



Employment and
Social Development Canada

Emploi et
Développement social Canada

Canada 



Registered Disability Savings Plan

Helping Canadians with
disabilities and their families
save for the future.

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 Grant and Bond. 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.

This publication is available for download at:

canada.ca/publiccentre-ESDC

Aussi disponible en français.

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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. By opening an RDSP and contributing, you could qualify for up to \$90,000 from the Government of Canada.

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 will deposit the Grant amount into your RDSP automatically after a contribution is made.

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!

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 disabilities. 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.

To apply for the Bond, you need to open an RDSP with a participating financial organization. **You do not need to put money into an RDSP to get the Bond.** If your annual family income is \$32,797 or lower, you could get \$1,000 per year. If your annual family income is between \$32,797 and \$50,197, you could still be eligible, but for a lower amount. These income amounts change each year based on the rate of inflation.

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 your friends put into your RDSP, up to \$3,500 per year and 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 \$100,392 or lower, you could receive \$720 per year in Grant money by putting \$20 in the RDSP each month. If your family income is more than \$100,392, you could receive \$240 per year in Grant money by putting \$20 in the RDSP every month. This income amount changes each year based on the rate of inflation.

You are eligible to receive the Grant up to and including the year you turn 49. The Grant amount will be paid based on any money you, your family or your 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. Grants and Bonds you receive from the Government, and any interest earned do not count toward the contribution limit.

Impact 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, the Harmonized Sales Tax Credit, the 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 Grants and Bonds

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. To catch up, you need to open an RDSP at a participating financial organization, and submit your Grant and Bond application 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, Grant and Bond 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.canada.ca/en/revenue-agency.

Money transferred to an RDSP from these savings products will count toward the lifetime contribution limit of \$200,000, but the Government does not pay a matching Grant on these money transfers.



Open an RDSP

Step 1 Apply for the Disability Tax Credit

To open an RDSP, you must be approved for the Disability Tax Credit—a non-refundable tax credit that helps persons with disabilities or their caregivers reduce the amount of income tax they may have to pay. The Canada Revenue Agency determines if you are approved for the Disability Tax Credit. Even if you do not benefit directly from the Disability Tax Credit, you need to be approved for 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 approved 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.canada.ca/en/revenue-agency

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 approved 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 government-issued Grants and Bonds, 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** (this varies across provinces and territories), your legal parent, your legal representative or a public department can manage your RDSP for you. If you have reached the age of majority, you are eligible to manage your own RDSP. However, if you are not able to enter into a contract, a legal guardian, legal representative or public department can 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 Grant and the Bond.

For the list of participating financial organizations and their telephone numbers, visit www.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.

Grants and Bonds must remain in the RDSP for at least 10 years. If you take money out before age 60, you must repay some or all of the Grants and the Bonds that the Government paid to your RDSP in the 10 years before the withdrawal.

All Grants and Bonds deposited by the Government that have been in an RDSP for less than 10 years must be repaid to the Government if:

- the RDSP is closed; or
- you die.



All money in the RDSP that does not have to be repaid to the Government—including your contributions, any Grants and/or Bonds that have been in the plan for at least 10 years, as well as any 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.

Effects of no longer being approved for the Disability Tax Credit

As of January 1, 2021, if you are no longer approved for the Disability Tax Credit, your RDSP can remain open and you will not lose the Grants and the Bonds you received while you were approved. You can start accessing these Grants and Bonds starting in the year you turn 60. If you take money out, the plan is closed, or you die before the year you turn 60, you or your estate will have to repay some or all of the Grants and the Bonds in your RDSP. The amount of Grant and Bond that would need to be repaid in these events depends on your age and when you lost approval for the Disability Tax Credit. For more information, visit www.canada.ca/RDSP.



During the time when you are not approved for the Disability Tax Credit:

- no contributions can be made;
- you will not be eligible to receive new Grants or Bonds; and
- you will not be eligible to catch up on Grant or Bond amounts from any period where you are not approved for the Disability Tax Credit.

If you become approved for the Disability Tax Credit again in the future, your RDSP will operate normally, allowing contributions until December 31 of the year you turn 59 and the payment of Grants and Bonds until December 31 of the year you turn 49.

For more information about the RDSP, the Grant and the Bond

Visit www.canada.ca/RDSP

Call 1 800 0-Canada (1-800-622-6232)

TTY 1-800-926-9105

Email rdsp-reei@hrsdcc-rhdcc.gc.ca



