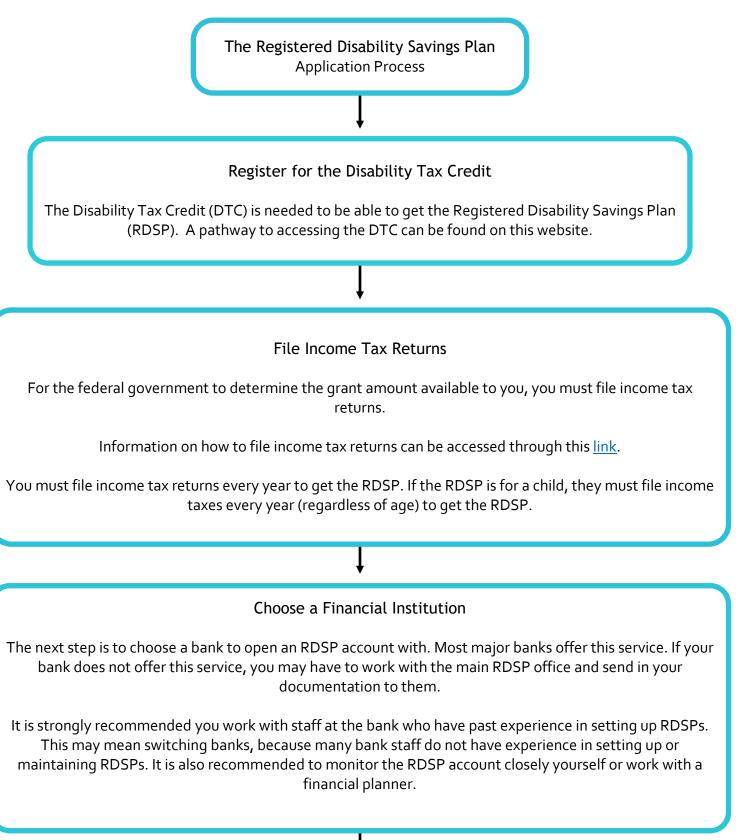
# The Registered Disability Savings Plan

A savings plans for long-term financial stability specific to folks living with disabilities where the government matches contributions.



# Establish an Account Holder (Required for Children)

A 'holder' is the person who will manage the plan and decide investments. All children under the age of 18 years old will have their parent and/or guardian as their 'holder'. Once they become 18, they will take responsibility over the account unless they cannot manage their own financial affairs (determined by the bank teller). In that case, an adult guardian (holder) will be selected to manage the account.

More information on the requirements of holders can be found on page 16 of the Plan Institute guide.

#### Open an RDSP Account

You are now prepared to open the RDSP account. When you go to open your account ensure to bring:

- (1) The Social Insurance Number of the child
- (2) One piece of Photo ID of the child

#### **Invest Finances**

After opening an account, the holder will deposit funds and decide how these funds should be invested. You should work with representatives at their financial institutions to decide between: (1) Low Risk Investments and (2) High Risk Investments.

More information on types of investments can be found on page 18 of the <u>Plan Institute guide</u>. Investments should be revisited at a minimum once a year by the holder.

Other Financial Contributions to the RDSP

The RDSP is made up of RDSP is made up of 3 components:

- (1) Individual contributions: by the account owner or others as mentioned earlier;
- (2) Matching RDSP grants: where the government matches individual contributions of the RDSP varying in size from 3-1 to 1-1 depending on the <u>specific circumstances</u>;
- (3) The RDSP Savings Bond: this is a bond of \$1000 a year for 20 years, <u>based on income</u> of individual (if over 18 years old), or family (if under 18 years old).

### File Income Taxes Annually

To continue being eligible for the RDSP it is important that income taxes are submitted annually for the account holder. If you are managing the account for your child, you must file the income taxes on their behalf, even if they are not receiving any income.