

Access RDSP

Change your tomorrow today



dabs



FINANCIAL SECURITY FOR
PEOPLE WITH DISABILITIES

THE REGISTERED DISABILITY SAVINGS PLAN

DID YOU KNOW?

Low-income individuals may receive up to **\$20,000** in government bonds for their Registered Disability Savings Plan (***RDSP***), without making ANY personal contributions?

WORKSHOP OUTLINE



- 1) What is the Registered Disability Savings Plan (RDSP)?
- 2) What is the Disability Tax Credit (DTC)?
- 3) Setting up an RDSP
- 4) Grants and Bonds
- 5) Withdrawals and Shortened Life Expectancy
- 6) RDSP Calculator

QUICK
QUESTION



What are you
hoping to
learn today?

Planning for the Future: A Success Story



<https://www.youtube.com/watch?v=6lEWwl5Yh7Q>

The Registered Disability Savings Plan (RDSP)

- A federal government plan which takes the form of a long-term investment account
- Like an RESP
- Can include up to \$90,000 in contributions from the government



The RDSP will...

- Provide a powerful vehicle for saving and investing
- Permit family and friend contributions without risking any federal and most provincial disability or income benefits
- Allow more freedom for you to determine how best to spend the money



The RDSP will not...

- Assure a good life or future security without other planning
- Plan Institute offers workshops on various future planning topics, including:
 - Wills, Trusts, and Estate Planning
 - Personal Support Networks



RDSP Eligibility Checklist:

- Be a Resident of Canada
- Hold a permanent Social Insurance Number (SIN)
- Must open before the end of the calendar year in which the beneficiary turns 59
- Have the Disability Tax Credit (DTC)



QUESTIONS?



What is the Disability Tax Credit (DTC)?

- The qualifying factor to open an RDSP
- The T2201 form
- Can be used as a tax deduction
- Helps individuals access other tax benefits
- A transferrable tax credit
- Can be claimed retroactively up to 10 years



Talking with your Medical Practitioner

- Have an open discussion with your medical practitioner about your situation and the severity of your disability
- Give specific examples and details regarding the effects on your life **on the worst day**
- Eligibility for the DTC is based on the effects of the impairment, not on the medical condition itself



Qualifying Based on the Mental Functions Category

Past applicants have qualified based on the following:

- Unpredictable conduct
- Risk of relapse at any time, without continuous display of symptoms
- Inability to live and function independently and competently
- Need for daily supervision



Notice of Determination

- Your Notice of Determination may say:
 - You are approved for 1 or more years
 - Canada Revenue Agency (CRA) requires additional information from your medical practitioner before they can decide
 - Your application is declined

QUESTIONS?





You've got the DTC. Now what?

Contributing to Your RDSP

- Contributions can be made up to the end of the calendar year in which the beneficiary turns 59
- Anyone may contribute to the plan with the written consent of the holder
- \$200,000 lifetime personal contribution limit (no annual contribution limit) – the government will contribute up to \$90,000 in grants and bonds
- Contributions are not tax-deductible

How to Choose Your RDSP's Holder(s)

What is a holder?

- The holder of the RDSP account is somebody who is responsible for the following tasks:
 - Managing the RDSP
 - Working with the financial institution
 - Choosing or approving investments
 - Supervising withdrawals
 - Monitoring performance of the portfolio

Options When Opening an RDSP

RDSP HOLDER OPTIONS

WHO CAN BE THE HOLDER WHEN AN RDSP
IS OPENED?

Who can be the holder when an RDSP is opened?	Beneficiary	Legal Parent	Qualifying Family Member	Legal Representative
For a beneficiary under the age of majority		Yes		Yes
For an adult beneficiary	who isn't contractually competent			Yes
	who is contractually competent	Yes		
	whose contractual competency is in doubt		Yes as QFM	

QUESTIONS?



Free Money

To receive up to \$70,000 in Canada Disability Savings Grants and/or up to \$20,000 Canada Disability Savings Bonds, the beneficiary must:

- File an Income Tax Return for two years prior, and continue to file annually

Grants and bonds can only be received until December 31st of the year in which the beneficiary turns 49



Canada Disability Savings Grant – 2019 Amounts

The Federal Government matches annual contributions at the following rates, up to a lifetime maximum of \$70,000

Annual Income	Amount of Grant Money
Less than or equal to \$95,259	- \$3 for every \$1 contributed on the first \$500 (up to \$1,500) - \$2 for every \$1 contributed on the next \$1,000 (up to \$2,000) - Total of \$3,500
More than \$95,259 *Or no tax return filed	\$1 for every \$1 contributed on the first \$1,000 (max \$1,000)

Canada Disability Savings Bond – 2019 Amounts

Annual Federal Government contributions to RDSPs of people with low and modest incomes, and does **not** require personal contributions, up to \$1,000 each year, to a lifetime maximum of \$20,000

Annual Income	Amount of Bond Money
Less than or equal to \$31,120	\$1,000
Between \$31,120 and \$47,630	Up to \$1,000 Calculated on a pro-rated basis



Real Life RDSP Scenarios



Maggie

\$150/month deposit
\$1800/year

Family income over \$95,259
Grant= \$1,000/year

Family income over \$47,630
Bond= \$0/year

Total= \$2,800/year



Ranjeet

No monthly or annual contributions

Personal income under \$95,259
Grant = \$0

Income under \$47,630
Bond= \$1,000/year

Total= \$1,000/year



Erin

\$125/month deposit
\$1500/ year

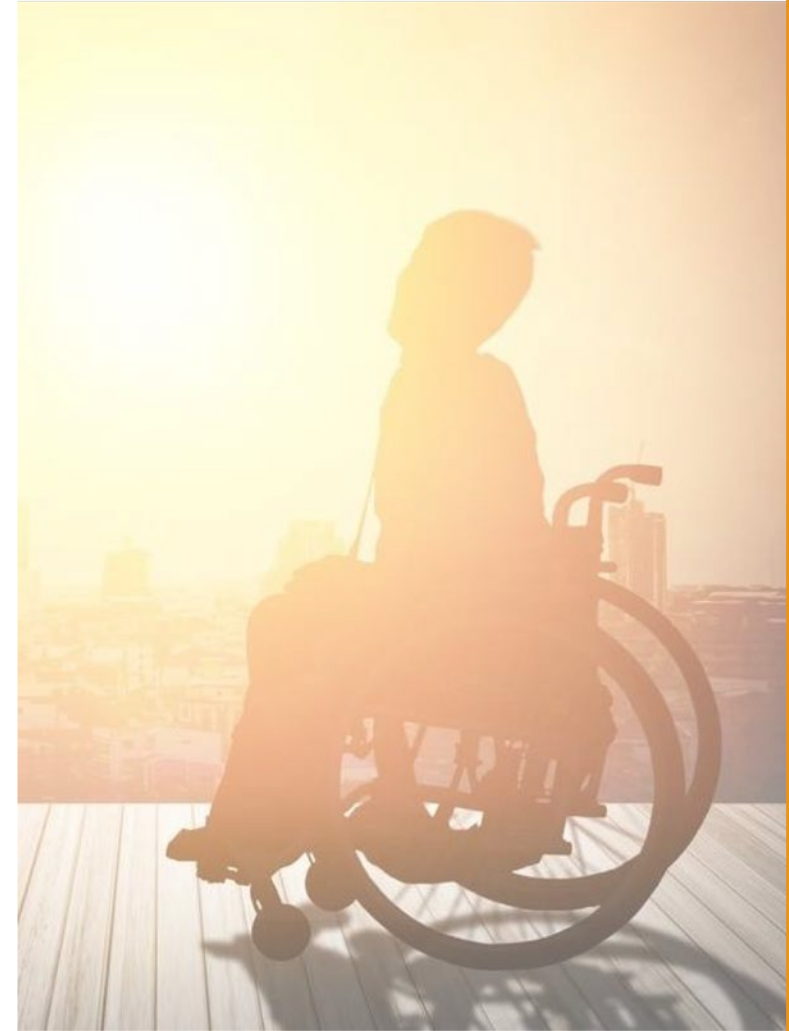
Personal income under \$95,259
Grant = \$3500

Income under \$47,630
Bond= \$1,000/year

Total = \$6,000/year

Retroactive Grants and Bonds

- Bond amounts will be paid automatically
- Grant amounts can be received by making contributions for previous years
- You can only access them until the end of the calendar year in which the beneficiary turns 49
- The government will put in a maximum of \$10,500 in any one year for the grant, and up to \$11,000 for the bonds



QUESTIONS?



Withdrawals & Proportional Repayment Rule



- Withdrawal is restricted, and the RDSP is not something that you can easily dip into without penalty
- Intended to be a 30+ year savings plan, and is more beneficial the earlier you open one
- It's important to consider other financial planning options, too, such as an RESP or emergency savings fund

Shortened Life Expectancy

- Medically certified
- Life expectancy of five years or less
- **SDSP** – a Specified Disability Savings Plan
- Maximum \$10,000/year withdrawal from SDSP
- Reversing an SDSP designation



Extra \$150 Contribution for BC Residents

- Plan Institute provides a one-time \$150 grant to eligible BC residents:
 - Adults with a disability, who are under the age of 60, have an RDSP, and have received income assistance or a total annual income of \$25,000 or less (in one year since 2008)
 - Children with a disability, who are 17 years old or younger, and have an RDSP
- For more information and applications, go to:

www.rdsp.com/endowment-150/



Your Scenario – The RDSP Calculator



Free RDSP Calculator for Canadians

The RDSP Calculator will help Canadian families project the estimated future value of an RDSP and will help determine how it can enhance the quality of life for a family member with a disability. By answering a few simple questions, the Calculator will determine the amount of Grant and Bond a person is eligible for, and the approximate value of future withdrawal payments. Run various scenarios to see how it would affect the value of your RDSP.

Note that the RDSP Calculator is a tool to help you assess the potential of opening and contributing to an RDSP. The estimates provided by the Calculator are for information purposes only. The profile of your RDSP may differ from the RDSP Calculator projection. **Start planning now!**

LEARN MORE:

- [What is the RDSP?](#)
- [How do I qualify?](#)
- [Where do I get it?](#)
- [About PLAN](#)
- [About Prosper Canada](#)

Getting started

User	<input type="text" value="Individual, family member or personal representa"/>	?
Your age	<input type="text"/>	
Year you opened your RDSP	<input type="text" value="2014"/>	?
Have you qualified for the Disability Tax Credit (DTC)?	<input checked="" type="radio"/> No, or not sure <input type="radio"/> Yes	?
Family Income (before 18)	<input type="text" value="0"/>	?
Family Income (18 and after)	<input type="text" value="0"/>	?

Your contributions

Annual contribution	<input type="text" value="0"/>	?
Contribute until (age)	<input type="text" value="49"/>	?
Investment strategy before payment begins	<input type="text" value="Moderate (5%)"/>	
Investment strategy after payment begins	<input type="text" value="Conservative (3%)"/>	
Will you make any lump-sum contributions?	<input checked="" type="radio"/> No <input type="radio"/> Yes	?
Will you roll over any RRSP funds?	<input checked="" type="radio"/> No <input type="radio"/> Yes	?

- Visit www.rdsp.com/calculator/ to calculate what your RDSP could look like

Some Final Helpful Hints



- 1) Use a private dropbox to store all important documents so that the relevant people will have easy access to it – DTC, RDSP, wills, representation agreements, etc.
- 2) Don't max out the RDSP in one year, because you want to ensure you get the maximum amount of grants and bonds
- 3) Talk to a financial professional or one of our Helpline advisors if you get a large sum of money
- 4) You can access free, online Representation Agreement forms and storage with NIDUS: www.nidus.ca/?page_id=54
- 5) Put the DTC money back into the RDSP once it's received

QUESTIONS?



QUICK
QUESTION



What is your
next step?

Free DTC and RDSP Support

Access RDSP is a province wide partnership between Plan Institute, Disability Alliance BC (DABC), and BC Aboriginal Network on Disability Society (BCANDS) which provides a "one-stop-shop" for all things RDSP to encourage long-term saving.



1-844-311-7526



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www.rdsp.com



Employment and Social Development Canada (ESDC)

ESDC is responsible for the administration and delivery of the Canada Disability Saving Grant (grant) and the Canada Disability Saving Bond (bond).

- Phone: 1-800-O-Canada (1-800-622-6232 or TTY: 1-800-926-9105)
- Website: www.canada.ca/en/employment-social-development

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THANK YOU FOR ATTENDING

PLEASE FEEL FREE TO REACH OUT TO US
ANYTIME FOR QUESTIONS, TIPS, OR
FURTHER INFO!

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