Saving for the Future

Disability Tax Credit | Registered Disability Savings Plan

Funding for these sessions is provided by: vancouver foundation

What is the Disability Tax Credit?

- A federal tax credit available to individuals living with "severe and prolonged impairments"
  - Form T2201
- Severe impairment:
  - Blind
  - Life sustaining therapy
  - "Markedly" restricted in one activity of daily living
  - "Significantly" restricted in two activities of daily living
- ***Consider how impairment affects daily life***

Value of the Disability Tax Credit

- Provides a federal tax reduction of up to $1,165 (for 2016 – the amount goes up a little each year)
- Additional benefit for those under 18, worth up to an extra $680 (for 2016)
- The Disability Tax Credit is the mechanism by which the CRA determines eligibility for a broad range of supports available to persons with disabilities, including:
  - Non-refundable tax credits
  - **Registered Disability Savings Plan (RDSP)**
  - Working Income Tax Benefit Disability Supplement
  - Child Disability Benefit

Registered Disability Savings Plan

- A federal government program.
- Attracts support from the federal government in the form of grants and/or bonds.
- Virtually no effect on ***most*** other disability-related benefits.
- Tax-free growth on earnings while money remains in the plan.
- $200,000 lifetime maximum contribution

RDSP Savings Over Time

- If an RDSP is opened, and **no** personal contributions are made…

	Invest at 5%	Value after 5 Years	Value after 10 Years	Value after 20 Years
E150 (one time addition)	$150	$191	$244	$398
Grant (one time addition)	$450	$574	$733	$1,194
Bond (added each year)	$1,000	$5,802	$13,207	$34,719
Total		$6,568	$14,184	**$36,311**

** Government grants and bonds are based on net annual family income of two years earlier. The government sets the income thresholds annually. Illustrated are 2017 income thresholds, based on 2015 net annual income.*

Endowment 150 - $150 Grant

- Helps individuals and families with low income save for their future by providing a one-time $150 grant to jumpstart RDSP investment.
- **Eligibility:**
  - BC resident
  - Have an RDSP and are under the age of 60
  - Have received provincial income assistance at one point since 2008 or have income below $25,000 (adult)
  - For more information and applications
    - Visit: http://www.rdsp.com/endowment-150/ or
    - Email: e150@planinstitute.ca

RDSP & DTC Support

- Access RDSP: Partnership between Plan Institute, Disability Alliance BC and BC Aboriginal Network on Disability Society to support RDSP uptake:
  - DTC eligibility and application
  - RDSP sessions, set up and support
  - Indigenous RDSP info and system navigation
    - **Call: 1-844-311-PLAN (7526)**
    - **Email: info@rdsp.com**
    - **Visit: www.rdsp.com**

Information & Resources

- RDSP updates, online discussions, free tutorial and helpful materials: www.rdsp.com
- Endowment 150 grant: http://www.rdsp.com/endowment-150/ or email **e150@planinstitute.ca**
- Plan Institute Ezine: http://institute.plan.ca/our-work/ezine/
- Plan Institute's Disability Planning Helpline: **1-844-311-7526**
- Canada Revenue Agency: http://www.cra-arc.gc.ca/
- ESDC: www.disabilitysavings.gc.ca

Questions?

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Visit: www.rdsp.com

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