

Helping Canadians with disabilities save for the future

Registered Disability
Savings Plan (RDSP)



**Enabling Canadians,
with RDSPs made easy.**

That's better together



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**We've made it
easy for over
50,000 Canadians
to open an RDSP.
We can make it
easy for you too.**

An RDSP empowers families to save for the long-term financial security of loved ones with a disability.

The federal government can help you save, adding up to \$4,500 each year to the amount you contribute.

Top four tips to maximize savings

- 1 Start saving early**
Make it automatic by enrolling in a pre-authorized contribution plan.
- 2 Contribute every year**
In order to get the maximum annual CDSG and CDSB, if applicable.
- 3 Plan your withdrawals**
Planning helps to avoid federal grant and bond repayments.
- 4 Carry forward grants and bonds**
Take advantage of carry-forward for CDSG and CDSB.

The sooner you start saving, the earlier you can start building long-term financial security.

Why RDSPs are the best way to save

- 1 Anyone can contribute to an RDSP with written consent of the account holder.
- 2 The total lifetime contribution for each beneficiary is \$200,000, with no annual contribution limits.
- 3 Contributions can be matched, based on family net income, up to \$3,500 a year in Canada Disability Savings Grants (CDSG), and up to \$1,000 a year in Canada Disability Savings Bonds (CDSB).
- 4 The money you contribute grows tax free.
- 5 Savings and withdrawals do not affect federal or many provincial income-tested benefits.
- 6 Carry forward on CDSG and CDSB back to the date of diagnosis, to a maximum of 10 years. The maximum grant for a single year per account is \$10,500 and maximum bond is \$11,000.

Who qualifies for an RDSP?

To qualify for an RDSP, the beneficiary must:

- Be a recipient of the Disability Tax Credit
- A resident of Canada
- Less than age 60
- Have a valid Social Insurance Number

How to open an RDSP account

If you haven't already, apply for the Disability Tax Credit (see www.cra-arc.gc.ca/disability) or see your financial advisor to open an RDSP.

How the Canadian government can help

Canada Disability Savings Grant

Through the CDSG, the government deposits money into your RDSP, providing matching grants of 300%, 200% or 100%, depending on the amount contributed and the beneficiary's family net income. The maximum is \$3,500 per year, with a lifetime limit of \$70,000.

Canada Disability Savings Bond

Through the CDSB, the government deposits money into the RDSPs of low and modest-

income Canadians. If you qualify for the bond, you could receive up to \$1,000 a year, with a lifetime limit of \$20,000.

Withdrawing your money

RDSP withdrawals must begin by the end of the year the beneficiary turns 60. You may withdraw funds earlier, but be sure to note that once a withdrawal of any amount is made, \$3 worth of federal grants and bonds paid into the RDSP in the previous 10 years must be repaid for every \$1 withdrawn.

Withdrawals will consist of non-taxable contributions, taxable government monies and taxable growth.

How money can grow: Jack's journey



Jack
age
19

**\$1,500
annually**

Jack, whose family net income is less than \$26,364 a year, opens an RDSP at age 19, investing \$1,500 annually.



**\$1,000
annually**

Up to the maximum lifetime amount of \$20,000.



**\$3,500
annually**

Up to the maximum lifetime amount of \$70,000.



Jack
age
50



Total plan value of
\$398,891

Even though his personal contributions only total \$46,500 (\$1,500 x 31 years), by age 50 Jack will have accumulated \$398,891, thanks to the additional growth of the Canada Disability Savings Grants and Canada Disability Savings Bonds he received.

Invested in a balanced mutual fund that returns 5.5% annually

**Peace of mind starts
with a conversation.
To open an RDSP,
please talk to your
financial advisor.**

Advisor contact information



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