



PLAN's push for Registered Disability Savings Plans helps people secure financial future

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An eight-year effort by a British-Columbia based advocacy group is helping people who have a disability look to brighter financial futures.

The Planned Lifetime Advocacy Network's (PLAN's) push for Registered Disability Savings Plans paid off in the form of the 2007 federal budget announcement and the group is hopeful Canadians can start contributing to RDSPs by the end of this year. With a mission to help families plan for the future, this advocacy work fits in well with PLAN's function, says executive director Jack Styan.

"What we wanted to do was create a federal mechanism," says Styan.

"In many respects, this is a new social policy issue," says Styan. Decades ago, people who have a disability usually did not outlive their parents. But with improvements in health care and community supports, people are living longer and planning for the future is becoming a bigger issue for parents. Part of the issue is financial security for their sons or daughters.

A portion of PLAN's work involves moving policy agendas forward and so began the push for RDSPs.

RDSPs are similar to Registered Retirement Savings Plans. PLAN says even modest contributions when a child is young will result in significant income flow – as much as \$20,000 to \$25,000 per year - later in life. People who have a disability, family members or even friends can invest.

There were several objectives PLAN sought out to accomplish with the RDSP. The primary purpose is to provide people with an easier, more affordable tool in which to invest. But when it comes to investing, many families are left on their own and PLAN wanted the government to recognize this and assist families through the process. PLAN sought a savings option that allowed people who have a disability and/or their families to determine how to spend the money.

Also, PLAN was concerned if the government created a RDSP and people invested, their investments would be declared assets and they would then be penalized in terms of income or disability supports, such as ODSP.

While individual provinces and financial institutions are still working out the details, B.C. has experienced a major win. The provincial government there exempted RDSPs as assets in determining eligibility for disability benefits. They have also exempted all income from RDSPs, allowing people to use the plan in whatever way they see fit without any penalties.

“B.C. has set the high watermark for other provinces to reach for,” PLAN says. Newfoundland has also exempted RDSPs as assets.

PLAN estimates the RDSP will help as many as 700,000 Canadians who have a disability and the federal government has budgeted \$115 million in matching Canada Disability Savings Grants and Bonds for 2008-09.

Styan says there are two important things people can do now to start the process.

1. Apply for a disability tax credit. This is necessary to qualify.
2. File your 2007 tax return. This is also necessary to qualify.

To learn more about RDSPs, bonds, grants and other details, [click here](#).

PLAN also hosts free RDSP telelearning seminars. Find more information [here](#).

— More to come

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