation of CDSP (2012), Focus Groups for the Evaluation CDSP (2013), and File and Document Review (2013).

⁵¹ Data referenced in the technical report: File and Document Review (2013), p. 30.

⁵² From Technical Report: Analysis of CDSP Using Administrative and CRA Data (2014) p. 22.

up rate varies by type of disability.⁵³ Although the take-up rate between 2008 and 2010 was predominantly represented by persons with disabilities with net family income below \$40,000, this rate more than doubled among persons with disabilities with higher net income levels (\$60,000 and more).⁵⁴ Take-up tends to increase with the level of family income, an indication of the correlation between the level of income and the ability to save.

What is the Total Amount of Savings in RDSPs and What is the Trend?

In December 2012, there were accumulated assets totalling \$919.9 million for the 63,944 RDSPs, representing \$313.1 million of private contributions, plus \$432.3 million of paid government grants and \$174.5 million of paid government bonds.⁵⁵ Evidence also indicates that most participants are sole contributors to their RDSP or have a family member contribute.⁵⁶

Evidence from several sources⁵⁷ points to some barriers to savings including the following:

- Low income levels and the cost of living, particularly for those of fixed income;
- Additional expenses associated with disability, limiting the ability to save;
- Limited financial literacy generally due to limited level of education and access to information;
- Limited interaction with financial institutions;
- Language barriers (among new Canadians); and
- Perception of potential implications on eligibility for social assistance benefits.

Have there been unintended outcomes? Were any actions taken as a result of these?

Evaluation evidence⁵⁸ identified some unintended outcomes associated with participation in the RDSP, the grant and bond including the following:

- Registering for the RDSP, the grant and bond has allowed clients to update and/or correct personal information in government files;
- Canadians with disabilities and their families who applied for an RDSP also learned about other programs they can apply for and benefit from;
- Creating awareness of the grant and bond helped contribute to the development of networks for Canadians with disabilities (e.g. blogs, chat groups);
- RDSPs raised more awareness generally of persons with disabilities and their needs; and
- Financial institutions have developed a new clientele group and have learned how to better serve this group.

⁵³ Ibid, pp. 24-27.

⁵⁴ Ibid, p. 35.

⁵⁵ From technical report: File and Document Review (2013), p. 31.

⁵⁶ From technical reports: Key Informant Interviews for the Evaluation of CDSP (2012), Focus Groups for the Evaluation CDSP (2013).

⁵⁷ From technical reports: Literature Review on Disability, Savings, and the CDSP in Support of the Evaluation of the CDSP (2012); Key Informant Interviews for the Evaluation of CDSP (2012); Focus Groups for the Evaluation. CDSP (2013) and Statistical Data Analysis of 2006 Survey of Participation and Activity Limitations Survey (PALS), entitled Additional Living Costs and Barriers faced by Persons with Disabilities (2013).

⁵⁸ Ibid, p. 31.

In addition, a number of challenges were also identified:⁵⁹

- Frustration among clients and potential clients with what is perceived as complex procedures to open the RDSP, the grant and bond;
- Ongoing reported confusion about the program, including its goals, how it might affect potential receipt of other available benefits and the intention of the plan to be a long-term savings vehicle;
- The administrative burden on financial institutions had been greater than expected; and
- The perception that medical professionals are not always comfortable with their role in the process.

3 *Lessons Learned*

- **Complexity:** The complexity of administrative procedures related to the RDSP, the grant and the bond, and lack of knowledge regarding the rules about how income from an RDSP would impact other disability-related supports (at the P/T level) could affect RDSP, the grant and bond take-up.
- **Administrative burden:** There is a greater-than-expected burden on financial institutions (and upon medical professionals who play a role in the DTC application process). There was evidence that financial institutions perceive the target market for the RDSP to be small (relative to other types of registered savings accounts) and administrative burden high, and are therefore less likely to target this segment of the population when marketing their products.
- **Better understanding of sub-populations of persons with disabilities:** There is a need for data at a finer level of granularity (e.g., disability type, episodic versus non-episodic conditions) so that more in-depth analyses of particular outcomes (i.e., take-up rate) can be conducted.
- **Adjustments to the RDSP, the grant and bond:** Consultation with the delivery partners and the public for the three-year review of the RDSP, the grant and bond resulted in new measures⁶⁰ being introduced for greater flexibility to meet the needs of persons with disabilities and their families. These changes have created a new context for delivering the program.
- **Financial literacy for persons with disabilities:** The RDSP, the grant and the bond are helping to increase the financial literacy of persons with disabilities to the extent that it is encouraging them to consider more broadly financial planning, in particular, long-term planning.

⁵⁹ Ibid, pp. 31-32.

⁶⁰ The Three-Year Review completed by Finance Canada in 2011 led to new measures announced in Budget 2012. The list of new measures is listed in Annex V under section of Budget 2012.

4 Conclusions and Recommendations

Relevance

Across all lines of evidence, findings indicate that by supporting the financial security of the target population, the Canada Disability Savings Grant and Bond is relevant to the needs of persons with severe and prolonged disabilities and their families, and is well-aligned with federal government roles and responsibilities and departmental strategic priorities. In particular, through its focus on asset-development and economic-self-sufficiency of persons with disabilities and their families, the RDSP, the grant and bond, introduces a new element in the suite of programs available to provide financial security to people with disabilities.

Design and Delivery

While generally perceived as appropriate, challenges with design and delivery of the grant and bond include the RDSP's administrative complexity. Program delivery is complex due to the involvement of several delivery partners: the Department of Finance sets the overall policy parameters for the RDSP, the CRA administers the RDSP as per the *Income Tax Act*, while the ESDC is responsible for administering the grant and bond (in accordance with the *Canada Disability Savings Act and Regulations*). Client delivery is facilitated by participating financial institutions that offer the RDSP to the public (i.e. opening a plan for a holder and investing, administering and distributing the money in a plan for the beneficiary).

Achievement of Expected Outcomes

This section reports on evaluation findings against outcomes listed in the CDSP Logic Model (see Annex III). As Phase I of the evaluation focuses on early impacts of the program and progress towards the achievement of outcomes, there is limited in-depth analysis of the longer-term outcomes, which will be addressed in Phase II.

Eligible persons with disabilities are aware of the RDSP, the grant and bond and their requirements

The role of communication and collaboration between delivery partners in raising awareness of the program and serving the needs of persons with disabilities and their families, has contributed to increasing the number of plan holders since the program's introduction in December 2008.

Financial institutions offer the RDSP, the grant and bond in a manner that meets the needs of the target population

Findings indicate mixed experiences with financial institutions: some have had positive experiences, and others have had poor experiences. There is a lack of data to assess the frequency and/or quality of these interactions.

Eligible persons with disabilities (and their families/guardians) open RDSPs

The RDSP has reached a large number of beneficiaries and the assets and numbers of participants continue to steadily grow. There are segments of the target population that still have not opened RDSPs. In the absence of specific performance targets by which to judge growth, it is perhaps more useful to look at trends over a longer time horizon.

Contributions are being made to beneficiaries' RDSPs

Overall, evidence indicates that contributions are being made to beneficiaries' RDSPs. Close to 80 percent of contract holders are individuals, while 20 percent are identified as agencies.⁶¹ The administrative data do not reveal, however, who made the contributions; whether contract holders were managing funds that already belonged to or were due to the beneficiary, or if they were providing outside contributions towards the beneficiaries' assets. Data on the different sources of contributions would be useful to investigate in the summative evaluation, to better understand how the RDSP is mobilizing assets. There is no evidence to suggest that persons with disabilities and families borrow money to contribute to RDSPs, nor to indicate whether friends or those other than family members and relatives contribute to RDSPs.

Beneficiaries receive grants and bonds through RDSPs

Overall, based on 2010 evidence, RDSP beneficiaries are receiving the Canada Disability Savings Grant and Bond.

- **Grants:** Sixty-one percent of RDSP beneficiaries received a grant in 2010. The grant take-up rate varied by disability type and tends to increase with the level of family income. For example, fewer RDSP beneficiaries with mental disabilities benefited from a grant (56 percent) compared to the rest of the disability types (73 percent). Differences in grant take-up rates among disability types reflect, to some extent, differences in income.⁶²
- **Bonds:** Among RDSP beneficiaries 75 percent received a full or partial bond in 2010, a reflection of the fact that over 70 percent of RDSP beneficiaries have incomes below \$40,000, the threshold for receiving the bond.⁶³

Recommendations

1. Enhance performance measurement

Adjustments should be made to the program performance measurement strategy in order to enhance its data collection by:

- **Expanding data** to include indicators to measure awareness of the RDSP, the grant and the bond.
- **Collecting feedback** from participants of in-person groups, webinars and one-on-one information sessions offered by community-based organizations to capture the change in the level of awareness about the program as a result of the service offered.

⁶¹ Technical Report: CDSP Analytical Administrative Database (2011), p. 13.

⁶² From Technical Report: Analysis of the CDSP Using Administrative and CRA Data (2014), p. 29. Take-Up data in Phase I of the evaluation are limited to RDSPs for persons with disabilities aged 18 to 49 as the linked RDSP - CRA data (i.e. DTC eligible individuals) did not include individuals under 18 years of age. Analysis of those under 18 and over 49 will be conducted in Phase II.

⁶³ Additional Analysis of the Canada Disability Savings Grant and Bond (Phase I): Using Administrative Data of Distribution of the Grant and Bond (2014), pp. 3-4.

- **Conduct more in-depth analyses** to identify and address the needs of particular sub-populations (i.e., disability type) of persons with disabilities that may be underserved. These populations may have different needs, and reaching them could require different, albeit equitable, communications approaches.

2. Improve the Canada Disability Savings Grant and Bond communication approach and outreach, particularly for target population segments less likely to participate

- Identify persons with disabilities and families who are less likely to be reached and adapt the communication and outreach approaches to increase inclusion.
- Consider working through national disability programs and provincial disability financial assistance programs. This would reach a broader audience with initial information, after which they could be directed to the contracted organizations and financial institutions for more in-depth and personally relevant information.
- Work with a greater number and range of disability organizations to promote the RDSP among their membership.
- Partnering with provincial social assistance and disability programs to send out notifications and contact information for greater awareness.

3. (a) Support awareness and knowledge development of financial institutions and other delivery partners of the RDSP

- Review the effectiveness of existing communications methods for the RDSP, the grant and the bond, such as the CRA notice of assessment and media campaigns.
- Simplify the content of Government of Canada materials, such as fact sheets websites, and brochures, used to communicate about the RDSP, the grant and bond with the target audience, to make them more accessible to persons with disabilities and their families.
- Ensure that the information provided about the grant and bond rules, such as those related to potential repayments obligations, are clear, detailed, and easy to understand.

3. (b) Continue to support participating financial institutions:

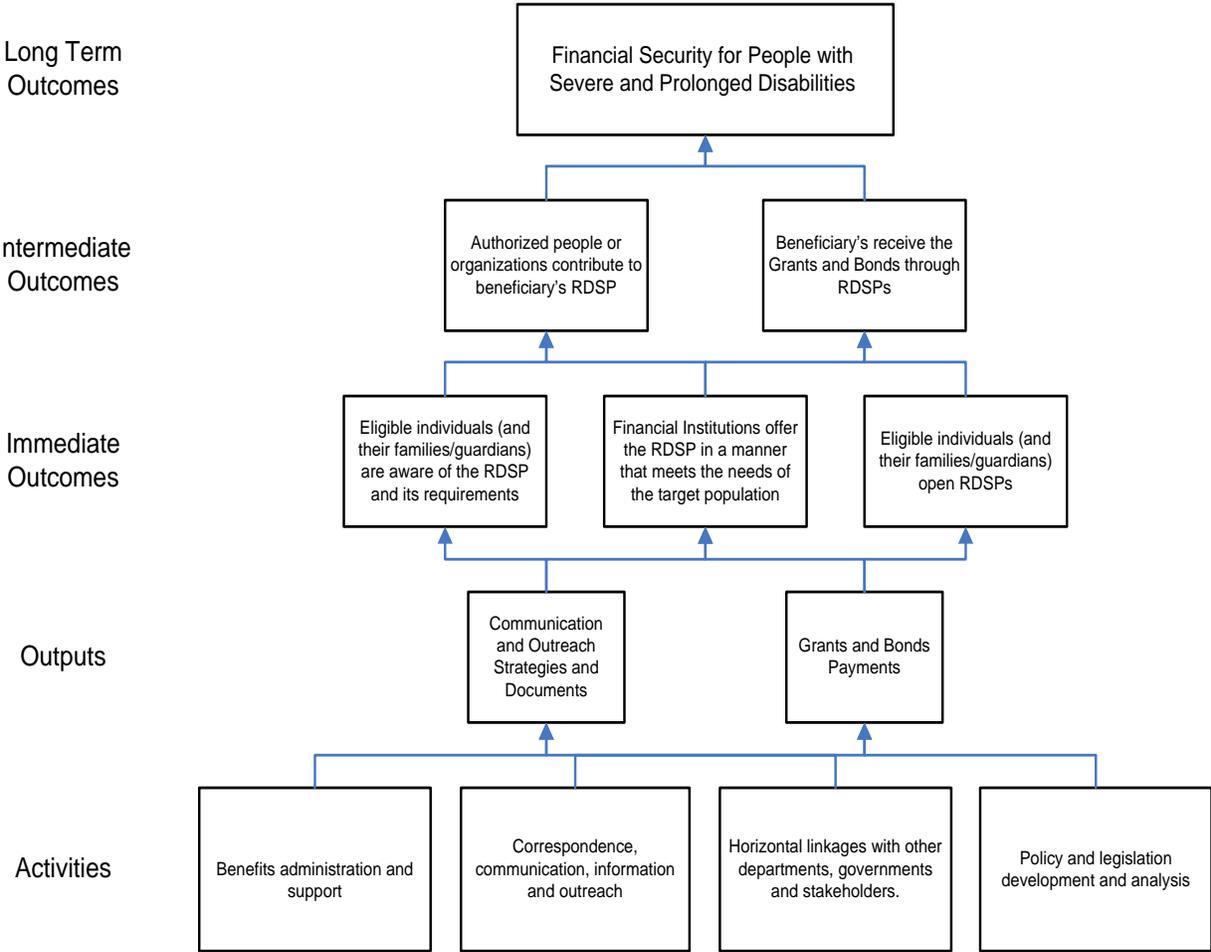
- Work to ensure the Canada Disability Savings Grant and Bond application and RDSP transfer forms are easier to complete.
- Conduct regular outreach with financial institutions to understand front-line service delivery issues.

Annex I: List of Technical Reports

1. File and Document Review for the Formative Evaluation of Canada Disability Savings Program (PAA 3.1.3).
2. A Literature Review on Disability, Saving, and the Canada Disability Savings Program (CDSP) (Canadian Disability Policy Alliance)
3. Key Informant Interviews for the Evaluation of the Canada Disability Savings Program (CDSP) (Phoenix Strategic Perspectives Inc.)
4. Focus Groups for the Formative Evaluation of Canada Disability Savings Program (PAA 3.1.3) (Phoenix Strategic Perspectives Inc.)
5. Canada Disability Savings Program Analytical Administrative Database and LAD Analysis (Data Probe Economic Consulting Inc.)
6. Analysis of the Canada Disability Savings Program Using Administrative and Canada Revenue Agency Data (Data Probe Economic Consulting Inc.)
7. Statistics Canada Surveys (two reports):
 - a) Additional Living Costs and Barriers Faced by Persons with Disabilities: Findings from the Participation and Activity Limitation Survey (PALS - 2006)
 - b) Savings Among Persons with Disabilities: Findings from the Survey of Household Spending (SHS)

Annex II: Logic Model

Canada Disability Savings Program
Logic Model



Annex III: Matrix of Evaluation Issues by Line of Evidence

Table 1 – Canada Disability Savings Grant and Bond Evaluation Matrix

Legend
 X Questions identified as part of the scope of each report, and are part of the formative results matrix.
 √ Questions not part of the scope of the report, but answered incidentally.
 * Questions not directly answered by any reports.
Questions which are part of the scope of a report, but not included in the formative results matrix.

Matrix of Evaluation Issues and Lines of Evidence								
	File and Document Review	Literature Review	Key Informant Interviews	Focus Groups	Statistics Canada – PALS	Statistics Canada- SHS	Grant and Bond Administrative Data and/or LAD Analysis	Linked ESDC-CRA Data
Relevance								
1) Is there an identified responsibility for society to support persons with disabilities?	X	X						
2) What are the additional living costs for persons with disabilities and what are the trends?		X			X	X		
3) Do long-term costs, family or personally incurred, associated with disability justify the need for the RDSP, the Grant and the Bond?*	X							
4) Are there on-going needs for the program?*								
5) Alignment with federal roles and responsibilities								
a) What is the role and responsibility of the federal government in delivering the RDSP, Grant and Bond?	X							
b) Do the objectives of the Canada Disability Savings Grant and Bond align with federal roles and responsibilities?*								
6) Alignment with federal priorities								
a) Is there a pattern within the Government of Canada of creating policies to encourage savings?	X		√					
b) Do the objectives of the Canada Disability Savings Grant and Bond align with federal government priorities?			X					
c) Is the Canada Disability Savings	X		X					

Matrix of Evaluation Issues and Lines of Evidence

	File and Document Review	Literature Review	Key Informant Interviews	Focus Groups	Statistics Canada – PALS	Statistics Canada- SHS	Grant and Bond Administrative Data and/or LAD Analysis	Linked ESDC-CRA Data
grant and Bond aligning consistent with the Government of Canada’s priority of “enabling all Canadians to participate fully in society”?								
d) Does the Canada Disability Savings Grant and Bond align contribute to the Government of Canada’s priority of “enabling all Canadians to participate fully in society”?	X							
e) Do the objectives of the Canada Disability Savings Grant and Bond align with ESDC strategic objectives?	X		X					
7) What is the profile of the RDSP, the grant and the bond eligible population?							X	X
a) How many people are claiming the DTC?							X	X
b) How many people are claiming the DTC for themselves, for their dependent children, or for their dependent relatives?							X	X
c) What are the socio-economic characteristics of DTC claimants (e.g., age, gender, family status, region, income, employment status, etc.)?							X	X
d) How does incidence of DTC relate to these socio-economic factors?							X	X
Achievement of Expected Outcomes								
8) How is the program delivered?	X		X					
9) Has there been any change in the Government’s commitments and policies affecting persons with disabilities since the inception of the program?	X							
a) Are there multiple ways to access the program?	X		X	X				
b) Which financial institutions are offering the RDSP? (number and diversity)	X		X	X				
c) To what extent do these financial institutions understand how to meet the needs of the target population?	X		X	X				

Matrix of Evaluation Issues and Lines of Evidence

	File and Document Review	Literature Review	Key Informant Interviews	Focus Groups	Statistics Canada – PALS	Statistics Canada- SHS	Grant and Bond Administrative Data and/or LAD Analysis	Linked ESDC-CRA Data
d) To what extent do these financial institutions provide services that meet the needs of the population? (e.g. service desks, accessible premises, alternative media)	X		X	X				
e) What performance monitoring and tracking systems are in place for these financial institutions?	X							
f) What organizations are funded by ESDC to carry out outreach and engagement activities?	√							
g) To what extent do these organizations understand how to meet the needs of the target population?	√							
h) To what extent do these organizations provide services that meet the needs of the population? (e.g., service desks, accessible premises, alternative media)	X							
i) What performance monitoring and tracking systems are in place for these organizations?	X		X					
j) If not in receipt of the DTC, are persons with disabilities /families provided with support to apply if potentially eligible for the DTC and thus RDSP?	√		X					
k) What kind of support was provided persons with disabilities when they became recipients of the DTC and thus eligible for the RDSP?				X				
10) To what extent have corrective actions been taken to address recommendations evolving from the formative evaluation?								
a) How successful have corrective actions been?*								
11) What is the extent of program outreach activities for the Canada Disability Savings Grant and Bond?	X		X					
a) How is information on the Canada Disability Savings Grant and Bond			X					

Matrix of Evaluation Issues and Lines of Evidence

	File and Document Review	Literature Review	Key Informant Interviews	Focus Groups	Statistics Canada – PALS	Statistics Canada- SHS	Grant and Bond Administrative Data and/or LAD Analysis	Linked ESDC-CRA Data
conveyed to potential recipients and or their advocates?								
b) How do persons with disabilities learn/hear about the RDSP, the Grant and the Bond?				X				
12) What is the extent of awareness about the RDSP among persons with disabilities and their families?	X		X	X				
a) Are the eligibility criteria of the RDSP, the grant and the bond clearly understood?	X		X	X				
b) Do persons with disabilities and their families understand the particulars about how the RDSP, the grant and the bond work?	X		X	X				
c) Do persons with disabilities and their families know where to go to get information?	X		X	X				
d) Are all disability groups being reached (e.g. mobility, mental health, visual impairment, developmental disability, and parents organizations etc.)?	X		X					
e) Have persons with disabilities and their families had any information sent to them or been approached by community service delivery agents about the program?	X		X					
13) What is the RDSP, the grant and the bond take-up rate and what is the trend?							√	X
a) What is the socio-economic and financial literacy profile of Canada Disability Savings Grant and Bond participants and what is the trend?				X			√	X
b) To what extent are low income beneficiaries represented in the RDSP take-up?							√	X
c) What is the disability profile of Canada Disability Savings Grant and Bond beneficiaries and what is the trend (e.g. mobility, mental health, visual impairment, developmental								X

Matrix of Evaluation Issues and Lines of Evidence

	File and Document Review	Literature Review	Key Informant Interviews	Focus Groups	Statistics Canada – PALS	Statistics Canada- SHS	Grant and Bond Administrative Data and/or LAD Analysis	Linked ESDC-CRA Data
disability etc.)?								
d) How old are the beneficiaries (both by individuals and families) of an RDSP when accounts are opened and what is the trend?							√	X
14) What are the saving patterns of persons with disabilities and their families?				X				
a) What kinds of incentives (e.g. top-up grants, income deductions, etc.) motivate families and persons with disabilities to save?		X	X	X				
b) What kinds of barriers (e.g. medical supplies, assistive devices, at home care etc.) prevent families and persons with disabilities from saving?		X	X	X	X			
c) Why are some persons with disabilities and their families (including families with a child with a severe and prolonged disability) saving while others are not?		X	X	X				
d) What are the characteristics of families and persons with disabilities who save versus those who do not?		X	X	X		X		
e) Does having savings for dependent children with disabilities affect the parents' or caregivers' sense of well-being?				X				
f) Does having savings for dependent children with disabilities affect the parents' or caregivers' ability to save for their own future?				X				
15) What is the total amount of savings in RDSPs and what is its trend?	√							
a) To what extent are RDSP contributions coming from relatives and/or friends?				X			√	
b) To what extent are persons with disabilities or their families borrowing money to put into RDSPs?				X			√	
16) To what extent are Canadians with	X	X		X				

Matrix of Evaluation Issues and Lines of Evidence

	File and Document Review	Literature Review	Key Informant Interviews	Focus Groups	Statistics Canada – PALS	Statistics Canada- SHS	Grant and Bond Administrative Data and/or LAD Analysis	Linked ESDC-CRA Data
disabilities and their families saving outside of an RDSP?								
a) What other savings tools/plans are they using?				X				
b) Why are they not using RDSPs?				X				
17) Have there been unintended (positive or negative) outcomes? Were any actions taken as a result of these?			X					
Efficiency and Economy								
18) What are the program costs of the Canada Disability Savings Grant and Bond?	Questions of Efficiency and Economy were not examined in this evaluation Phase I; they will be addressed in Phase II.							
19) How do these costs compare to the costs of other similar income security programs (CESP, CPP, EI, OAS, etc.)?								
20) Is the program the most economic means of achieving the intended objectives?								
21) What internal and external factors influence the efficiency and economy of the program?								
22) Could the efficiency of the program be improved?								

Annex IV: Program Implementation Phases

Budget 2008				Budget 2010	Budget 2012	Action
Phases	2007-08	2008-09	2009-10	2010-11	2011-12	
Phase 1a	Program Policy, Governance Instruments, Communications and Outreach					Completed
Phase 1b	Governance Instruments, Service Delivery, Systems,					Completed
Phase 2a		Service Delivery, Systems				Completed
Phase 2b		Service Delivery, Systems				Completed
Phase 3a			Service Delivery, Systems			Completed
Phase 3b			Service Delivery, Systems			Completed
Phase 3c				Service Delivery, Systems		Completed
Phase 4			Service Delivery, Systems			Completed
Phase 5				Communication and Outreach, Service Delivery, Systems		Completed
Phase 6				Program Policy, Communications and Outreach, Service Delivery, Systems		In progress

Annex V: List of changes to the RDSP, the grant and bond since December 2008

In Budget 2010, two changes were made:

- *Canada Disability Savings Act (CDSA)* was amended to allow the carry forward of any unused grant and bond entitlements from the previous 10 years (starting in 2008), up to an annual maximum of \$10,500 for grants and \$11,000 for bonds.
- The second change was the introduction of a rollover provision which allows for the tax-deferred transfer of a deceased individual's Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), and/or Registered Pension Plan (RPP) into the RDSP of a financial dependent child or grandchild with a disability.

In Budget 2011, changes introduced were:

- To withdrawal rules that provide greater flexibility for beneficiaries with shortened life expectancy. For beneficiaries with a life expectancy of five years or less, the change allowed annual RDSP withdrawals of up to \$10,000 in taxable plan savings, as well as a pro-rated amount of non-taxable savings, without requiring the repayment of grant and bond paid into the plan in the preceding 10 years.

In Budget 2012, proposed changes were:

- **Plan Holders Provision:** the definition of who may open an RDSP for a person with disabilities was temporarily expanded until 2016;
- **Proportional Repayment Rule:** persons with disabilities were provided with greater access to their savings, as they only have to repay, at a fixed rate, part of any grants and bonds paid into their RDSP in the 10 years before the withdrawal⁶⁴;
- **Maximum and Minimum Withdrawals:** the annual maximum withdrawal limit for RDSPs under certain conditions was increased to make withdrawals more flexible; a minimum amount must be withdrawn from all RDSPs from the year that the persons with disabilities turns 60, to ensure that RDSP assets are used for the persons with disabilities during their lifetime;
- **Rollover of RESP Investment Income:** flexibility in asset management was improved by allowing - under certain circumstances - the income earned on investments in a person with disabilities' RESP, to be moved, on a tax-deferred basis, into the persons with disabilities' RDSP, further deferring taxation;
- **Closing an RDSP when eligibility for the DTC ceases:** RDSPs can remain open for a longer period, under certain circumstances, after an individual ceases to be eligible for the DTC ⁶⁵;

⁶⁴ Prior to Jan. 1st 2014, if a withdrawal was taken from an RDSP, all grant and bond paid into the plan in the previous 10 years would have to be repaid to the Government of Canada. This ten-year amount is known as the Assistance Holdback Amount (AHA). The Proportional Repayment Provision (effective Jan. 1st, 2014) requires that \$3 be repaid to the Government of Canada for every \$1 that is withdrawn, up to a maximum of the AHA amount.

- **Administrative changes:** to improve how financial institutions administer the RDSP, the grant and the bond for persons with disabilities: the 60, 120 and 180 day rules were eliminated; and, ESDC will transfer the historical information related to the existing plan to the new issuer, when a plan is transferred from one issuer to another.

Annex VI: Partner financial institutions (as of 2012)

- BMO Bank of Montreal
- Bank of Nova Scotia
- Canadian Western Trust Company
- Central 1 Credit Union
- Central 1 Trust Company
- CIBC Securities Inc. and CIBC Trust Corporation
- Global Growth Assets Inc.
- Fiducie Desjardins Inc. (Fédération des caisses Desjardins Inc., Agent)
- Investors Group Trust Co. Ltd.
- Les Fonds d'investissement FMOQ Inc.
- Mackenzie Financial Corporation
- RBC Royal Bank
- TD Waterhouse Canada Inc.

⁶⁵ In certain circumstances, when a beneficiary ceases to be DTC eligible, providing that due the nature of their condition there is a likelihood that the beneficiary will again qualify for the DTC, an RDSP will be allowed to remain open, but “dormant” for a period of up to five years.

Annex VII: References

- Canadian Disability Policy Alliance. (2012). *A Literature Review on Disability, Saving, and the Canada Disability Savings Program (CDSP) In Support of the Formative Evaluation of the Canada Disability Savings Program*.
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- ESDC. (2013b). *File and Document Review for the Formative Evaluation of the Canada Disability Savings Program (PAA 3.1.3)*.
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- Phoenix Strategic Perspectives Inc. (2012). *Key Informant Interviews for the Evaluation of the Canada Disability Savings Program (CDSP) In Support of the Formative Evaluation of the Canada Disability Savings Program*.
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