

New savings tools help Canadians with disabilities and their families invest in their future

In December 2008, the Government of Canada introduced the Registered Disability Savings Plan (RDSP), Canada Disability Savings Grant and Canada Disability Savings Bond to help Canadians with disabilities and their families save for the future.

The RDSP is available to Canadian residents under the age of 60 who are eligible for the Disability Tax Credit, which is also known as the Disability Amount. People who are eligible, and the parents or guardians of eligible minors, can open an RDSP at one of several financial organizations across the country.

There is no annual contribution limit to an RDSP. The lifetime contribution limit is \$200,000. Friends and family can also contribute to a plan with written permission of the plan holder. Any investment income earned in the plan accumulates tax free, until money is withdrawn. The contribution deadline this year is December 31, 2010.

To encourage savings, the Government of Canada introduced the Canada Disability Savings Grant and the Canada Disability Savings Bond.

The [Canada Disability Savings Grant](#) is a matching grant that the Government deposits into the RDSP. Each year, the Government will match contributions made by paying up to \$3 for every \$1 paid into the plan, depending on the amount contributed and the beneficiary's family income. The Government will deposit a maximum of \$3,500 each year, with a lifetime limit of \$70,000. Grants will be paid into the RDSP until the year the beneficiary turns 49 years old.



For example

If the beneficiary's family income is less than or equal to \$81,941:

- The Government will deposit \$3 for every \$1 on the first \$500 contributed to the RDSP and \$2 for every \$1 on the next \$1,000.

If the beneficiary's family income is over \$81,941:

- The Government will match \$1 for every \$1 contributed on the first \$1,000.

The Government of Canada will also pay a [Canada Disability Savings Bond](#) of up to \$1,000 to low-income and modest-income Canadians. The good news is that no contributions are necessary to receive the bond; simply open an RDSP and fill out an application form at the financial organization where you have your RDSP. Bonds will be paid into the RDSP until the year the beneficiary turns 49 years old.

For example

If the beneficiary's family income is less than or equal to \$23,855:

- The Government will deposit \$1,000 each year into the RDSP.

For beneficiary family incomes between \$23,855 and \$40,970:

- The Government will deposit a portion of the \$1,000. As your income increases, the bond amount paid decreases.

Money paid out of an RDSP will not affect a person's eligibility for federal benefits, such as the Canada Child Tax Benefit, the Goods and Services Tax credit, Old Age Security or Employment Insurance benefits. In addition, RDSPs will have little or no impact on provincial and territorial social assistance payments. For further details, contact your provincial or territorial government.

For more information on the RDSP, grant and bond, including a list of participating financial organizations, please visit the Human Resources and Skills Development Canada Web site at www.disabilitysavings.gc.ca or call

1 800 O-Canada(1 800 622-6232).

- *Income amounts shown are for 2010 and will be updated yearly based on the rate of inflation.*



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