REGISTERED DISABILITY SAVINGS PLAN

ATB WEALTH™

A Registered Disability Savings Plan (RDSP) is a long-term savings plan intended to help Canadians with severe and prolonged disabilities and their families savefor their future.

To help your savings grow faster, the Government of Canada provides grants and bonds for those investing in an RDSP. The RDSP is exempt from most provincial disability and income assistance benefits, and will not affect your ability to receive disability benefits such as Assured Income for the Severely Handicapped (AISH). The lifetime limit that can be contributed into an RDSP is $200,000.

To open an RDSP, the beneficiary must:

DTC

be eligible for the Disability Tax Credit (DTC)

<59

open a plan before the end of the calendar year in which he or she turns 59

SIN

be a Canadian resident with a valid social insurance number (SIN)

Canada Disability Savings Grant (grant)

The grant may be paid into the RDSP of an eligible beneficiary on or before the end of the calendar year in which they turn 49 years of age, to a maximum of $3,500 for the current year. In addition to the current year grant, there is a carry forward provision for unused grant entitlements accumulated over the previous 10-year period, or since DTC eligibility, whichever is the most recent. The maximum grant with carry forward amount is $10,500 per year. The lifetime limit for the grant is $70,000.

Canada Disability Savings Bond (bond)

Eligible RDSP beneficiaries with low and modest incomes may also be eligible for the bond up to the end of the calendar year in which they turn 49 years of age, to a maximum of $1,000 for the current year. In addition to the current year bond, there is a carry forward provision for unused bond entitlements accumulated over the previous 10-year period or since DTC eligibility, whichever is the most recent. The maximum bond with carry forward is $11,000 per year. The lifetime limit for the bond is $20,000.

RDSP grant entitlement for 2026

Beneficiary's 2024 family income*	Contributions		Matching grant	Maximum grant payable per year	Carry forward annual maximum
↑ $117,045 (or if no income information is available from CRA)	on the first	$1,000	1X	$1,000	
↓ $117,045	on the first	$500	3X	$3,500	$10,500
	on the next	$1,000	2X		

RDSP bond entitlement for 2026

Beneficiary's 2024 family income*	Bond entitlement	Carry forward annual maximum
↑ $58,523 (or if no income information is available from CRA)	No bond	
$38,237 – $58,523	Based on annual formula: $\$1{,}000 - \left(\dfrac{\$1{,}000 \text{ x } (2024 \text{ family income} - \$38{,}237)}{(\$58{,}523 - \$38.237)} \right)$	$11,000
↓ $38,237 (or, if the holder is a public institution)	$1,000	

*The amount of grant and/or bond you will be eligible for is based on the beneficiary's family income:

- Until the end of the year the beneficiary turns 18, the term "family income" refers to the family income of the primary caregiver. The primary caregiver is usually the individual that receives the Canada Child Benefit (CCB).
- Beginning the calendar year the beneficiary turns 19, the term family income refers to the combined income of the beneficiary and their spouse or common-law partner, if applicable.

There is a two-year lag on the family income that is applied. The income applied for grants/bonds earned for 2026 will be 2024 income. The reason for the two-year lag is that if you contribute early in the year, not only does the government not know your current year's income, you may not have filed your taxes yet for the previous year, so they don't know your previous year's income either. It is important to ensure all applicable tax returns have been filed.

FREQUENTLY ASKED QUESTIONS

Who can be a holder?

The holder is the individual or entity that opens the RDSP and is responsible for managing the RDSP. To determine who is best suited for the role of the holder, the age of the beneficiary and an assessment of the beneficiary's contractual competency is considered. The holder must be either:

- the beneficiary
- the beneficiary's legal parent
- the beneficiary's legal trustee
- a qualifying family member (QFM) (legal parent, spouse or common-law partner or sibling)

What is the DTC and how can I apply?

The DTC is a non-refundable tax credit that can be claimed for a person with a severe and prolonged impairment in physical or mental functions. These individuals, or their legal representative, must use form T2201 to apply for the DTC with the Canada Revenue Agency (CRA), by completing Part A of the form. A qualified medical practitioner (doctor or nurse practitioner) must certify the effects of the impairment by completing Part B of the form. The form then must be submitted to CRA for approval.

Can another registered savings plan be rolled over into an RDSP?

Yes, but only in limited circumstances, if certain conditions are met.

When can I make withdrawals from the RDSP?

Withdrawals from an RDSP must begin by the end of the year the beneficiary turns 60. Any time sooner will trigger a clawback of some or all of the grants and bonds that have been in the plan for less than 10 years. The clawback amount is the lesser of three times the amount of the withdrawal, or the amount of grants and bonds received in the RDSP in the previous 10 years.

What are the tax implications?

- Contributions are made with after-tax dollars and are not tax deductible
- The investment grows tax deferred
- When a withdrawal is made, the portion that represents grants, bonds, amounts from rollovers and the investment income earned is taxable
- The portion of the withdrawal that represents contributions is not taxable

What happens if the RDSP beneficiary passes away?

At the death of the beneficiary, the RDSP must be closed no later than December 31 of the year following the year of death. All the grants and bonds in the RDSP for less than 10 years will be repaid to the government. All other money in the RDSP, including contributions, investment income earned, and grants and bonds held in the RDSP for more than 10 years will be paid to the RDSP beneficiary's estate.

What happens if an RDSP beneficiary has a shortened life expectancy?

The holder has two options, to either keep the plan open as an RDSP, or designate the RDSP as a specified disability savings plan (SDSP). Withdrawals from an SDSP will be allowed without penalty. To elect the SDSP classification a medical practitioner would have to certify that the beneficiary has a life expectancy of five years or less.