

The RDSP in One Page



Registered **Disability Savings Plan** - a long-term savings plan offered by the federal government. This plan has grants and bonds that the government contributes, to help it grow. By opening an RDSP and contributing, you could qualify for **up to \$90,000** from the Government of Canada.

The **beneficiary** for the RDSP would be the person with a disability who directly benefits from the opening of this account. This person must:

- Be a Canadian resident
- Have a social insurance number.
- Be eligible for the Disability Tax Credit.
- Open the RDSP by December 31st of the year in which the beneficiary turns 59 years old (however, it really needs to be opened by 49 to get the bond and grant).

The RDSP can be opened by the **holder**. This can be the beneficiary or their parent/legal guardian. Anyone can contribute with written permission from the holder. There is no annual contribution limit, although there is a lifetime contribution limit of \$200,000. **Contributions** made to the RDSP **are not taxable**, although the **grants, bonds, and interest on the account are**. There are 2 different types of government contributions that you can see in this account. **Bonds and Grants.**

The Canadian Disability Savings Bond (CDSB) is money put into the accounts of low-income Canadians. **No contributions are necessary** to receive the bond. **\$20,000 MAXIMUM** (See table of values below)

The Canadian Disability Savings Grant (CDSG) is money that the government deposits into an RDSP to match contributions that are put into your RDSP, up to \$3,500 per year and up to **\$70,000 over your lifetime**. You are eligible to receive the grant up to and including the year you turn 49. (See table of values below)

Net Income ≤ \$32,797 Per year	Net Income between \$32,797 - \$50,197*	Net Income > \$50,197*	Net Income < \$100,392*	Net Income > \$100,392*
\$1000 RDSP Bond	A portion of \$1000 bond (prorated)	NO Bond this year	On the First \$500 3:1 Matching (300%)	On the First \$1000 1:1 Matching (100%)
			On the next \$1000 2:1 Matching (200%)	*These income amounts are based on 2022 numbers and change each year based on the rate of inflation.

You may be eligible for up to 10 years of grants and bonds if you did not receive them but were approved for the Disability Tax Credit at the time.

Opening an RDSP

1. Apply for the Disability Tax Credit (T2201)
2. Identify the **beneficiary** and the **holder** of the plan
3. Contact a financial organization to have them help you set up the RDSP
4. Begin contributing. The bonds and grants **MUST** remain in the plan for 10 years.

The RDSP does NOT affect your eligibility for other federal benefits like the CCB, GST credit, HST credit, OAS. Also most provincial benefits like AISH (Although this can vary by province.)

Withdrawing from an RDSP

The beneficiary **MUST** start withdrawing from the RDSP by the end of the year they turn 60

There are 2 types of withdrawals you can make from an RDSP:

DAP - Disability Assistance Payments (One-time payment, as-needed basis)

LDAP - Lifetime Disability Assistance Payments (Monthly or yearly payments from the RDSP until the beneficiary is 83)

Normal rules for withdrawals are relaxed if the beneficiary's life expectancy is 5 years or less. The holder has an opportunity to convert the RDSP into a Specified Disability Savings Plan

For more information Contact Stephen Sicoli 825-994-2411