



Canada Disability Savings Grants and Bonds

2012

The RDSP is a new federally registered savings plan that is delivered by the Canada Revenue Agency. It is designed to ensure long-term financial security for people with disabilities. Beneficiaries may receive the added benefit of government grants and bonds. The RDSP, grant and bond are an initiative of the Government of Canada. Richmond Centre for Disability (RCD) encourages people to apply for RDSP's. This savings plan aligns with the Independent Living philosophy encouraging people with disabilities to plan for their long term financial security and the future costs of disability needs. Please contact RCD at 604-232-2404 for more information or visit their website at www.rcdrichmond.org.

Did you know?

The Canada Disability Savings Grant (CDSG) is a matching grant that the Government will pay directly into your Registered Disability Savings Plan (RDSP). For people who have limited financial means, a Canada Disability Savings Bond (CDSB) of up to \$1,000 will be available even without contributions. The value of the bond and/or grant is determined by the beneficiary's net family income.

Canada Disability Savings Grant (CDSG)

- Having established an RDSP you are eligible to receive this grant as long as you have filed a tax return for two years prior to application date and until the year the beneficiary turns 49
- The Government of Canada will pay matching grants into your RDSP of 300, 200, or 100 percent, depending on the beneficiary's family income and the amount of your annual contribution
- Your RDSP investment can receive a maximum of \$3,500 in matching grants per year, and up to \$70,000 over the beneficiary's lifetime

CDSG Value

The amount of money you will receive in your RDSP first depends on the beneficiary's net family income:

- less than or equal to \$85,414:
 - For the first \$500 contributed each year, the Government will deposit \$3 for every \$1 contributed, up to \$1,500 a year into your RDSP
 - For the next \$1,000 contributed in the same year, the Government will deposit \$2 for every \$1 contributed, up to an additional \$2,000 a year

- Greater than \$85,414:
 - For the first \$1,000 contributed each year, the Government of Canada will deposit \$1 for every contribution up to \$1,000 per year

Note: The beneficiary's net family income amounts shown are for 2011; these amounts change every year based on the rate of inflation.

Canada Disability Savings Bond (CDSB)

This bond is designed to make the RDSP program accessible to people with disabilities and their families who may not have the financial resources to make contributions.

- You are eligible for the full \$1,000 bond if the beneficiary's net family income is below \$24,863 and you have filed a tax return for two years prior to application
- If no income tax return has been filed, the government will still pay the grant, but at the 1 to 1 rate
- You do not need to make any contributions to your RDSP to receive the bond
- A bond can be paid into your RDSP on or before December 31 of the year you turn 49 years of age
- Your RDSP investment can receive a maximum \$1000 bond per year, and up to \$20,000 over the beneficiary's lifetime
- If the beneficiary's net family income is between \$24,863 and \$42,707
 - the government contributes a pro-rated (adjusted/reduced) bond payment of less than \$1,000 into the RDSP

Note: The beneficiary's net family income amounts change every year based on the rate of inflation.

Examples (beneficiary's net family income less than 24,183)

1. If you can contribute \$1
 - Grant will contribute \$3 to your RDSP
 - Bond will provide \$1,000 to your RDSP
 - You will have \$1,004 In your RDSP
2. If you can contribute \$1,500
 - Grant will contribute \$3,500 to your RDSP
 - Bond will provide \$1,000 to your RDSP
 - You will have \$6,000 in your RDSP

How to apply for Grants and Bonds

- You must apply for the grant and bond at the financial organization where you have your RDSP
- You only have to apply once. With your permission, your financial institution will continue the application process on your behalf as long as you are still eligible

Richmond Centre for Disability

100-5671 No. 3 Rd., Richmond, B.C. V6X 2C7
 tel 604 232 2404 ♦ fax 604-232-2415 ♦ tty 604 232 2479
 email: rcd@rcdrichmond.org ♦ web: www.rcdrichmond.org

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