MACKENZIE Investments

RDSP at a glance

A Registered Disability Savings Plan (RDSP) is a government-registered account designed to help families build long-term financial security for individuals with disabilities, complemented by generous government funding.

Eligibility

Any Canadian resident who qualifies for the Disability Tax Credit (DTC) is eligible for an RDSP until December 31 of the year they turn 59.

To determine eligibility for the Disability Tax Credit, visit canada.ca/rdsp

Contributions

- Lifetime limit: $200,000 per beneficiary.
- No annual contribution limit.
- Anyone can contribute with permission of the account holder.
- Contributions are not tax-deductible.

Withdrawals

- Withdrawals must begin by age 60.
- Funds withdrawn include:
  - Non-taxable: your contributions.*
  - Taxable: grants, bonds, and investment growth, which are generally taxed in the hands of the beneficiary when withdrawn.
- Early withdrawals may require repayment of grants and bonds received in the previous 10 years.
- Savings and withdrawals do not affect eligibility for federal or many provincial income-tested benefits (rules vary by province).

Benefits of the RDSP

- Government funding helps boost savings.
- Investments grow tax-free inside the plan.
- Ensures long-term financial stability for the RDSP beneficiary.

Government grants and bonds

The federal government offers assistance in the form of Canada Disability Savings Grant (CDSG) and Canada Disability Savings Bond (CDSB). Grants and bonds are available until age 49.

CDSG

Matches contributions based on family net income (up to $3,500/year with a $70,000 lifetime maximum).

CDSB

- Up to $1,000/year for eligible low-income individuals ($20,000 lifetime maximum).
- No personal contributions required.

Contact your financial advisor to learn more about an RDSP or to open an account.

*Note, contributions are taxable if the source of the contribution was a rollover of RRSP/RRIF or RPP monies of a deceased supporting parent or grandparent or a rollover from the AIP from an RESP.

The Canada Disability Savings Grant (CDSG) and the Canada Disability Savings Bond (CDSB) are provided by the Government of Canada. Eligibility depends on family income levels. Speak to a tax advisor about RDSP's special rules; any withdrawals may require repayment of CDSG and CDSB amounts received within the previous 10 years.

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