

# Canada Disability Savings Program Newsletter

## November 2015 Issue

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### Plan Uptake

The Registered Disability Savings Plan (RDSP), a tax-assisted savings vehicle designed to help ensure the long-term financial security of Canadians with severe disabilities has now reached over 100,000 plans opened.

### New Grant & Bond Application Form

A new application form for Canada Disability Savings Grant (grant) and Canada Disability Savings Bond (bond) has been developed and is available from Service Canada to financial institutions offering RDSPs, as well as current and potential holders of an RDSP. Improvements to the form include the consolidation of the two previous application forms into a single form, streamlining and simplification of certain sections to reduce repetition and increase general ease of use, and the addition of information for holders and beneficiaries to help them better understand how the information collected will be used. The new form is available online at: <http://www.servicecanada.gc.ca/cgi-bin/search/eforms/index.cgi?app=prfl&frm=emp5608&ln=eng>. Please keep in mind that completed application forms must be submitted through a [participating financial institution](#), and should not be submitted to ESDC or Service Canada directly.

## A Word from Michelle Demery, new Director of Programs, Office for Disability Issues at Employment and Social Development Canada



Since taking on the role of Director of Programs at the Office for Disability Issues last June, I have had the opportunity to observe firsthand, the great work that is being carried out across the country to promote the Canada Disability Savings Program (CDSP) and increase RDSP uptake. Since the CDSP was introduced in December 2008, over 100,000 RDSP accounts have been opened by or on behalf of Canadians living with disabilities. Much of this achievement is thanks to the hundreds of stakeholders across Canada who understand the merits of the program.

Looking ahead, I look forward to continued collaboration with current and new stakeholders, and RDSP issuers, to further increase awareness and uptake of the RDSP to help increase the long-term financial security of RDSP beneficiaries. If you wish to learn more about the CDSP, please consult our website at:

<http://www.esdc.gc.ca/eng/disability/savings/index.shtml> or if you wish to contact us and/or order brochures to distribute within your organization you may do so by email at: [NC-RDSP-ORGS-REEI-GD@hrsdc-rhdcc.gc.ca](mailto:NC-RDSP-ORGS-REEI-GD@hrsdc-rhdcc.gc.ca) or by phone at 1-800-O-Canada (1-800-622-6232).

### Family Income Thresholds for the Grant and Bond

The annual amount of government contribution (grant and bond) is based on the beneficiary's family income, as established on income tax filings from two years prior to their application.

For the grant, the beneficiary's **family income threshold for 2015 \* is currently \$89,401 or less** to receive a 300% matching rate for the first \$500 in contribution and a 200% matching rate for the next \$1,000 in contribution. A beneficiary with a family income above \$89,401 will receive a 100% matching rate for a maximum of \$1,000.

For the bond, the beneficiary's **family income threshold for 2015\* is \$26,021 or less** to receive \$1,000 in bond. No amount of bond is paid if the family income is more than \$44,701. When the family income is between \$26,021 and \$44,701, the amount of the bond progressively decreases as the family income increases.

**\* Note that the thresholds are indexed each year to inflation.**

## Qualifying Family Member

In June 2015, legislation was passed to extend the qualifying family member provision until the end of 2018. This means that a spouse, a common-law partner or parents of an adult beneficiary who lacks the capacity to enter into a contract, may (until December 31, 2018) open and become the holder of an RDSP on behalf of the beneficiary. This is meant to be a temporary measure to allow time for provinces and territories to develop long-term solutions to address legal representation issues for adults with disabilities who lack contractual capacity and want to open an RDSP. For more information you may consult page 284 of [Budget Plan 2015](#).

## RDSP Calculator

An RDSP Savings Calculator was developed to help users better understand how earnings can increase over time as a result of private contributions, grants and bonds. The calculator computes the potential amount of grant and bond money the beneficiary could receive based on the amount of contribution, the beneficiary's family income, the age of the beneficiary at the time contributions start and the expected yield rate.

The RDSP calculator is available at: <http://www.esdc.gc.ca/cgi-bin/RdspCalculator-CalculatriceReei/calc.aspx?lang=en>.

## Canada Revenue Agency Webinars for People with Disabilities

The CRA has produced an online video series on various topics including some that address issues that may be of interest to people with a disability.

One of the videos titled "Tax measures for persons with disabilities – DTC and the disability amount" is available at: <http://www.cra-arc.gc.ca/vdglly/ndvdl/srs-txmsrs-pwd-eng.html>. It contains information on the disability tax credit (DTC) and what a person should know before applying for a DTC.

There is also a webinar that provides specific information on the DTC, RDSP and tax withholding. It can be found at: <http://www.cra-arc.gc.ca/vdglly/ndvdl/menu-eng.html?clp=ndvdl/rdsp-reei1-eng&fmt=mp4>.

## Financial Literacy Matters

November is Financial Literacy Month (FLM) in Canada. The Financial Consumer Agency of Canada (FCAC) showcases the Canadian Financial Literacy Database which lists activities and resources available to help individuals develop skills and knowledge on financial literacy matters. The database also identifies sources of funding for community-

based organizations to help them support their financial literacy initiatives. Visit the FCAC's website at [www.fcac-acfc.gc.ca](http://www.fcac-acfc.gc.ca) to learn more about FLM and the resources that are available.

The Chartered Professional Accountants of Canada (CPA Canada) is dedicated to helping Canadians better manage their money. CPA professionals are presenting financial education sessions that are free of charge to various groups across the country. Organizations interested in having a learning session for their membership/client base or learning more about CPA Canada's programs can consult its website at [www.cpacanada.ca/financialliteracy](http://www.cpacanada.ca/financialliteracy).

## Final Word

If you have any questions about the RDSP please speak to an issuer, or consult our website. You may also contact us by email at: [NC-RDSP-ORGS-REEI-GD@hrsdc-rhdcc.gc.ca](mailto:NC-RDSP-ORGS-REEI-GD@hrsdc-rhdcc.gc.ca).

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