

# Registered Disability Savings Plan

Helping Canadians with disabilities  
and their families save  
for the future



This publication contains general information on the Registered Disability Savings Plan and the Canada Disability Savings Bond and Grant. In case of dispute, the wording and provisions of the *Income Tax Act*, the *Canada Disability Savings Act* and the *Canada Disability Savings Regulations* prevail.

### **Registered Disability Savings Plan**

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### **PAPER**

Cat. No. Em12-1/2016E  
ISBN/ISSN: 978-0-660-05331-8

### **PDF**

Cat. No. Em12-1/2016E-PDF  
ISBN/ISSN: 978-0-660-05330-1

### **ESDC**

Cat. No. ISSD-059-05-16E

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# Save for your future

**The Registered Disability Savings Plan (RDSP)** is a long-term savings plan that helps Canadians with disabilities and their families save for the future. The Government will deposit a **Canada Disability Savings Bond** of up to \$1,000 a year into the RDSPs of low-income and modest-income Canadians. You do not need to contribute money to receive the bond!

If you, your family or your friends contribute to an RDSP, you could qualify for a **Canada Disability Savings Grant** of up to \$3,500 a year. The Government would deposit the grant amount into your RDSP. By opening an RDSP and contributing, you could qualify for up to \$90,000 from the Government of Canada.

In this booklet, “you” refers to the RDSP beneficiary—the person with a disability who will receive the money from the RDSP in the future.

# Build your savings

## The Canada Disability Savings Bond

The bond is money that the Government deposits into the RDSPs of low-income and modest-income Canadians with a disability. If you have an RDSP and are eligible for the bond, the Government will put up to \$1,000 a year into your RDSP—up to \$20,000 over your lifetime.

You need to open an RDSP to apply for the bond with a financial organization. **You do not need to put money into an RDSP to get the bond.** If your annual family income is less than \$26,300, you could get up to \$1,000 per year. If your annual family income is between \$26,300 and \$45,200, you could still be eligible, but for a lower amount.

You can apply for the bond up until December 31 of the year you turn 49. A participating financial organization must receive your bond application by December 31 of that year.

## **The Canada Disability Savings Grant**

The grant is money that the Government deposits into an RDSP to match contributions that you, your family or friends put into your RDSP, up to \$3,500 per year, up to \$70,000 over your lifetime. Beneficiaries with lower family income receive more grant money than beneficiaries with higher family income. For example, if your annual family income is about \$90,500 or lower, you could get \$720 per year in grant money by putting \$20 in the RDSP each month. If your family income is more than \$90,500, you could get \$240 per year in grant money by putting \$20 in the RDSP every month.

You are eligible to receive the grant up to and including the year you turn 49. The grant amount will be based on any money you, your family or friends put into your RDSP by December 31 of the year you turn 49.

## **Contributing to an RDSP**

Anyone with the written permission of the person who manages the RDSP can put money into it, up until December 31 of the year you turn 59. There is no annual contribution limit, but there is a lifetime contribution limit of \$200,000. Bonds and grants you receive from the Government, and any interest earned, do not count toward the contribution limit.

## **Effects of an RDSP on other government benefits**

Your RDSP does not affect your eligibility for federal government benefits, such as the Canada Child Benefit, the Goods and Services Tax Credit, Harmonized Sales Tax Credit, Old Age Security pension or Employment Insurance. Provinces and territories fully or partially exempt RDSPs from the calculation for income assistance payments. Contact your provincial or territorial government for more details.



## **Catching up on missed bonds and grants**

You can catch up on up to 10 years of bonds and grants that you were eligible for but missed out on (since 2008, when the RDSP started). To catch up, you need to open an RDSP and submit your bond and grant application at a participating financial organization before December 31 of the year you turn 49. Grant amounts are based on how much is contributed to your RDSP by that date. For previous years, bond and grant amounts are based on what your family income was in those years.

## **Rolling over other savings into an RDSP**

When a parent or grandparent dies, money from their Registered Retirement Savings Plan, Registered Retirement Income Fund, Registered Pension Plan, Specified Pension Plan, and Pooled Registered Pension Plan can be transferred into the RDSP of a financially dependent child or grandchild.

Under certain circumstances, the earnings from a Registered Education Savings Plan can be transferred into an existing RDSP. For more information, visit [www.cra.gc.ca/disability](http://www.cra.gc.ca/disability).

# Open an RDSP

## **Step 1** Apply for the Disability Tax Credit

To open an RDSP, you must be eligible for the disability tax credit—a non-refundable tax credit that helps people with disabilities or their caregivers reduce the amount of income tax they may have to pay. Even if you do not benefit directly from the disability tax credit, you need to have it to open an RDSP. All or part of the disability amount may be transferred to a spouse or common-law partner, or another supporting person, such as a parent or legal guardian.

You may be eligible for the disability tax credit if you:

- are blind;
- receive life-sustaining therapy; or
- have an impairment that affects one or more of the following basic activities of daily living: walking, speaking, dressing, hearing, feeding, mental functions necessary for everyday life, or elimination (bowel or bladder functions).

To apply for the disability tax credit, fill out Part A of the *Disability Tax Credit Certificate* (form T2201) and have Part B certified by a medical practitioner. Send it to the Canada Revenue Agency. There is no fee to apply for the tax credit, but some medical practitioners charge a fee to complete Part B of the form.

For more information, visit [www.cra.gc.ca/disability](http://www.cra.gc.ca/disability) or call 1-800-959-8281 (TTY 1-800-665-0354).

## **Step 2** Identify the beneficiary

The beneficiary is the person who will receive the money in the future. An RDSP can have only one beneficiary, who must:

- be a Canadian resident;
- be eligible for the disability tax credit; and
- have a Social Insurance Number.

An RDSP can be opened any time up until December 31 of the year you turn 59. A participating financial organization must receive the application by that date. However, to qualify for a bond and grant, you must apply by December 31 of the year you turn 49.

### **Step 3** Identify the holder

The holder is the person who will manage the RDSP.

If you are **under the age of majority** (which varies across provinces and territories), your legal parent, legal representative or a public department can manage your RDSP for you. If you have reached the age of majority, you could manage your own RDSP or, if applicable, choose a legal guardian, legal representative or public department to manage it for you.

If you do not have a legal representative and have not opened an RDSP because of concerns about entering into a contract, your spouse, common-law partner or parent may open and manage an RDSP for you. For more information, call a participating financial organization.

A holder must have a Social Insurance Number. A public department applying on behalf of a beneficiary who is in care must have a Business Number.

## **Step 4** **Contact a financial organization**

Call or email a participating financial organization to apply for an RDSP. They will help you complete an RDSP application and an application for the bond and grant.

For the list of participating financial organizations and their telephone numbers, visit [Canada.ca/RDSP](https://Canada.ca/RDSP).

## Withdrawing money from an RDSP

Money in your RDSP grows tax free until you take it out of the RDSP. Generally, money can be taken out at any age. However, you must begin to take out money annually by December 31 of the year you turn 60.

**Bonds and grants must remain in the RDSP for at least 10 years.** If you take money out before age 60, you may have to repay all or some of the bond and grant the Government paid to your RDSP in the 10 years before the withdrawal. Any bond or grant that has been in the plan for more than 10 years belongs to you and you do not have to repay it.

All bonds and grants that have been in an RDSP for less than 10 years must be repaid to the Government if:

- the RDSP is closed;
- you die; or
- you no longer qualify for the disability tax credit, (but if this is expected to be temporary, the Government may allow the RDSP to remain open for up to five years).

All money in the RDSP that does not have to be repaid to the Government, including the investment income earned, will be paid to you or your estate.

## Using money from an RDSP

When you take out money from your RDSP, you can use it for whatever purpose you want.

## **For more information about the RDSP, the bond, and the grant**

**Visit** [\*\*Canada.ca/RDSP\*\*](https://Canada.ca/RDSP)

**Call** 1 800 O-Canada (1-800-622-6232)

**TTY** 1-800-926-9105

**Email** [\*\*rdsp-reei@hrsdc-rhdcc.gc.ca\*\*](mailto:rdsp-reei@hrsdc-rhdcc.gc.ca)

