



News Release

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Government Welcomes National Availability of Registered Disability Savings Plans and Extends Deadline for Establishing a Plan and Applying for the 2008 Grant and Bond

At an event celebrating the national availability of Registered Disability Savings Plans (RDSPs), the Honourable Jim Flaherty, Minister of Finance, and the Honourable Diane Finley, Minister of Human Resources and Skills Development, today announced that the deadline for opening an RDSP, making contributions and applying for the matching Grant and the income-tested Bond for the 2008 contribution year has been extended to March 2, 2009 from December 31, 2008. The 2009 RDSP contribution year will begin March 3, 2009.

“The Government announced RDSPs in Budget 2007 to help parents and others set aside funds today to financially support a child with a severe disability when they are no longer able to provide support,” said Minister Flaherty. “I am very pleased that this long-term financial support is now available and I congratulate the Bank of Montreal for being the first major bank to offer RDSPs.

“To ensure that as many individuals as possible can establish an account and be eligible for a full year of the Canada Disability Savings Grant and the Canada Disability Savings Bond, we are pleased to announce a two month extension to the 2008 deadline for opening an RDSP and applying for the 2008 Grant and Bond.”

“We want to help parents and families that care for people with disabilities to save toward the long-term security of their loved ones,” said Minister Finley. “The RDSP is a long-term tax-assisted savings vehicle to support the vulnerable and to provide assistance to those Canadians who face unique and difficult challenges. About 280,000 Canadians are eligible to open RDSPs.”

“Congratulations to Canada for showing the world the way in making sure that people with disabilities and their families get the long-term financial support and peace of mind they need,” said Tom Flynn, Executive Vice-President and Chief Risk Officer, BMO



Financial Group and Vice Chair Bloorview Kids Rehab. “BMO is very pleased to be the first major Canadian financial institution to offer the RDSP. On a personal note, as someone who knows many children and families who will benefit from this, I extend my heartfelt thanks to everyone who turned a great idea into a great program.”

“On behalf of families from coast to coast, the Planned Lifetime Advocacy Network would like to thank the Government of Canada for its leadership in implementing an RDSP, the first of its kind in the world,” said Al Etmanski, President of PLAN. “With my daughter, Liz, I have been eagerly awaiting this announcement. Aside from ensuring the financial well-being of our sons and daughters, the Government of Canada is sending a major signal to Canadians with disabilities and their families—‘we know you have extra expenses; we know you want to participate and contribute to society; we trust you to decide how best to do this.’”

Individuals who qualify for the disability tax credit, their families and others may save for the long-term financial security of a person with a severe disability by contributing to an RDSP. These contributions may be supplemented by matching Canada Disability Savings Grants from the Government of Canada. The Canada Disability Savings Bond is also available for low- and middle-income families even if no contributions are made.

The RDSP is a tax-assisted savings plan. Contributions to an RDSP will not be deductible, nor will they be included in income when withdrawn. Investment income, grants and bonds are included in the income of the beneficiary when withdrawn from an RDSP.

To maximize the effectiveness of RDSPs and ensure that payments from the plan supplement rather than reduce income and benefits from other sources, amounts paid out of RDSPs will not affect federal income-tested benefits and credits such as the Canada Child Tax Benefit, the Goods and Services Tax Credit and Old Age Security.

The Government of Canada has also worked with the provinces and territories to ensure that RDSPs are as effective as possible. To date, Newfoundland and Labrador, Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and the Yukon have announced that RDSP income and assets will not affect calculations for income support benefits. Quebec, New Brunswick and Prince Edward Island have announced that RDSP payments will be exempt from income support reductions up to certain limits. The Northwest Territories announced a limited income exemption from social assistance, which will partially accommodate beneficiaries of RDSPs.

RDSPs are also now available to Canadians with disabilities who reside in Quebec at the Société de gérance des Fonds FMOQ, which is also accepting applications for the grant and bond.

Additional information on the grant and bond can be found on the Human Resources and Skills Development Canada website at: www.hrsdc.gc.ca/disability.

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