



B.C. ABORIGINAL NETWORK ON DISABILITY SOCIETY

"To Promote the betterment of Aboriginal People with Disabilities"

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RDSP Fact Sheet

1. What is an RDSP?

- 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. (max \$20,000)
- 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. (max \$70,000)
- The Government would deposit the grant/bond amount into your RDSP. By opening an RDSP and contributing, you could qualify for up to \$90,000 from the Government of Canada.

2. What is 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.

3. What is 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.
- 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.

4. Who can contribute to the 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.

5. Can you catch up on missed bonds or 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).**

6. How do you get an RDSP?

- To open an RDSP, **you must be eligible for the disability tax credit (DTC)—a non-refundable tax credit that helps people with disabilities or their caregivers reduce the amount of income tax they may have to pay.**
- **You also need a social insurance number (SIN).**
- 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.
- To receive the bond/grant your taxes must be up to date.

7. When can you withdraw 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.