Employment and
Social Development Canada

Emploi et
Développement social Canada

RDSP Provider User Guide

C H A P T E R

4-1

Introduction to the CDSP System

This Chapter is primarily directed to employees of financial institutions responsible for assisting clients who wish to open Registered Disability Savings Plans (RDSPs) and apply for the Canada Disability Savings Grant (grant) and the Canada Disability Savings Bond (bond).

Once the appropriate application forms have been completed and signed, key information must be sent electronically to Employment and Social Development Canada (ESDC) along with requests for the grant and the bond.

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1. The CDSP System

1.1. Definition

The Canada Disability Savings Program (CDSP) system is an ESDC electronic application that supports the delivery of the RDSP, the grant and the bond.

The CDSP system **provides or exchanges information** with:

- financial institutions offering RDSPs;
- the Canada Revenue Agency (CRA); and
- ESDC, including:
    - the Office for Disability Issues (ODI); and
    - the Social Insurance Registration Office (SIR).

This information exchange allows the CDSP system to:

- verify **contract**, **holder**, and **beneficiary information**;
- confirm eligibility to **register** Disability Savings Plans (DSPs);
- verify **primary caregiver** information, as required;
- **confirm eligibility** for the grant and the bond; and
- track program-related **transactions**, including Social Insurance Number (SIN) and Business Number (BN) verifications, residency, eligibility for the disability tax credit (DTC), payments, repayments, etc.

This, in turn, ensures that each eligible RDSP beneficiary receives the grant and/or the bond to which he or she is entitled and facilitates the tracking of the grant and the bond and related limits for each beneficiary.

The RDSP issuer is the **organization ultimately responsible for the administration of the RDSP, the grant and the bond.** Specifically, it is the organization that has secured approval for the particular RDSP **specimen plan** from CRA and **signed an agreement** with ESDC allowing it to administer the grant and the bond. The RDSP issuer can delegate administrative duties to agents and/or service providers.

Although ESDC validates certain information it receives electronically prior to making grant and bond payments, financial institutions are reminded that all grants and bonds are paid on the condition that the RDSP complies with all relevant legislative requirements. This includes the registration rules described in Section 146.4 of the *Income Tax Act* and the conditions relating to the grant and the bond found in the *Canada Disability Savings Act* and its related Regulations. All grants

and bonds are subject to repayment to the Government of Canada should ESDC or CRA discover that payment was made inappropriately. For more information on repayments, see Chapter 3-6: Repaying the Grant and Bond.

1.2. Terminology

A list of **common terms** used throughout this chapter.

Term	Definition
business number (BN)	A 15 character alphanumeric code, assigned by the CRA, that identifies the RDSP issuer or agent authorized to submit transactions to the CDSP system. It is also the term used to identify the number assigned to the organization caring for a child and receiving an allowance under the *Children's Special Allowance Act (CSAA)*.
correction transaction	Is used to correct a previously submitted and successfully processed contribution. It applies to correcting a contribution amount **or** correcting Primary Caregiver (PCG) information **or** requesting a grant on a contribution transaction where a grant was not originally requested by the financial institution. Corrections will maintain the payment date or the original contribution transaction. See Appendices A and B: Understanding Error Codes and Understanding Refusal Reasons.
Interface Transaction Standards (ITS)	The document that describes the format in which information is to be set when electronically submitting transactions to the CDSP system.
record type (RT)	A data record that is exchanged between the financial institution's system and the CDSP system. There are a series of record types, each identifying a different type of transaction. For example, RT 401 identifies a financial transaction.

reversal transaction	Reversals are utilized to reverse repayments, rollovers, Disability Assistance Payments (DAPs), Lifetime Disability Assistance Payments (LDAPs), and elections. They are done when the original transaction was submitted in error.
transaction type (TT)	The two-digit number following the RT further categorizes the type of transaction. For example, RT 401-01 represents a financial transaction (RT 401) reporting a contribution and/or a grant request (01).

1.3. Record Type and Transaction Type

Transactions submitted by the issuer to the CDSP system are categorised by RT and TT.

Issuer Transactions		
RT	**TT**	**Description**
Contract registration information		
101	01	Contract information
	02	Beneficiary information
	03	Holder information
Contract update information		
102	10	Close a contract
	11	Rename a contract
Beneficiary and holder update information		
201	02	Update beneficiary **information**
	03	Update holder information
	13	Add holder to contract
	23	Remove a holder from a contract
Consent information for beneficiary		
202	01	Add or update consent for beneficiary
	02	Revoke consent for beneficiary

Financial Transactions			
401	01	Contribution/grant request
	02	Correction of contribution/grant request
	05	Bond Payment Request
	06	Stop bond payment request
	08	Retirement savings rollover
	09	Retirement savings rollover reversal
	10	Repayment of grant and/or bond
	11	Reverse repayment of grant and/or bond
	20	DAP
	21	LDAP
	22	DAP reversal
	23	LDAP reversal
	30	Education savings rollover
	31	Education savings rollover reversal
Elections		
501	01	Episodic DTC election
	02	Episodic DTC election reversal
	03	SDSP election
	04	SDSP election reversal
Reporting Transactions		
701	01	Monthly reporting of FMV
	02	Transfer reporting of FMV and earnings amounts

The monthly files sent by ESDC to the issuer in response to the transactions received are categorised by RT.

	Monthly Files	RT
✗	Error File (.err)	
	• Errors	801
	• Severe Errors	851
⚙	Transaction Processing File (.pro)	901
📇	SIN Usability File (.sur)	921
📜	Contract Status File (.reg)	
	• Contract Status	951
	• Episodic DTC Election	952
	• SDSP Election	953
🔄	Transfer Extract File (.xfr)	971
♿	Beneficiary DTC Eligibility File (.dtc)	981

There are several transaction formats used to report information to the CDSP system. These formats are outlined in detail in the Transactions Format section of the **ITS** document, available for download on ESDC's website (see link in section 4.1). The CDSP system implementation date for each defined transaction is listed in the Transactions Format section as well.

2. Exchange of Information

Financial institutions must use Managed Secure File Transfer (MSFT) software to send data to ESDC via the Internet. It is Entrust ® enabled and is recognized by ESDC as a secure method for data transfer.

The following chart illustrates how files and reports are exchanged between financial institutions and the CDSP system through the MSFT system.
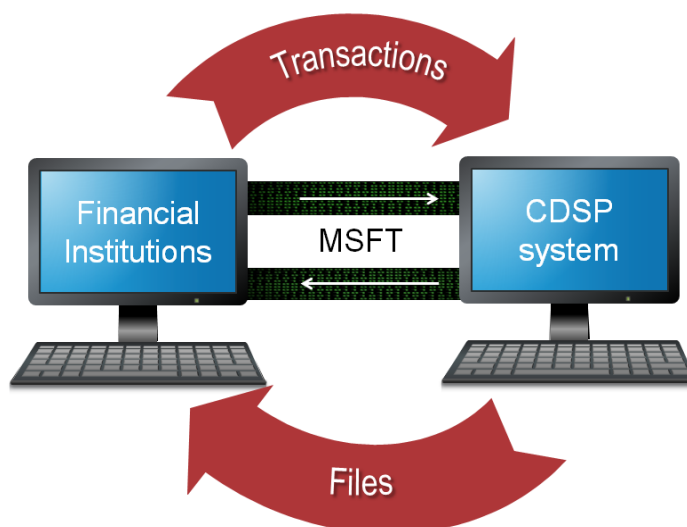
The financial institution **submits transactions** electronically through the MSFT system to **ESDC** for the current reporting period. For more information on the reporting period, see section 4.4.1 below.

ESDC retrieves the submitted transactions and uploads them to the CDSP system.

Once the monthly processing is complete in the CDSP system**, ESDC uploads** the resulting files (RT 801, RT 851, RT 901, RT 921, RT 951, RT 952, RT 953, RT 971 and RT 981) in the MSFT system for the financial institution to retrieve.

3. The CDSP System Process

The following calendar represents an overview of the production cycle processes and responsibilities associated with submitting transactions to the CDSP system.

Sun.	Monday	Tuesday	Wednesday	Thursday	Friday	Sat.
				1	2	3
4	5	6 **Step 1** Issuer submits transactions	7 **Step 2** Level 1 & 2 validation process	8	9 **Step 3** SIN validation with SIR	10
11	12	13 **Steps 4 & 5** Level 3 validation with CRA	14 **Step 6** Final level of verification	15	16	17
18	**Step 7** 19 **Message 1** RT 801, 851, 921, 951, 952, 953, 981	20	21	22	23	24
25	26	**Step 8** 27 **Message 2** RT 901, 971	28	29	**Step 9** 30 **Incentive Payment by ESDC**	31

Step 1 – The financial institution **submits transactions** (Issuer Transaction File) electronically to ESDC for the current reporting period, by 5:00 p.m. (EST) on the fourth business day of the month

ESDC **retrieves** the submitted transactions and uploads them to the CDSP system.

Step 2 – ESDC **validates*** the submitted transactions.

The first two levels of information are validated as follows:

- confirms completion of mandatory fields and proper formatting based on ITS (e.g., date fields must be submitted as YYYYMMDD); and
- verifies compliance with business rules (e.g., beneficiary's age and grant/bond eligibility).

*Validation is only applicable to certain transactions.

Step 3 – The beneficiary and holder SINs are validated with SIR.

Step 4 (For registration only) – level 3 validation. ESDC **communicates** with CRA to verify the DTC eligibility, residency and family income to confirm the request to register the DSP and that it meets the conditions for registration.

ESDC will notify the financial institution once registration has been confirmed.

Step 5 – The CDSP system **processes** financial transactions (RT 401) and validates DTC eligibility, residency and family income to ensure eligibility for grant and bond payment.

Step 6 - Based on processing results, the CDSP system conducts the **final level of verification**, as follows:

- awards grant, bond and/or refusal reason to successfully processed transactions;
- updates beneficiary accounts, including total grant and bond paid to the individual beneficiary account; and
- updates payment information at the specimen plan level allowing the CDSP system to track grant and bond liability based on financial institution.

Step 7 – The CDSP system **generates** the first set of files to financial institutions, informing them of the production results. ESDC **forwards** a first message to inform financial institutions when files are ready for pick-up. The files that may be sent in this first message are:

Error File (.err)

RT 801 Errors: Validation has failed or information submitted is missing, incorrect, or incorrectly formatted. Transaction must be corrected and resubmitted.

RT 851 Severe Errors: Identifying severe errors and advising that the record is rejected and must be corrected and resubmitted.

RT 921 SIN Usability File (.sur): Validation of the beneficiary's SIN with SIR has revealed that the SIN is not usable, usable and/or linked.

Contract Status File (.reg)

RT 951 Contract Status: Information on contracts for which a request to register or transfer has been submitted as well as updates on previously requested contract registrations.

RT 952 Episodic DTC Election: Confirms receipt of DTC election information and informs the issuer of the DTC election period, as established in the CDSP system.

RT 953 SDSP Election: Confirms receipt of Specified Disability Savings Plan (SDSP) election information.

RT 981 Beneficiary DTC Eligibility File (.dtc): All updates which have been made by CRA to the yearly DTC eligibility status of beneficiaries who have a pending (having passed SIR validation) or registered contract.

Step 8 – Approximately four days prior to the last business day of the month, the CDSP system **generates** the second set of files to financial institutions, informing them of the production results. ESDC **forwards** a second message to inform financial institutions when files are ready for pick-up. The files sent in this second message are:

RT 901 Transaction Processing File (.pro): acknowledges that a transaction has been successfully processed or reprocessed / readjudicated (e.g. due to DTC, residency and income updates). It also informs the issuer of the grant and bond amount paid.

RT 971 Transfer Information Extract File (.xfr): All financial information in ESDC's possession from all previous contracts for a particular beneficiary for all "resolved" RDSP transfer transactions.

Step 9 – ESDC **sends the payment** to the financial institutions account on the last business day of the month via direct deposit.

4. Interface Transaction Standards

The ITS **prescribes the format for submitting contract, financial and reporting transactions** electronically to ESDC.

More specifically, the ITS describes the format and layout to be used for the exchange of electronic information between ESDC and financial institutions' systems; it allows for the electronic administration and **payment** of the:

- **grant** and/or
- **bond**.

4.1. Electronic Version of the ITS

The ITS is available for download on the RDSP, Grant and Bond Issuers page on ESDC's website, under the "Systems Documentation" tab at the following link:

Canada.ca/RDSPresources

Amendments to the ITS are communicated to RDSP issuers via electronic bulletins ListServs. This is an email sent to designated employees of the RDSP issuer to announce RDSP events or changes to the RDSP, the grant or the bond. To be added to the ListServ distribution list, contact ESDC at:

rdsp-reei@hrsdc-rhdcc.gc.ca

4.2. System Compliance

All financial institutions must ensure that the files they exchange with ESDC are **compliant with the ITS**.

The **mandatory industry testing process**, driven by ESDC, helps financial institutions to ensure that their systems are ready to report transactions to, and receive information from, the CDSP system. The objective of industry testing is to ensure system compatibility with ESDC and improve the quality of data submitted to ESDC, ultimately ensuring that grants and bonds are paid into the RDSP.

As there is always a risk of errors, industry testing also ensures that the RDSP financial institution's system can accept error codes and grant and/or bond refusal reasons.

Test files sent electronically to the CDSP system **must receive a data format success rate of 95% or higher** and an **overall success rate of 90% or higher** before the financial institution can submit files for processing.

Questions or requests pertaining to industry testing should be forwarded to ESDC at:

rdsp-reei.indtest@hrsdc-rhdcc.gc.ca

The CDSP Industry Testing Guide can be found under the "Systems Documentation" tab at the following link:

Canada.ca/RDSPresources

4.3. Timelines

ESDC provides schedules identifying applicable processing dates, which consist of:

- processing periods;
- production run cut-off dates; and
- payment dates.

These schedules are forwarded to financial institutions as an electronic bulletin via ListServ and are also available on the Web.

4.3.1. Reporting Periods

The CDSP system processes files and pays grant and/or bond on a monthly basis.

Reporting periods extend from **the first to the last day of the same month**. The financial institution has four (4) business days after the reporting period ends to submit files for processing. Financial institutions must not include any transactions that occurred after the last day of the reporting period.

For example, to be included in the August reporting period, the financial institution must finalize files by the 4th business day after August 31.

If ESDC receives files after the specified cut-off date, it will hold and process those files in the following month's processing cycle .

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CHAPTER

4-2

Setting Up an RDSP

This chapter is primarily directed to employees of financial institutions responsible for assisting clients who wish to open Registered Disability Savings Plans (RDSPs).

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1. Information Exchange

1.1. Record Type 101 (RT 101)

During the processing of transactions, Employment and Social Development Canada (ESDC) may send some or all of the following reports to financial institutions.
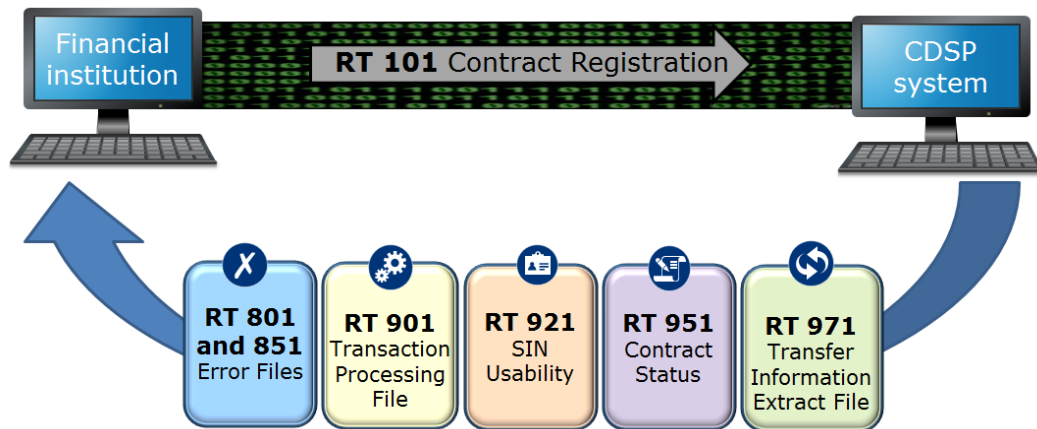
The **Error Files** (RT 801 and RT 851) indicate that transactions were not sent in accordance with format and validation requirements. The Error File contains the transaction number, the error code, the name of the field, and flags from the Social Insurance Registry's (SIR) validation if applicable.

It is the financial institution's responsibility to make the corrections and re-submit the transactions for processing.

If the contract registration transactions (contract, beneficiary and holder information) were successfully processed, this will be indicated in the **Transaction Processing File** (RT 901) at the end of the month.

Every month, beneficiary and holder SINs are verified through SIR. SIR may report that a SIN is "usable", "unusable" or "linked" through the **SIN Usability File** (RT 921).

The **Contract Status File** (RT 951) concerns all contract registration transactions and informs the issuer of the contract registration status.

ⓢ   The **Transfer Information Extract File** (RT 971) reports to the receiving financial institution, all successfully processed financial transactions for the prior RDSP once a transfer is completed. This file includes transactions that have been reported to the Canada Disability Savings (CDSP) system for the contract of the relinquishing financial institution, as well as those reported for earlier contracts also transferred for the same beneficiary.

2. Opening a New Plan

To open an RDSP, the financial institution must assist the holder in completing the appropriate application forms (see Chapter 1-1: section 6 for additional information). Once the information on the beneficiary, the holder(s), primary caregiver(s) (PCG) and the contract itself is collected, the financial institution submits the registration information (RT 101) transactions electronically via Managed Secure File Transfer (MSFT) to the CDSP system. These transactions are used to:

- confirm that the plan meets the **conditions of registration**;
- verify **beneficiary** information; and
- verify **holder** information.

Below is an illustration of the contract validation process. Each step, numbered 1 through 10, is detailed further in this chapter.
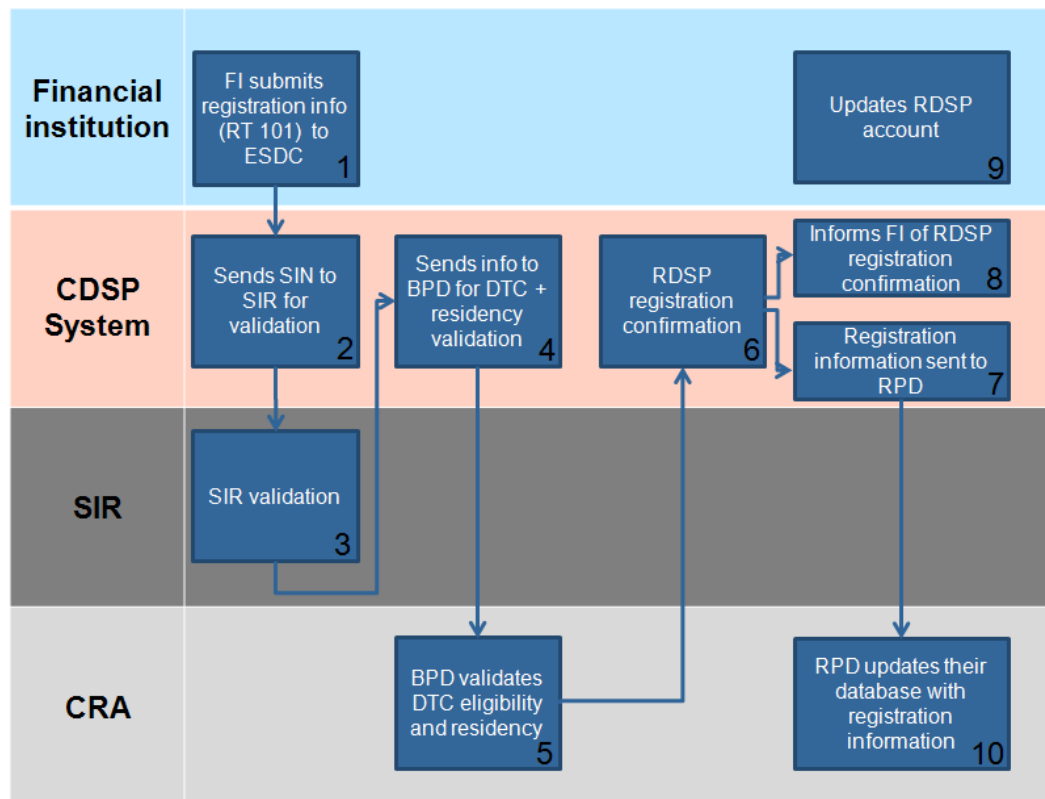
During the validation process, certain pieces of information reported in the contract registration files are validated by the following departments.

- ESDC
  - CDSP system
  - SIR
- Canada Revenue Agency (CRA)
  - Benefit Programs Directorate (BPD)

And, contract registration results are sent to:

- CRA
  - Registered Plans Directorate (RPD)

2.1. Step 1

To confirm the contract meets the conditions of registration, the CDSP system requires three separate transactions for each DSP. **All three transactions must be sent as a package at the same time**. Any of these RT transactions sent individually will not be processed.

- RT 101-01 **Contract** information
- RT 101-02 **Beneficiary** information
- RT 101-03 **Holder** information

Each of these three transactions must be verified and processed successfully before it can be confirmed that the contract meets the conditions of registration.

> **Note:** For more information about mandatory information required for each record type and transaction type in this chapter, consult the Interface Transaction Standards (ITS), available on ESDC's website under the systems documentation tab found here:
>
> **Canada.ca/RDSPresources**

2.1.1. Contract Information

To establish a contract in the CDSP system and to provide the required elements to confirm contract registration with the CRA, financial institutions must submit a contract registration information transaction (RT 101-01). The CDSP system will validate the information provided and assign a registration status to the submission.

RT 101-01 - Information needed to set up a contract:

- the transaction number established by the financial institution (must be the same for all components of the RT 101 "package");
- the specimen plan number assigned to the financial institution by CRA;
- the contract number of the RDSP;
- the date the contract was signed;
- the primary caregiver's information, if applicable;
- information required to complete a transfer when applicable; and
- the date the contract was created or updated.

When sending contract information (RT 101-01), financial institutions must also send beneficiary (RT 101-02) and holder (RT 101-03) information.

The RT 101-01 can be used to update contract information in the CDSP system up until the contract is confirmed to have met all conditions for registration. To update contract information after registration has been confirmed, see section 3.1 Contract Update Information.

2.1.2. Beneficiary Information

To establish a beneficiary in the CDSP system, financial institutions must submit a beneficiary information transaction (RT 101-02).

RT 101-02 – Information needed for the beneficiary:

- the transaction number established by the financial institution (must be the same for all components of the RT 101 "package");
- the beneficiary's SIN, given name, surname, date of birth (DOB) and sex;
- the beneficiary's address; and
- the beneficiary's language of choice.

The RT 101-02 can be used to update beneficiary information in the CDSP system (other than the SIN) up until it is confirmed that the contract meets all conditions for registration.

To update beneficiary information after registration has been confirmed, see section 3.2 Beneficiary and Holder Update Information.

2.1.3. Holder Information

To establish a holder in the CDSP system, financial institutions must submit a holder information transaction, RT 101-03.

RT 101-03 – Information needed for the holder:

- the transaction number established by the financial institution (must be the same for all components of the RT 101 "package");
- the holder's SIN, given name, surname, DOB and sex or the agency's Business Number (BN) and name;
- the holder's address;
- the relationship of the holder to the beneficiary; and
- the holder's language of choice.

If there is more than one holder, validation must be confirmed for all holders on the contract.

The RT 101-03 can be used to update holder information or add a holder in the CDSP system up until it is confirmed that the contract meets all conditions for registration.

To update, add or delete a holder, see section 3.2 Beneficiary and Holder Update Information.

2.2. Steps 2 and 3

2.2.1. Preliminary validation

Before sending a beneficiary or holder SIN to SIR, the CDSP system performs a preliminary validation to determine the validity of a SIN.

If the SIN is rejected, an Error Report is sent to the issuer with the **Error Code 8250: The SIN or BN is not numerically valid.**
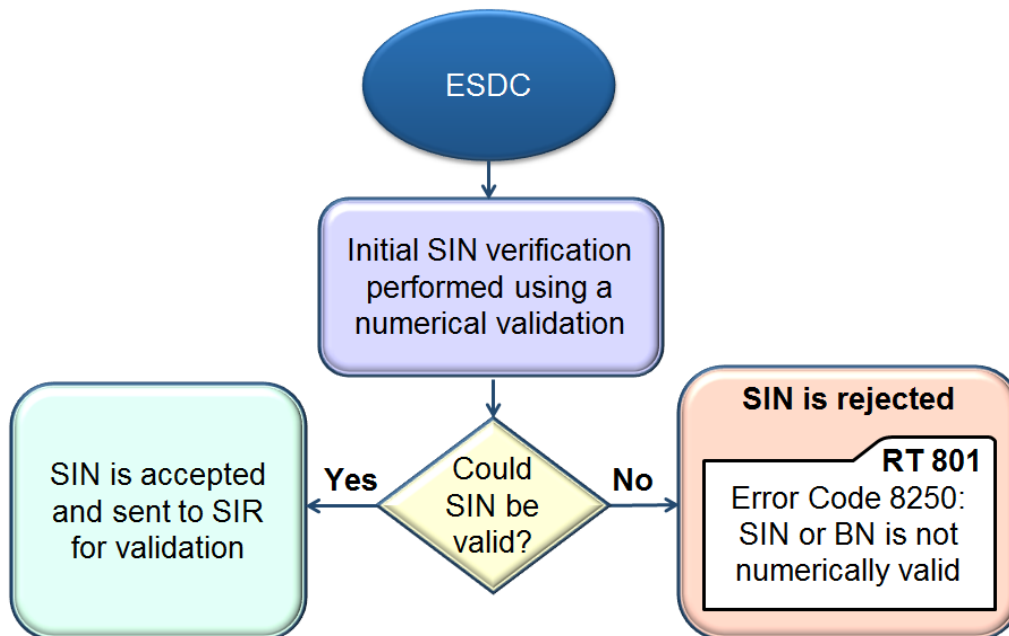
2.2.2. SIR Validates Identities Through SINs

Once the preliminary validation is done, the CDSP system will send the beneficiary and/or holder SIN information for validation with SIR. SIN usability and the five following fields are validated by SIR.

- **SIN**
- **given name**
- **surname**
- **birth date**
- **sex**

2.2.3. Successful, Flagged or Rejected SINs at SIR

If **SIR validation is successful**, the beneficiary and holder are **added to the CDSP system** and a RT 901 report and a RT 951 report are sent to the RDSP issuer. When the contract is in pending status, the holder and the beneficiary are established even if just the minimum requirements are met.
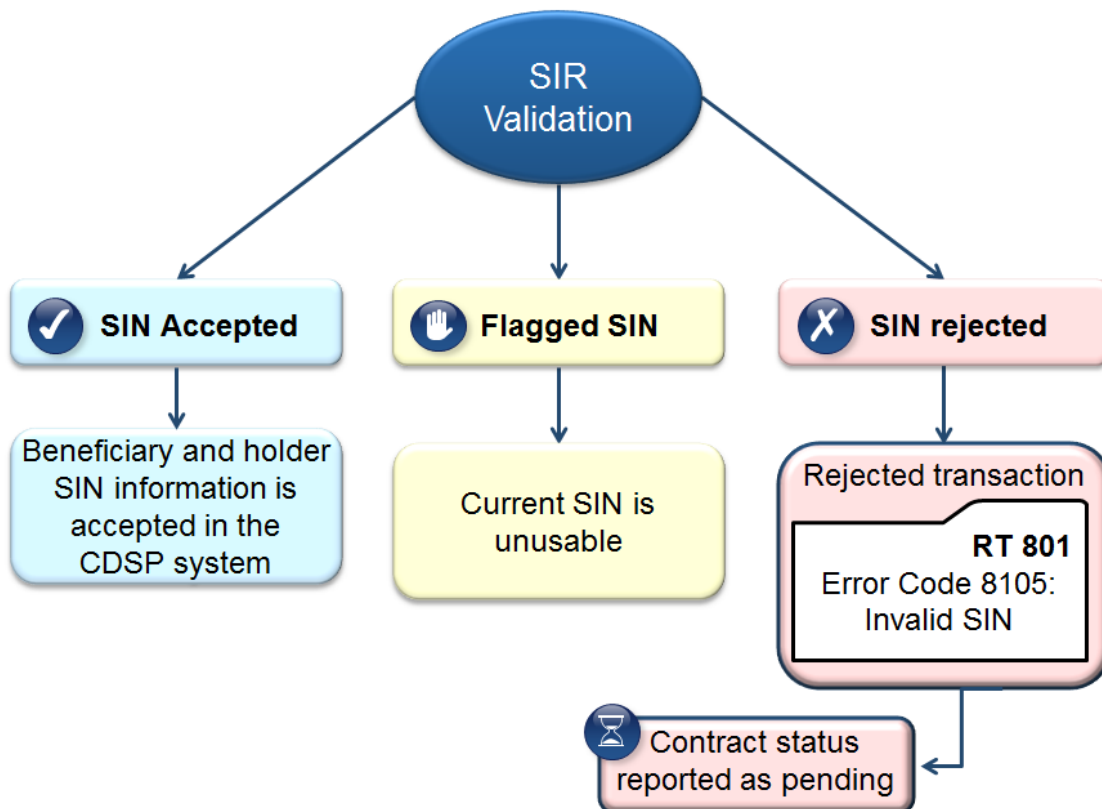
If the **SIN is rejected,** the contract will remain pending and the **Contract Status File** (RT 951) will indicate that a beneficiary or holder SIN failed identity validation.

An error file (RT 801) is sent to the issuer with the **Error Code 8105**: invalid SIN. The error file will indicate which of the five field(s) failed validation: SIN, given name, surname, date of birth or sex.

The beneficiary account will not be established. It will remain pending until validation can be confirmed.

In many cases name changes, inverted numbers, and/or mistakes in birth dates cause errors during the SIN validation process. If the holder and/or beneficiary SIN information submitted by the financial institution does not match the information contained at the SIR, the submission will result in an error and will lead to the information being rejected by the CDSP system.

All transactions (101-01, 101-02 and 101-03) must be corrected and resubmitted to the CDSP system before financial transactions can be processed. NOTE: For more information on correcting SIN errors, see Appendix A "Understanding Error Codes" document available on ESDC's website under the User Guide and Publications tab found here:

Canada.ca/RDSPresources

If a **SIN is flagged as not usable**, the contract status is reported as pending. Flagged SINs can be the result of fraudulent SIN usage, a deceased holder or beneficiary, a temporary SIN being cancelled, etc. They are reported to the financial institution in the SIN Usability File (RT 921).

SIN usability is validated every month that the RDSP is open. Business numbers do not go through SIR validation. For more information, see section 4. Ongoing Information Verification.

2.3. Step 4 and 5

2.3.1. BPD Validates Beneficiary & Holder Information

Once the SINs have been validated at SIR, CRA's **BPD** confirms that the beneficiary meets the following criteria:

- **be a resident in Canada**; and
- **be eligible for the DTC**.
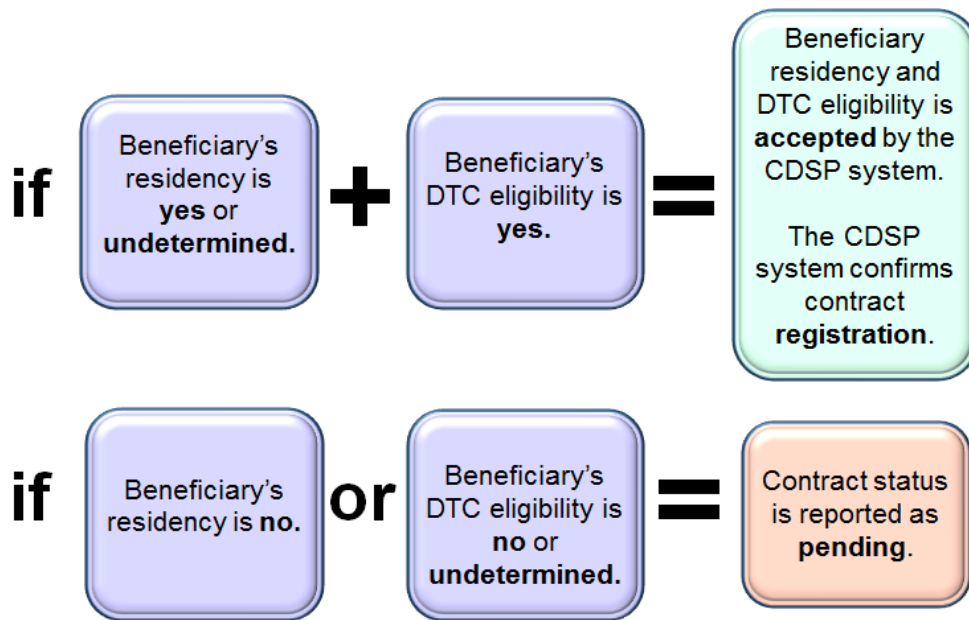
2.4. Steps 6 to 10

2.4.1. ESDC Confirms Registration

ESDC will notify the financial institution once it is confirmed that the plan meets the conditions of registration as reported in the "Current Contract Status" field (RT 951).

2.4.2. ESDC Sends Files to financial institutions

ESDC generates monthly files to financial institutions, informing them of the production results. Files that may be sent in response to a contract transaction are summarized below.

CDSP System Files

The financial institution will receive confirmation of the status of the transactions submitted to the CDSP system including the following notifications:

RT 901 Transaction Processing File (.pro): Acknowledges that a transaction has been successfully processed. The file also informs the issuer of the grant and bond amount paid.

RT 921 SIN Usability File (.sur): Validation of the beneficiary or holder's SIN with SIR has revealed that the SIN is usable, not usable, and/or linked.

Contract Status File (.reg) contains the following report:
- **RT 951 Contract Status:** Information on contracts for which a request to register or transfer has been submitted as well as updates on previously requested contract registrations.

RT 971 Transfer Information Extract File: contains all historical financial transaction information (beginning with 401) in ESDC's possession from all previous contracts for a particular beneficiary provided that the transfer is resolved and the prior contract is closed and the receiving contract, for which the file is created, is registered.

Error File (.err)
- **RT 801 Error Report**: Validation has failed or information submitted is missing, incorrect, or incorrectly formatted. Transaction must be corrected and resubmitted.
- **RT 851 Severe Error Report**: Identifying severe errors and advising that the record is rejected and must be corrected and resubmitted.

ESDC forwards a ListServ to inform financial institutions when processing files are ready to be accessed.

3. Changes to a Registered Plan

When information changes regarding a contract that is already registered, or if information changes for a holder or a beneficiary on a contract that is already registered, transactions must be sent to update the information in the CDSP system.

3.1. Contract Update Information

If a financial institution wishes to update information for a registered contract, the Update Contract Information transaction (RT 102) is used.

3.1.1. Close a Contract

To close a contract, the financial institution submits a **RT 102-10 Close a Contract** transaction to the CDSP system.

Information needed to close a contract:

- the financial institution's contract number;

- the reason why the RDSP is being closed: the beneficiary dies, the beneficiary is no longer DTC-eligible, the RDSP is transferred to another financial institution, or the plan is de-registered;
- the date of the event requiring the closure of the contract; and
- the date the RDSP is closed.

For more information on why a contract must be closed, see Chapter 2-7: Closing an RDSP.

3.1.2. Rename a Contract

If a financial institution wishes to change the contract number or identifier of an established contract, the **RT 102-11 Rename Contract** is used.

Information needed to rename a contract:

- the new number given to the contract by the financial institution;
- the original number given to the contract by the financial institution; and
- the date the contract was renamed.

3.2. Beneficiary and Holder Update Information

If a financial institution wishes to update beneficiary or holder information, or add or remove a holder from a registered contract, the **RT 201 Beneficiary and Holder Update Information** transaction is used (i.e. change of address).

3.2.1. Update Beneficiary Information

If a financial institution wishes to update information on the beneficiary, the **RT 201-02 Update Beneficiary Information** is used.

Information needed to update the beneficiary data:

- the beneficiary's SIN, given name, surname, DOB and gender;
- the beneficiary's address; and
- the date the beneficiary information was updated.

3.2.2. Update Holder Information

If a financial institution wishes to update information on the holder, the **RT 201-03 Update Holder** Information is used.

Information needed to update the holder data:

- the holder's SIN or BN, given name, surname or agency name, DOB and gender;
- the relationship of the holder to the beneficiary;
- the holder's address; and
- the date the holder information was updated.

Note: to ensure Annual Statements of Entitlement are properly directed, issuers should ensure updates to holder addresses are accurately reported to the CDSP system by the end of each calendar year.

3.2.3. Add Holder to Contract

If a financial institution wishes to add a holder to the contract, the **RT 201-13 Add a Holder to the Contract** is used.

Information needed to add a holder to the contract:

- the holder's SIN or BN, given name, surname or agency name, DOB and gender;
- the relationship of the holder to the beneficiary;
- the holder's address; and
- the date the holder was added to the contract.

3.2.4. Remove Holder from Contract

If a financial institution wishes to remove a holder from the contract, the **RT 201-23 Remove a Holder from the Contract** is used.

Information needed to remove a holder from a contract:

- the holder's SIN or BN; and
- the date the holder was removed from the contract.

A holder cannot be removed from a contract unless there is already another holder named on the plan.

4. Ongoing Information Verification

4.1. Monthly SIN Usability

As part of ESDC's ongoing efforts to ensure program integrity, all active beneficiary and holder SIN information will be verified monthly with SIR. As a result of this monthly SIN validation, certain beneficiary and holder SINs will be identified (flagged) by SIR as "SIN is not useable". As well, a beneficiary or holder SIN may have a status of "SIN is useable". This is a result of SIR removing a flag from a beneficiary or holder SIN.

Changes to SIN usability are reported in the RT 921 SIN Usability File. All transactions requesting grant or bond, on or after the SIR flag date will receive a refusal reason "08" – SIN not usable.

4.2. Beneficiary DTC and Residency

If CRA has updated the DTC and/or residency status of a beneficiary, they forward this information to the CDSP system which in turn sends this data to the impacted financial institution through the RT 981 - Beneficiary DTC Eligibility File.

These updates can cause a pending contract to become registered if after the change it meets the conditions for registration. If CRA changes the DTC or residency status from "Yes" to "No", it will result in the refusal of grant and bond payments.

Each month, financial institutions may send different transactions that may cause a contract to be registered:

- consent transaction
- contributions
- correction
- bond
- rollover
- close contract (it may resolve a transfer and register receiving contract)

CHAPTER

4-3

Request for Grant and Bond

This Chapter is primarily directed to employees of financial institutions responsible for submitting requests for the Canada Disability Savings Grant (grant) and the Canada Disability Savings Bond (bond).

In this chapter

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1. Information Exchange

1.1. Record Type 401 (RT 401)

After receiving financial transactions (RT 401) from the financial institution, Employment and Social Development Canada (ESDC) may send the following reports.

The **Error Report (RT 801)** and the **Severe Error Report (RT 851)** indicate transactions in error.

Toward the end of each processing period, ESDC sends financial institutions an e-mail informing them that the **Transaction Processing File (RT 901)** is ready to be downloaded. The report acknowledges all successfully processed transactions and may include:

- amounts of grant and bond payments;
- confirmation of repayments;
- refusal reasons;
- date of payment;
- transaction origin; and
- retirement savings and education savings rollover issues.

2. Requesting Grant and Bond

To receive the grant or the bond, the holder must fill out the grant and bond application form. While grants are based on contributions, no contribution is needed to attract bonds.

Below is an overview of the grant and the bond request process.
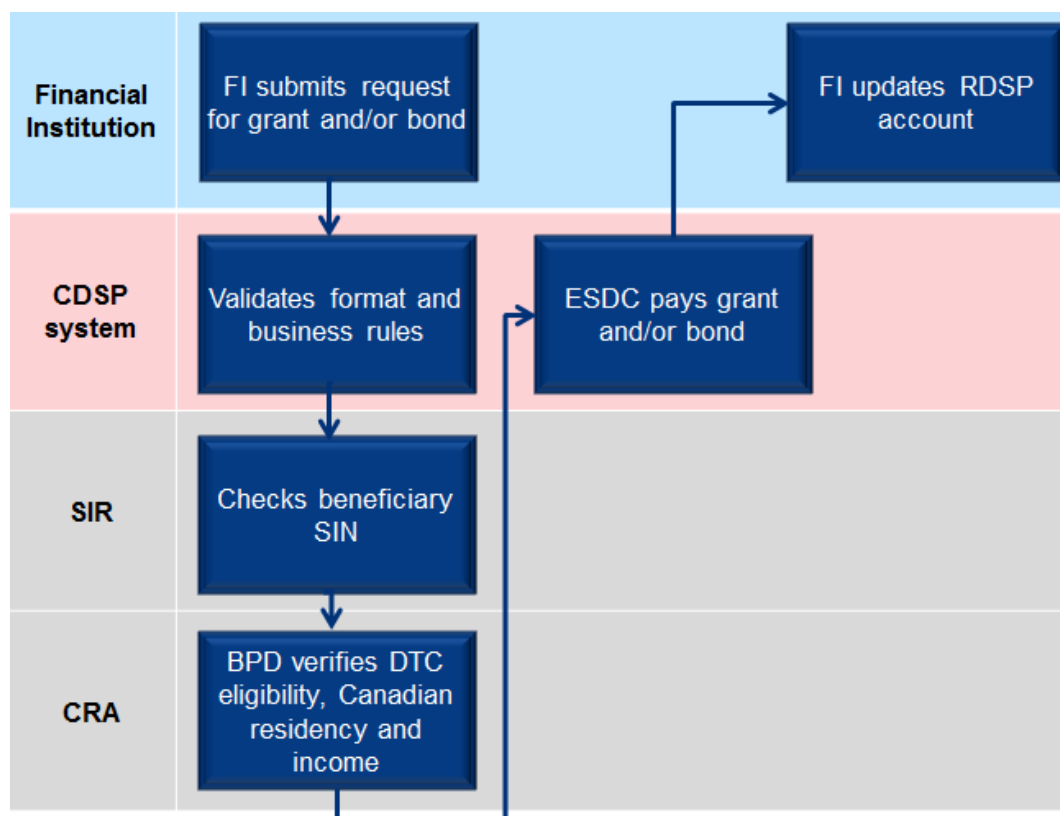
For more information, see Chapter 3-3: Grant and/or Bond Application Process. Forms are available on the ESDC web site under the "Forms" tab found at the following link:

Canada.ca/RDSPresources

2.1. Step 1

RT 401 is used by the financial institution to report all financial transactions and to request grant and bond payments. There are two record types available for use:

- RT 401-01 Contribution/Grant Request
- RT 401-05 Bond Payment Request

2.1.1 Contribution/Grant Request

When the holder deposits a contribution into the Registered Disability Savings Plan (RDSP), financial institutions must submit a **Contribution/Grant Request (RT 401-01)**.

Information needed for a contribution/grant request:

- the transaction number established by the financial institution;
- the specimen plan number assigned to the financial institution by the Canada Revenue Agency (CRA);
- the contract number of the RDSP;
- the beneficiary's Social Insurance Number (SIN);
- the date the contribution is made;
- the amount of the contribution;
- whether grant is requested or not;
- the primary caregiver's (PCG) name and SIN (when applicable); and
- the PCG type (individual or agency).

> **Note:** For more details about information required for each record and transaction type detailed in this chapter, consult the Interface Transaction Standards (ITS), available on the ESDC web site under the "Systems Documentation" tab found at the following link:
>
> **Canada.ca/RDSPresources**

2.1.2. Bond Request

When the holder requests a bond, financial institutions must submit a **Bond Payment Request (RT 401-05)** containing the information below. The bond, after the initial payment, will continue to be processed automatically in subsequent years, if the beneficiary remains eligible. For more information, see Chapter 3-3, Grant and/or Bond Application Process.

Information needed for a bond payment request:

- the transaction number established by the financial institution;
- the specimen plan number assigned to the financial institution by CRA;
- the RDSP contract number;
- the beneficiary's SIN;
- the date the bond request is made;
- the PCG's information when applicable; and
- the PCG type (individual or agency)

2.2. Step 2

ESDC retrieves the submitted transactions, uploads them to the **Canada Disability Savings Program (CDSP) system** and begins the validation process that includes formatting and business rules.

For more information, see Appendices A and B of the RDSP Provider User Guide: Understanding Error Codes and Understanding Refusal Reasons.

2.3. Step 3

ESDC checks if the beneficiary's SIN is usable at the Social Insurance Registry (SIR).

2.4. Step 4

2.4.1. DTC Eligibility and Residency

The Benefit Programs Directorate (BPD) at CRA confirms the beneficiary's eligibility for the disability tax credit (DTC) and verifies if the beneficiary meets the Canadian residency requirements. If the beneficiary is not DTC-eligible, or is not resident in Canada, or an election has been made at the time of the contribution or the bond request, the transaction will receive a refusal reason.

Note: There must not be an election, or DTC-ineligible years from contract registration (signature date) to the contribution/bond transaction date.

2.4.2. Family Income

BPD also confirms the matching rate to be paid based on the beneficiary's family income. If the beneficiary is 18 years of age or under at the beginning of the calendar year, information on the PCG will be required to determine family income.

For more information on PCGs, see Chapter 2-1: Registered Disability Savings Plans, section 6: Primary Caregiver.

2.5. Step 5

ESDC **sends files** to the financial institution. The resulting grant and/or bond payment or refusal reason (non- payment or partial payment) is communicated to the financial institution in their monthly reports.

- The **Transaction Processing File (.pro) (RT 901)** acknowledges that a transaction has been successfully

processed. For each transaction, this file reports the amount of grant or bond paid or a refusal reason when applicable.

- The **Error File (.err)** contains two types of records. The **Error Report (RT 801)** indicates when validation has failed or information submitted is missing, incorrect, or incorrectly formatted. Transactions in this report must be corrected and resubmitted.
- The **Severe Error Report (RT 851)** identifies severe errors and advises that the record has been rejected and must be corrected and resubmitted.

ESDC will send the grant and/or bond payment to the financial institution for any successful transactions that have not been refused.

For more information on error codes or refusal reasons, see Appendices A and B of the RDSP Provider User Guide: Understanding Error Codes and Understanding Refusal Reasons.

2.6. Step 6

The financial institution updates the individual RDSP account with the received amount as well as the reason for partial or non-payment, as applicable, or corrects missing/erroneous information to resubmit to the CDSP system in the next monthly production run.

3. Contribution/Grant Request Correction

3.1. Correction of Contribution/Grant Request

When a correction needs to be made to a previously submitted and successfully processed contribution, the financial institution submits a **Correction of Contribution/Grant Request (401-02)**. A 401-02 correction is submitted to:

- correct a contribution amount;
- correct PCG information;
- request a grant on a contribution transaction where grant was not originally requested; and
- resubmit transactions that did not attract grant due to a transfer.

There is no limit to the number of corrections that can be done for the same original RT 401-01 contribution/grant request transaction.

Much of the same information required for an RT 401-01 is required for an RT 401-02. The main differences: in an RT 401-02 the original RT 401-01 transaction is referenced so that the CDSP system knows which transaction must be corrected, and a new field is added indicating the correction date.

Information needed to correct a contribution/grant request:

- corrected contribution amount;
- the BN of the financial institution of the original transaction;
- the transaction number of the original request; and
- the date the correction was made.

A correction transaction (RT 401-02), will reverse the original contribution and grant amounts received and replace them with the corrected amounts provided the referenced contract is still registered.

For each successfully processed RT 401-02, financial institutions will receive two records in their RT 901 file:

- **Reversal of original contribution**: contribution and grant originally paid shown as a negative amount in the first record type 901 file with the transaction ID of the correction.
- **Corrected amount of original contribution**: corrected contribution and amended grant paid shown as a positive amount in the second type 901 file with the transaction identification number of the correction.

The CDSP system has been designed to preserve the payment date of the original contribution /grant request.

Some financial institutions may be inclined to correct (RT 401-02) contribution amounts made to an RDSP to $0 and then submit new transactions (RT 401-01). When this is done, the payment date on the older transaction is erased and a more recent payment date is generated on the newer transaction (with the same transaction date). This change of payment date can negatively affect the beneficiary in instances where the assistance holdback amount must be repaid.

Note: The only circumstance in which a new 401-01 should be used to correct a transaction date error.

Finally, as there is no correction transaction for the bond, should an error occur on a bond request submitted to the CDSP system, the correct information must be submitted on a new bond request (RT 401-05).

3.2. Stop Bond Payment Request

When a holder wishes to stop receiving bond for the beneficiary (for example when the beneficiary moves out of the country), the financial institution submits a **Stop Bond Payment Request (401-06)**.

Much of the same information required for a RT 401-05 bond request is required for a RT 401-06. The main differences: in the RT 401-06 the original RT 401-05 transaction is referenced so that the CDSP

system knows which transaction must be stopped, and a new field is added indicating the stop request date.

Information needed to stop a bond payment request:

- the date the request was made to stop the bond payment;
- the BN of the financial institution where the bond request was submitted; and
- the transaction number of the transaction to be stopped that was previously reported by the original financial institution.

If the holder wishes to receive the bond in the future, a new RT 401-05 Bond Payment Request will need to be submitted. Bond payments will resume from the date of the new request.

4. Add/Revoke Consent

Consent must be received to use personal information to ensure the beneficiary receives the benefits to which they are entitled. This personal information is used to establish the beneficiary's residency, DTC eligibility and family income, to register a contract and to pay any grant and bond entitlements, including any unused grant and bond entitlements that are carried forward. For the years in which the beneficiary was 18 years of age or under, this includes the holder and the PCG. **Add Consent and Revoke Consent** transactions can be used to explicitly add or remove individuals from the beneficiary consent list.

The trigger to register a contract and/or re-adjudicate grant and bond requests is provided by the processing of the other financial institutions' transactions, listed below. The CDSP system uses all PCG and all holder information provided for a beneficiary to build this list, such as holder and PCG information provided in the:

- contract package (RT 101-01 and 101-03);
- holder information provided through Add holder (RT 201-13) and Update holder (RT 201-03) transactions;
- PCG1 and PCG2 provided in Financial Transactions (RT 401); and
- PCG information provided through the Add/Update Consent Record Type (RT 202-01).

The CDSP system will use the consent list as applicable.

For example, the CDSP system will use the personal information that results in the maximum legal entitlement for grant and bond.

4.1. Add Consent

The **Add Consent (RT 202)** is used to add an individual to a beneficiary's consent list or update information for existing consent.

Information needed to add/update a PCG:

- the transaction number established by the financial institution;
- the specimen plan number assigned to the financial institution by CRA;
- the contract number of the RDSP;
- the beneficiary's SIN;
- the date the consent was added; and
- the name and SIN of the PCG.

The RT 202-01 is the method by which financial institutions update a beneficiary's PCG information, whether for contract registration purposes or for payment of grant and/or bond entitlements, including:

- situations where the beneficiary is an adult when signing the contract but was 18 years of age or under during the current or past years of entitlements; and
- situations where a beneficiary could have had more than one PCG. Again, this would only be needed if this information was not provided in a contract registration, add/update holder or financial transaction. For example, if a contribution/grant request is already submitted and then there is a change in PCG, using RT202-01 to communicate the change in PCG would be the better method.

This means that a contract can be updated to registered (if all conditions are met) and financial transactions can be re-adjudicated (if all conditions are met) following the successful processing of an add/update consent record type.

4.2. Revoke Consent

The **Revoke Consent (RT 202-02)** transaction is used to cancel consent previously granted, for example a PCG or former holder. The current holder must first be removed from the RDSP contract before their consent can be revoked. However, the current holder cannot be removed unless a new holder is added first.

RT 202-02 – Information needed to revoke consent:

- the transaction number established by the financial institution;

- the specimen plan number assigned to the financial institution by CRA;
- the contract number of the RDSP;
- the beneficiary's SIN;
- the date the consent was revoked; and
- the information on the PCG or holder who is revoking consent.

CHAPTER

4-4

DAP and LDAP

This Chapter is primarily directed to employees of financial institutions responsible for reporting Disability Assistance Payments (DAP) and Lifetime Disability Assistance Payments (LDAP).

In this chapter

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1. Information Exchange

1.1. Record Type 401 (RT 401)

After receiving financial transactions (RT 401) from the financial institution, Employment and Social Development Canada (ESDC) may send the following reports.

The **Error Report (RT 801)** and the **Severe Error Report (RT 851)** indicate transactions in error.

Toward the end of each processing period, ESDC sends issuers an e-mail informing them that the **Transaction Processing Report (RT 901)** is ready to be downloaded. The report acknowledges all successfully processed transactions and may include:

- amounts of grant and bond payments;
- confirmation of repayments;
- refusal reasons;
- date of payment;
- transaction origin; and
- retirement savings and education savings rollover issues.

2. Withdrawals

There are two types of withdrawals that can be made from a Registered Disability Savings Plan (RDSP) to the beneficiary or to the estate of a beneficiary: DAPs and LDAPs. The financial institution must verify if the DAP/LDAP meets all the withdrawal limits and requirements before any payments may be made.

2.1. Disability Assistance Payments

A DAP is an *ad hoc* payment made to a beneficiary or to the estate of a beneficiary if permitted by the terms of the RDSP specimen plan. When a DAP is made, the assistance holdback amount (AHA) and the proportional repayment rules apply.

Should a financial institution discover that a DAP was processed in error, a **DAP Reversal** must be submitted to the Canada Disability Savings Program (CDSP) system.

2.2. Lifetime Disability Assistance Payments

LDAPs are recurring payments that, once started, must be paid at least once a year until either the plan is terminated or the beneficiary has died. LDAPs may begin at any age but must start no later than December 31 of the year in which the beneficiary turns 60. When an LDAP is made, the AHA and the proportional repayment rules apply.

Should a financial institution discover that an LDAP transaction was processed in error, an "LDAP Reversal" must be submitted to the CDSP system.

For more information on DAPs and LDAPs, see Chapter 2-2 Payments: DAPs and LDAPs.

3. Processes

Below is an overview of the DAP/LDAP reporting process.
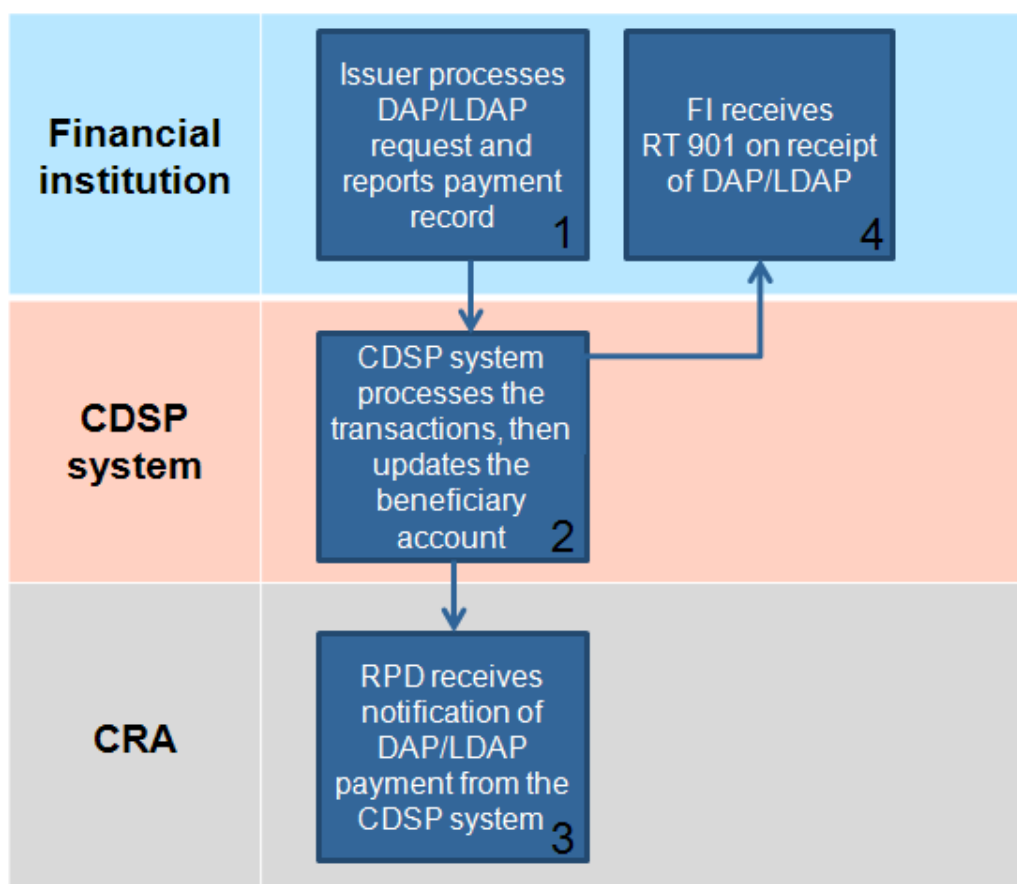
3.1. Step 1

RT 401 is used by the financial institution to report all financial transactions. The following record and transaction types are used to report DAP and LDAP transactions.

- RT 401-20 DAP
- RT 401-21 LDAP
- RT 401-22 DAP Reversal
- RT 401-23 LDAP Reversal

Each of these transactions shares common identification fields:

- the number that identifies the RT;
- the number that identifies the transaction type;
- the issuer's Business Number (BN);
- a unique number assigned to each transaction;
- a specimen plan number assigned by CRA;
- the number assigned to the contract; and
- the beneficiary's Social Insurance Number (SIN).

3.1.1. DAP

To process this type of payment, the financial institution must submit a **DAP** transaction **(RT 401-20)**.

Information needed for a DAP request:

- the date the DAP was requested;
- amount by which prior contributions exceed the non-taxable portions of prior DAPs and LDAPs;
- the grant and bond portions of the DAP;
- the non-taxable portion of the DAP; and
- the amount of the DAP.

Note: For more information about mandatory information required for each record and transaction type detailed in this chapter, consult the Interface Transaction Standards (ITS), available on the ESDC website.

http://www.esdc.gc.ca/eng/disability/savings/issuers/interface _standards/index.shtml

3.1.2. LDAP

To process this type of payment, the financial institution must submit an **LDAP (RT 401-21)** transaction.

Information needed for an LDAP request:

- the date the LDAP was requested;
- the lifetime contributions exceeding the sum of non-taxable portions of all previous DAPs and LDAPs;
- the grant and bond portions of the LDAP;
- the non-taxable portion of the LDAP; and
- the amount of the LDAP.

3.1.3. DAP Reversal

When a DAP is reported in error, the financial institution submits a **DAP Reversal (RT 401-22)** to the CDSP system.

Information needed for a DAP reversal:

- the date on which the DAP was requested;
- the issuer BN reported on the transaction to be reversed;
- the transaction number of the transaction to be reversed; and

- the reason why the DAP needs to be reversed.

3.1.4. Reversal

When an LDAP is reported in error, the financial institution submits an **LDAP Reversal (RT 401-22)** to the CDSP system.

Information needed for an LDAP reversal:

- the date on which the LDAP was requested;
- the issuer BN reported on the transaction to be reversed;
- the transaction number of the transaction to be reversed; and
- the reason why the LDAP needs to be reversed.

3.2. Step 2

The CDSP system receives DAP and LDAP transactions from the financial institution and validates the required information.

Processed transactions (DAP/LDAP payments) will update the CDSP system.

3.3. Step 3

The CDSP system informs the Registered Plan Directorate (RPD), CRA of the DAP/LDAP payments.

3.4. Step 4

Processed DAP/LDAP transactions are reported back to financial institutions in their monthly reports. Transactions containing errors will need to be corrected and resubmitted for processing.

ESDC **sends files** to the financial institution.

- The **Transaction Processing File (.pro) (RT 901)** acknowledges that a transaction has been successfully processed. For each transaction, the amount of grant or bond paid and a refusal reason when applicable are reported.
- The **Error File (.err)** contains two types of records. The **Error Report (RT 801)** indicates when validation has failed or information submitted is missing, incorrect, or incorrectly formatted. Transactions in this report must be corrected and resubmitted. The **Severe Error Report (RT 851)** identifies severe errors and advises that the record has been rejected and must be corrected and resubmitted.

For more information on error codes or refusal reasons, see Appendices A and B: Understanding Errors Codes and Understanding Refusal Reasons.

Employment and
Social Development Canada

Emploi et
Développement social Canada

RDSP Provider User Guide

C H A P T E R

4-5

Rollover Transactions

This Chapter is primarily directed to employees of financial institutions responsible for submitting Retirement Savings Rollovers or Education Savings Rollovers.

In this chapter

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1. Information Exchange

1.1. Record Type 401 (RT 401)

After receiving financial transactions (RT 401) from the financial institution, Employment and Social Development Canada (ESDC) may send the following reports.

The **Error Report (RT 801)** and the **Severe Error Report (RT 851)** indicate transactions in error.

Toward the end of each processing period, ESDC sends issuers an e-mail informing them that the **Transaction Processing Report (RT 901)** is ready to be downloaded. The report acknowledges all successfully processed transactions and may include:

- amounts of grant and bond payments;
- confirmation of repayments;
- refusal reasons;
- date of payment;
- transaction origin; and
- retirement savings and education savings rollover issues.

2. Rollovers

Under certain conditions, two types of rollovers may be deposited into a Registered Disability Savings Plan (RDSP):

- retirement savings rollovers; and
- education savings rollovers.

For additional information on rollovers, see Chapter 2-5.

2.1. Retirement Savings Rollovers

The specimen plan must be designated to accept retirement savings rollovers. A retirement savings rollover allows amounts from a deceased individual's:

- Registered Retirement Savings Plan (RRSP)
- Registered Retirement Income Fund (RRIF)
- Registered Pension Plan (RPP)
- Specified Pension Plan (SPP)
- Pooled Registered Pension Plan (PRPP)

to be transferred to the RDSP of a beneficiary with a disability (the deceased's child or grandchild) who was financially dependent on the deceased. Retirement savings rollovers can occur during a Disability Tax Credit (DTC) election period.

Retirement savings rollovers are reported by the financial institution using **Record Type (RT) 401-08 Retirement Savings Rollover Transaction**.

Should a financial institution discover that a Retirement Savings Rollover Transaction was reported in error, a **Retirement Savings Rollover Reversal Transaction (RT 401-09)** must be submitted to the Canada Disability Savings Program (CDSP) system.

2.2. Education Savings Rollovers

The specimen plans must be designated to accept education savings rollovers. In general, the rollover of Registered Education Savings Plan (RESP) investment income into an RDSP on a tax-deferred basis is available for beneficiaries with a severe and prolonged mental impairment that is expected to prevent them from pursuing post-secondary education.

Education savings rollovers are reported by the financial institution using **an Education Savings Rollover Transaction (RT 401-30)**.

Should a financial institution discover that an Education Savings Rollover Transaction was reported in error, an **Education Savings Rollover Reversal Transaction (RT 401-31)** must be submitted to the CDSP system.

2.2.1. During an Episodic DTC Election

Education savings rollovers are not permitted during an Episodic DTC election period.

If an education savings rollover is reported, it will receive a rollover issue code 96 (rollover is made during an Episodic DTC Election Period) in the Transaction Processing File (RT 901).

3. Specimen Plan Approval

The RDSP specimen plan must be approved by Canada Revenue Agency (CRA) to accept retirement savings rollovers and education savings rollovers.

3.1. Form

Rollover forms can vary from one financial institution to another as long as the required information is included. CRA form RC4625 may be used for retirement savings rollovers, but this is not mandatory. The Registered Plan Directorate, CRA will be providing financial institutions with a pro forma form for the education savings rollovers, which will be available on RPD's website. For more information, visit the CRA website.

http://www.cra-arc.gc.ca/menu-eng.html

4. Rollover Process

Below is an overview of the rollover request process.
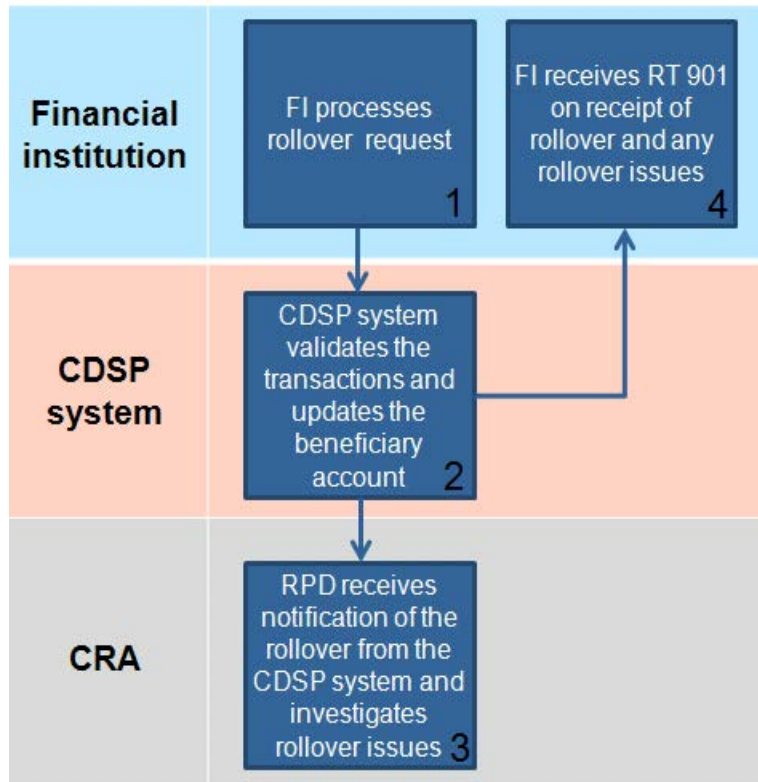
4.1. Step 1

RT 401 is used by the financial institution to report all financial transactions. The following record and transaction types are used to report retirement and education savings rollovers.

- RT 401-08 Retirement Savings Rollover
- RT 401-30 Education Savings Rollover
- RT 401-09 Retirement Savings Rollover Reversal
- RT 401-31 Education Savings Rollover Reversal

Each of these transactions shares common identification fields:

- the issuer's Business Number (BN);
- a unique number assigned to each transaction;
- a specimen plan number assigned by CRA;
- the number assigned to the contract; and
- the beneficiary's Social Insurance Number (SIN).

4.1.1. Retirement Savings Rollover

When the holder requests a retirement savings rollover, financial institutions must submit a **Retirement Savings Rollover (RT 401-08)** transaction containing the following information.

Information required for the retirement savings rollover:

- the date on which the retirement savings rollover was conducted with the financial institution;
- the retirement savings rollover amount;
- the primary caregiver's (PCG) information (when applicable); and
- the PCG type (when applicable).

No transaction fields require information on the deceased individual.

Note: For more information about mandatory information required for each record and transaction type detailed in this chapter, consult the Interface Transaction Standards (ITS), available on the ESDC website:

http://www.esdc.gc.ca/eng/disability/savings/issuers/interface_standards/index.shtml

4.1.2. Education Savings Rollover

When an education savings rollover is requested, financial institutions must submit an **Education Savings Rollover (RT 401-30)** transaction.

Information needed for the education savings rollover:

- the date on which the education savings rollover was conducted with the financial institution;
- the education savings rollover amount;
- the PCG's information (if applicable); and
- the PCG type (when applicable).

For more detailed information on rollovers, see Chapter 2-5: RDSP Rollovers.

4.1.3. Retirement Savings Rollover Reversal

When a retirement savings rollover is reported in error, the financial institution submits a **Retirement Savings Rollover Reversal (RT 401-09)** to the CDSP system for correction.

Information needed for retirement savings rollover reversals:

- the date on which the retirement savings rollover reversal was conducted with the financial institution;
- the BN of the issuer reported on the transaction to be reversed; and
- the transaction number of the transaction to be reversed.

4.1.4. Education Savings Rollover Reversal

If an education savings rollover is reported in error, the financial institution must submit an **Education Savings Rollover Reversal (RT 401-31)** to the CDSP system for correction.

Information needed for education savings rollover reversals:

- the date on which the education savings rollover reversal was conducted with the financial institution;
- the BN of the issuer reported on the transaction to be reversed; and
- the transaction number of the transaction to be reversed.

4.2. Step 2

The CDSP system receives the rollover transactions from the financial institution, validates the required information, and notifies the financial institution that the transactions were received and whether or not the information is complete.

If the PCG information is required, but not provided, error code 8104 will be produced indicating Data Missing from Field.

4.3. Step 3

The CDSP system informs CRA-RPD of the rollover and CRA-RPD investigates any rollover issues. For more information, contact CRA.

4.4. Step 4

Processed rollover transactions are reported to financial institutions in their monthly reports. Transactions containing errors will need to be corrected and resubmitted for processing. Transactions containing rollover issues need to be followed up and the issue resolved.

ESDC **sends files** to the financial institution.

- The **Transaction Processing File (.pro) (RT 901)** acknowledges that a transaction has been successfully processed. May contain a rollover issue.
- The **Error File (.err)** contains two types of records. The **Error Report (RT 801)** indicates when validation has failed or information submitted is missing, incorrect, or incorrectly formatted. Transactions in this report must be corrected and resubmitted. The **Severe Error Report (RT 851)** identifies severe errors and advises that the record has been rejected and must be corrected and resubmitted.

For more information on error codes or refusal reasons, see Appendix A and B: Understanding Error Codes and Understanding Refusal Reasons.

C H A P T E R

4-6

Transfers

This chapter is primarily directed to employees of financial institutions responsible for transferring a Registered Disability Savings Plan (RDSP) from one issuer to another. Its purpose is to explain the required transactions to be used in reporting a transfer to the Canada Disability Savings Plan (CDSP) system in accordance with the requirements of the Interface Transaction Standards (ITS).

For more information on the transfer process, see Chapter 2-4: RDSP Transfers.

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1. Information Exchange

1.1. Record Type 971 (RT 971)

Once a transfer is complete and the new RDSP has been registered, Employment and Social Development Canada (ESDC) will send an RT 971 – transfer extract file, to the receiving issuer. This file contains all of the historical data of all successfully processed transactions related to the RDSP. An RT 971 can have the following transaction information:
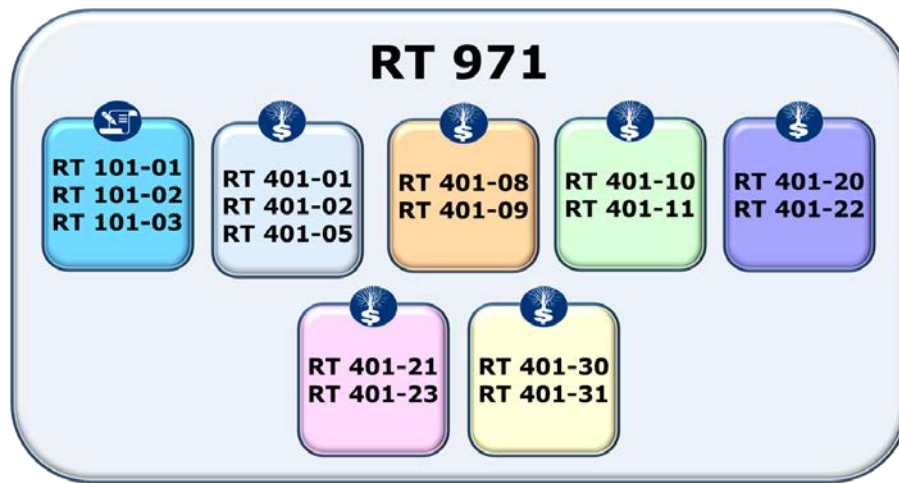
2. Transfer Process

To transfer an RDSP, the financial institutions and the holder complete the **RDSP Transfer** form and the **Holder Consent to an RDSP Transfer** form. Once the information on the beneficiary, the holder(s) and the contract itself is collected, the financial institution submits the transactions electronically to the CDSP system. These transactions are used to:

- confirm the plan meets the conditions of registration;
- verify beneficiary information; and
- verify holder information.

Below is an overview of the transfer process. This is only one example of many transfer possibilities.
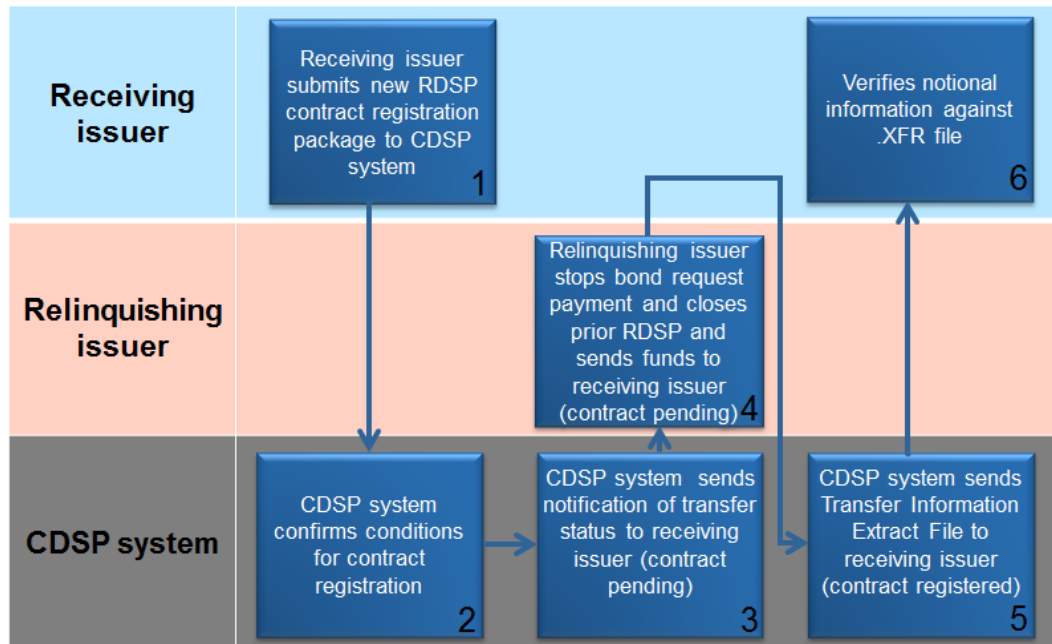
2.1. Step 1

A new contract must be established by the receiving issuer to allow for the transfer of assets from the prior RDSP. This is done by submitting the following transactions:

- RT 101-01 **Contract** information
- RT 101-02 **Beneficiary** information
- RT 101-03 **Holder** information

All three elements of the contract registration package must be sent together. If one contains an error, it must be fixed and then all three transactions must be resubmitted, not just the one with the fixed error. Otherwise the plan will not reach a registered status.

For more information on how to open a new RDSP, see Chapter 4-2: Opening a New Plan.

Each of these transactions shares common identification fields:

- the issuer's Business Number (BN);
- a unique number assigned to each transaction;
- a specimen plan number assigned by Canada Revenue Agency (CRA);
- the number assigned to the contract; and
- the beneficiary's Social Insurance Number (SIN).

> **Note:** For more details about mandatory information required for each record and transaction type in this chapter, and the validation rules, consult the Interface Transaction Standards (ITS) under the Systems Documentation tab at:
>
> Canada.ca/RDSPresources

2.1.1. Contract Information

To establish a new contract in the CDSP system and to provide the required elements to confirm contract registration with the CRA, the receiving issuer must submit a **Contract Information Transaction (RT 101-01)**. The CDSP system will validate the information provided and assign a registration status to the submission when the new contract results from a transfer from a prior contract.

Information required:

- the date the new contract was signed with the receiving issuer;
- the transfer indicator is set to "yes" in position 175 of the transaction (since the new RDSP is being opened as a result of a transfer);
- when the transfer indicator is "yes", the prior RDSP contract number and specimen plan number will be required (the exact information (for example: leading zeros) is indicated in the contract and specimen plan fields).

Since only one contract is allowed to exist at a time, to be able to transfer the assets of a prior RDSP from one issuer to another, the transfer indicator must be set to "Y" when opening the new RDSP.

2.1.2. Beneficiary Information

To establish a beneficiary in the CDSP system for the new RDSP, receiving issuer must submit a **Beneficiary Information Transaction (RT 101-02)**.

Information required for the beneficiary information transaction:

- the transaction number established by the financial institution;
- the beneficiary's SIN, given name, surname, date of birth (DOB) and gender;
- the beneficiary's address; and
- the language preferred by the beneficiary

2.1.3. Holder Information

To establish a holder in the CDSP system for the new RDSP, the receiving issuer must submit a **Holder Information Transaction (RT 101-03)**.

Information required for the holder information transaction:

- the transaction number established by the financial institution;
- the holder's SIN, given name, surname, DOB and gender (or the agency's BN and name if an agency);
- the holder's address;
- the relationship of the holder to the beneficiary; and
- the language preferred by the holder.

If there is more than one holder, validation must be conducted for all holders on the contract. An RT 101-03 must be sent for every holder at the time of registration. If the contract is already registered, an RT 201-13 must be sent to add an additional holder.

> **Note:** For more details about mandatory information required for each record and transaction type, consult the ITS under the Systems Document tab available at:
>
> Canada.ca/RDSPresources

2.2. Step 2

The CDSP system verifies if conditions for registration have been met. See Chapter 4-2: Contract Registration for more information on how to register a contract.

2.3. Step 3

When contract registration transactions are **successfully processed**, the CDSP system sends **an RT 951 (.reg)** file to the receiving issuer. Otherwise, **incomplete or inaccurate transactions** are returned with an **Error Report (RT 801)** to the receiving issuer. Refer to Annex A of the RDSP Provider User Guide for more information on error codes.

2.4. Step 4

The relinquishing issuer must send a stop bond request RT 401-06 to avoid receiving bond after a contract has been closed.

The relinquishing issuer sends the funds to the receiving issuer and submits a **Close a Contract (RT 102-10)** transaction to the CDSP system with closure reason 3 - transfer.

Information required to close a contract:

- the contract number;
- the reason why the contract is being closed: the RDSP is transferred to another financial institution; and
- the date the contract is closed.

The relinquishing issuer also submits a **Transfer Reporting of Fair Market Value (FMV) and Earnings Amounts (RT 701-02)**:

Information needed for Transfer Reporting of FMV and Earnings:

- the date on which the financial data was reported by the financial institution;
- the FMV of the contract; and
- the amount of investment income earned.

2.5. Step 5

Employment and Social Development Canada

- advises the relinquishing issuer of contract closure through an RT 951;
- advises the receiving issuer of contract registration and resolved transfer through an RT 951; and
- sends the successfully processed financial transactions of the relinquishing issuers to the receiving issuer (Transfer Information Extract File - historical record RT 971).

2.5.1. Transaction History

For resolved RDSP transfers, ESDC will provide the receiving issuer with all historical financial transactional information in its possession from all previous contracts for a particular beneficiary. This historical record will be sent in a **Transfer Information Extract File (RT 971)** to the receiving issuer and will include the following transaction types.

- RT 971-01 Contribution/Contribution Correction Information
- RT 971-02 Bond Request Information
- RT 971-03 Retirement Savings Rollover/Retirement Savings Rollover Reversal Information
- RT 971-04 Grant/Bond Repayment – Grant/Bond Repayment Reversal Information
- RT 971-05 DAP/DAP Reversal Information
- RT 971-06 LDAP/LDAP Reversal Information
- RT 971-07 Education Savings Rollover/Education Savings Rollover Reversal Information

CHAPTER

4-7

Acronyms and Definitions

There are a number of acronyms and definitions that are specific to Employment and Social Development Canada (ESDC), and the administration of the Registered Disability Savings Plan (RDSP), and the application for and payment of the Canada Disability Savings Grant (CDSG) and the Canada Disability Savings Bond (CDSB).

An alphabetical listing of acronyms and definitions has been designed to assist readers to quickly identify the meaning of such terms as they are referred to within this Guide.

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1. List of Acronyms

The following acronyms within this list of definitions are used throughout this User's Guide.

AHA	assistance holdback amount
AIP	accumulated income payment
BN	business number
CCB	Canada child benefit
CDSA	*Canada Disability Savings Act*
CDSB	Canada Disability Savings Bond
CDSG	Canada Disability Savings Grant
CDSP	Canada Disability Savings Program
CESP	Canada Education Savings Program
CRA	Canada Revenue Agency
CSAA	*Children's Special Allowance Act*
DAP	disability assistance payment
DTC	Disability Tax Credit
ESDC	Employment and Social Development Canada
FMV	fair market value
ITA	*Income Tax Act*
ITS	Interface Transaction Standards
LDAP	lifetime disability assistance payment
MSFT	Managed Secure File Transfer
non-PGAP	non-primarily government assisted plan
ODI	Office for Disability Issues
PA	*Privacy Act*
PGAP	primarily government assisted plan
PIPEDA	*Personal Information Protection and Electronic Documents Act*
PCG	primary caregiver
PRPP	Pooled Registered Pension Plan
QFM	qualifying family member
RDSP	Registered Disability Savings Plan

Regulations	*Canada Disability Savings Regulations*
RESP	Registered Education Savings Plan
RPP	Registered Pension Plan
RRIF	Registered Retirement Income Fund
RRSP	Registered Retirement Savings Plan
RT	record type
SDSP	Specified Disability Savings Plan
SIN	Social Insurance Number
SIR	Social Insurance Registry
SPP	Specified Pension Plan
TT	transaction type

2. List of Definitions

The following terms are used throughout this User's Guide.

accumulated income payment (AIP)	A payment made to a subscriber from the income earned from contribution and education savings incentives paid into a Registered Education Savings Plan (RESP).
agent	An agent provides administrative services on the issuer's behalf.
assistance holdback amount (AHA)	The assistance holdback amount (AHA) is the total amount of Canada Disability Savings Grant (CDSG) and Canada Disability Savings Bond (CDSB) paid into a Registered Disability Savings Plan (RDSP) within the 10-year period before the particular time, less any amount of CDSG or CDSB that has been repaid to ESDC in that 10-year period. For a Specified Disability Savings Plan (SDSP), the AHA is nil.
beneficiary	An individual who meets Registered Disability Savings Plan (RDSP) eligibility requirements that is named by the holder of an RDSP.
business day	A day on which issuers are generally open for business in the province in which the issuer's head office is located.

business number (BN)	A 15-character alphanumeric code, assigned by the Canada Revenue Agency (CRA), that identifies the Registered Disability Savings Plan (RDSP) issuer or agent authorized to submit transactions to the Canada Disability Savings Program (CDSP) system or the number assigned to the organization caring for a child and receiving an allowance under the *Children's Special Allowances Act* (CSAA).
Canada Child Benefit (CCB)	A tax-free monthly payment made to eligible families to help them with the cost of raising children under 18 years of age.
***Canada Disability Savings Act* (CDSA)**	An Act to encourage savings for persons with disabilities. The legislation is the enabling legislation for the Canada Disability Savings Grant (CDSG) and the Canada Disability Savings Bond (CDSB).
Canada Disability Savings Bond (CDSB)	The Canada Disability Savings Bond (CDSB) is money the Government of Canada deposits into the Registered Disability Savings Plan (RDSP) of qualified low-income and modest-income Canadians. The CDSB is paid into the RDSP until December 31 of the year in which the beneficiary turns 49 years of age.
Canada Disability Savings Grant (CDSG)	The Canada Disability Savings Grant (CDSG) is a matching grant the Government of Canada will deposit into a qualifying beneficiary's Registered Disability Savings Plan (RDSP), up to 300%, depending on the amount contributed and the beneficiary's family income. The CDSG is paid into the RDSP, on contributions made on or before December 31 of the year in which the beneficiary turns 49 years of age.
***Canada Disability Savings Regulations* (Regulations)**	The *Canada Disability Savings Regulations* (Regulations) set out the requirements, terms and conditions for the payment, and administration of the Canada Disability Savings Grant (CSDG) and the Canada Disability Savings Bond (CDSB).

Canada Education Savings Program (CESP)	Employment and Social Development Canada (ESDC) is responsible for the administration and delivery of the Canada Disability Savings Grant (CDSG) and the Canada Disability Savings Bond (CDSB). Within ESDC, the Canada Education Savings Program (CESP) provides the delivery mechanism and necessary system supports for the effective administration of the CDSG and the CDSB.
carry forward	The carry forward provision of Canada Disability Savings Grant (CDSG) and Canada Disability Savings Bond (CDSB) entitlements refers to the accumulation and payment of unused CDSG and CDSB entitlements from the past 10 years (starting in 2008).
Canada Disability Savings Program (CDSP) system	An Employment and Social Development Canada (ESDC) electronic application that supports the delivery of the Canada Disability Savings Grant (CDSG) and Canada Disability Savings Bond (CDSB). It enables the exchange of electronic information between the Canada Disability Savings Program (CDSP) system and partners: financial organizations, the Canada Revenue Agency (CRA), and ESDC, including the Social Insurance Registry (SIR) and the Office for Disability Issues (ODI).
child-in-care	A child under the care of a federal or provincial department or an agency approved by a province to have the custody or care of the child that receives payments under the *Children's Special Allowances Act* (CSAA).
***Children's Special Allowance Act* (CSAA)**	The *Children's Special Allowances* Act (CSAA), authorizes a tax-free monthly payment for a child who is under the age of 18, who physically resides in Canada, and who is under the care of a federal or provincial department, or an agency approved by a province to have the custody or care of the child.
contributions	An amount paid into the plan by the holder, or by any entity with the holder's written permission.

designated provincial program	Program established under the laws of a province.
disability assistance payment (DAP)	A payment made from the Registered Disability Savings plan (RDSP) to the beneficiary or to the beneficiary's estate. When a disability assistance payment (DAP) is made, the assistance holdback amount (AHA) and proportional repayment rules apply.
Disability Tax Credit (DTC)	A non-refundable tax credit available to individuals who, in a given year, have one or more severe and prolonged impairments in physical or mental functions, the effects of which have been certified in writing by a medical doctor and approved by the Canada Revenue Agency (CRA) for the purposes of section 118.3 of the *Income Tax Act* (ITA)*.
Disability Tax Credit (DTC) eligible individual	An individual eligible for the Disability Tax Credit (DTC) in respect of a taxation year.
education savings rollover	A Registered Education Savings Plan (RESP) subscriber and a Registered Disability Savings Plan (RDSP) holder may choose to transfer an accumulated income payment under the RESP to the RDSP if, at the time of the election, certain conditions are met.
eligible proceeds	Funds from a Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), Registered Pension Plan (RPP), Pooled Registered Pension Plan (PRPP), Specified Pension Plan (SPP) or Registered Education Savings Plan (RESP) investment income that are eligible to be transferred to a Registered Disability Savings Plan (RDSP).
error reports	The Canada Disability Savings Program (CDSP) system-generated reports, identifying the field(s) in error, sent to the issuer when information submitted to the CDSP system is missing or improperly formatted.
fair market value (FMV)	The value of the funds in the Registered Disability Savings Plan (RDSP) at a given time.

family income	Family income is used to determine the amount of Canada Education Savings Grant (CDSG) and Canada Disability Savings Bond (CDSB) entitlements. From birth to December 31 of the year a beneficiary turns 18, a beneficiary's family income is based on the income information used to determine the Canada Child Benefit (CCB) (line 236 of the income tax and benefit return) for that beneficiary. Beginning in the calendar year the beneficiary turns 19, the beneficiary's family income is based on his or her income plus his or her spouse's income.
financially dependent child or grandchild	In relation to a retirement savings rollover, the Registered Disability Savings Plan (RDSP) beneficiary was financially dependent (as a result of a mental or physical infirmity) upon the parent or grandparent at the time of the parent or grandparent's death.
financial organization	Used generally to refer to the entity that is offering the Registered Disability Savings Plan (RDSP) product directly to clients.
guardian	An individual, department, agency, or institution that has the legal right to make decisions affecting a child's interests, and has the responsibility of taking care of the child (as defined by provincial law).
holder	An entity that enters into a Registered Disability Savings Plan (RDSP) contract with an issuer and names a beneficiary as the sole beneficiary of the plan.
***Income Tax Act* (ITA) 146.4**	The legislation that governs Registered Disability Savings Plans (RDSP). The Canada Revenue Agency (CRA) is responsible for interpreting and administering the provisions under the *Income Tax Act* (ITA).
Interface Transaction Standards (ITS)	The Interface Transaction Standards (ITS) outline the data elements and the format that an issuer must use when submitting electronic information to the Government of Canada.

issuer	A corporation that is licensed or otherwise authorized under the laws of Canada or a province to carry on in Canada the business of offering to the public its services as trustee and with which the specified Minister has entered into an agreement that applies to the arrangement for the purposes of the *Canada Disability Savings Act* (CDSA).
Issuer Agreement	An agreement between the Minister of Employment and Social Development and an issuer that sets out the terms and conditions with respect to the administration of the Registered Disability Savings Plan (RDSP), the Canada Disability Savings Grant (CDSG) and the Canada Disability Savings Bond (CDSB).
lifetime disability assistance payments (LDAP)	Payments made from the Registered Disability Savings plan (RDSP) to the beneficiary that, once they begin, they are payable at least annually until or the plan is terminated or the beneficiary dies, whichever occurs first.
linked Social Insurance Number (SIN)	When a beneficiary receives a new Social Insurance Number (SIN) to replace a previous SIN, the old SIN is linked to a new SIN.
Managed Secure File Transfer (MSFT) System	An Entrust®-enabled software recognized by Employment and Social Development Canada (ESDC) as a secure method of data encryption.
non-primarily government assisted plan (non-PGAP)	When, at the beginning of the calendar year, private contributions (including retirement savings and education savings rollovers) exceed the total amount of Canada Disability Savings Grant (CDSG) and Canada Disability Savings Bond (CDSB) held in the Registered Disability Savings Plan (RDSP).
Office for Disability Issues (ODI)	Within Employment and Social Development Canada (ESDC), the Office for Disability Issues (ODI) provides program policy leadership in the design and oversight of selected programs focusing on issues faced by people with disabilities. ODI is the policy and program authority for the Canada Disability Savings Grant (CDSG) and the Canada Disability Savings Bond (CDSB).

Personal Information Protection and Electronic Documents Act (PIPEDA)	Outlines the basic rules for the manner in which organizations can collect, use and communicate personal information.
Pooled Registered Pension Plan (PRPP)	A defined contribution pension plan that is portable and accessible savings vehicle that will help Canadians meet their retirement objectives.
primarily government assisted plan (PGAP)	When, at the beginning of the calendar year, the total amount of Canada Disability Savings Grant (CDSG) and Canada Disability Savings Bond (CDSB) held in the Registered Disability Savings Plan (RDSP) exceeds contributions (including retirement savings and education savings rollovers).
primary caregiver (PCG)	The person eligible to receive the Canada Child Benefit (CCB) for the child, as defined under the *Income Tax Act* (ITA). The primary caregiver (PCG) is primarily responsible for the care and upbringing of the child.
Privacy Act (PA)	The legislation that provides all individuals present in Canada access to federal information about themselves, and specifies how the government can collect, use, disclose, and retain personal information. The Act provides the legal framework for protecting personal information, accessing personal information, data matching, and controlling the use of Social Insurance Numbers (SINs).
qualified dependent	A person who has not attained the age of majority. It is the child of a primary caregiver (PCG) or is under his/her care or the care of his/her spouse and resides with the PCG.
qualifying family member (QFM)	A legal parent, spouse or common-law partner of an adult beneficiary may become the holder of a Registered Disability Savings Plan (RDSP) that is opened for the first time for an adult beneficiary whose capacity to enter into a contract is in doubt and for whom no legal representative was appointed.

record type (RT)	A data record that is exchanged between the Registered Disability Savings Plan (RDSP) issuer's system and the Canada Disability Savings Program (CDSP) system.
Registered Disability Savings Plan (RDSP)	The Registered Disability Savings Plan (RDSP) is a long-term savings plan intended to help Canadians with severe and prolonged disabilities and their families save for the future.
Registered Education Savings Plan (RESP)	Registered plan that is intended to help to save for a beneficiary's post-secondary education.
Registered Pension Plan (RPP)	An arrangement by an employer or a union to provide pensions to retired employees in the form of periodic payments.
Registered Retirement Income Fund (RRIF)	An arrangement between a carrier and an annuitant under which payments are made to the annuitant of a minimum amount each year.
Registered Retirement Savings Plan (RRSP)	A contract or arrangement between an individual and a financial organization under which contributions are made for the purpose of providing the individual a retirement income commencing at maturity.
repayment obligation	The amount of Canada Disability Savings Grants (CDSG)and Canada Disability Savings Bonds (CDSB) paid into a Registered Disability Savings Plan that must be repaid to Employment and Social Development Canada (ESDC).
reporting periods	The time period, extending from the first to the last day of the same month, over which Registered Disability Savings Plan (RDSP) transactions take place. The RDSP provider has four (4) business days after the reporting period to send files for processing by the Canada Disability Savings Program (CDSP) system. They cannot include any transactions which occurred after the last day of the reporting period.

retirement savings rollover	An indirect tax-deferred transfer of proceeds from a deceased individual's retirement savings plan (Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RIF), Registered Pension Plan (RPP), Pooled Registered Pension Plan (PRPP), and Specified Pension Plan (SPP)) to the Registered Disability Savings Plan (RDSP) of the deceased individual's financially dependent child or grandchild.
service provider	A service provider provides support services regarding Registered Disability Savings Plans (RDSP) as well as compiles and forwards electronic transactions to the Canada Disability Savings Program (CDSP) system.
shared custody	Parents that share the custody of a child may receive and share the Canada Child Benefit (CCB) for that child throughout the year. Shared custody exists when a child lives with two different individuals and both are considered to be primary caregivers (PCG). These PCGs, or shared-custody parents, must live in separate locations on an equal or near equal basis; and be primarily responsible for the child's care and upbringing when living with the child.
shortened life expectancy	When a medical doctor or nurse practitioner attested, in writing, that the beneficiary's state of health is such that the beneficiary has a life expectancy of five years or less.
Social Insurance Number (SIN)	A nine-digit number that is needed to work in Canada or to have access to government programs and benefits.
Specified Disability Savings Plan (SDSP)	A Registered Disability Savings Plan (RDSP) is designated as a Specified Disability Savings Plan (SDSP) when a medical doctor or nurse practitioner has attested, in writing that the beneficiary's state of health is such that he/she is not likely to survive more than five years. The holder designates the plan as an SDSP and submits the election with the medical certification to the issuer. An SDSP permits the holder to request annual withdrawals without

	requiring the repayment of the assistance holdback amount (AHA) or the proportional repayment amount.
Specified Disability Savings Plan election	When the beneficiary has a shortened life expectancy and the holder designates the Registered Disability Savings Plan (RDSP) as a Specified Disability Savings Plan (SDSP).
Specified Pension Plan (SPP)	Prescribed provincial pension Plan.
specified year	When a medical doctor or nurse practitioner has attested, in writing, that the beneficiary has a shortened life expectancy; a specified year begins when the issuer receives the medical certificate and continues for: each of the five years following the date of the attestation is signed by a medical doctor or a nurse practitioner.
specimen plan	A template of the contract that holders must sign with an issuer when they open a Registered Disability Savings Plan (RDSP) for a beneficiary. The Canada Revenue Agency (CRA) must approve the issuer specimen plan before an RDSP can be offered to the public. The CRA assigns a unique specimen plan number to approved specimen plans.
statement of entitlement	A statement showing the amount of Canada Disability Savings Grant (CDSG) entitlements available as well as the amount of contribution required in the current year to maximize the CDSG that could be paid into the Registered Disability Savings Plan (RDSP).
transaction identifier (ID)	A unique identifier assigned to each transaction by the Registered Disability Savings Plan (RDSP) issuer.
transaction type (TT)	The two-digit number following the record type (RT), which further categorizes the transaction submitted to the Canada Disability Savings Program (CDSP) system.

unusable Social Insurance Number (SIN)	Social Insurance Numbers (SINs) are verified monthly at Social Insurance Registry (SIR). As a result of this monthly SIN validation, certain SINs will be identified "flagged" by SIR as "SIN is not useable".
useable Social Insurance Number (SIN)	Social Insurance Numbers (SINs) may have a status of "SIN is useable". This is a result of Social Insurance Registry reactivating (un-flagging) a SIN.