



Registered Disability Savings Plan (RDSP) Carry Forward & Rollover

2011

The Government of Canada announced two enhancements to the Registered Disability Savings Plan (RDSP), grant and bond. The 'Carry Forward' and 'Roll Over' provisions will provide Canadians with disabilities and their families with more flexibility when saving for the future.

What is "Carry Forward"?

- ◆ Carry Forward allows beneficiaries to claim unused grant and bond entitlements for a 10-year period (starting from 2008, the year RDSP became available).
- ◆ At the time of the claim, the beneficiary must be aged 49 or under.
- ◆ Grant and bond entitlements are based on the beneficiary's family income.
- ◆ The matching grant rate will be the same as what would have applied in the year the entitlement was earned.
- ◆ While eligibility stands, grant and bond entitlements will be calculated automatically; no special form is required.
- ◆ 2011 carry forward entitlements are expected to be paid into RDSP in early 2012.

What is "Rollover"?

- ◆ The proceeds (or a portion thereof) from a deceased individual's Registered Retirement Savings Plan (RRSP), Registered Retirement Income Fund (RRIF), and Registered Pension Plan (RPP) can be rolled over, TAX FREE, into the RDSP of a financially dependent child or grandchild with a disability.
- ◆ The amount of money rolled over into an RDSP will form part of the \$200,000 lifetime contribution limit.
- ◆ There is no matching grant paid on RRSP, RRIF and RPP contributions.
- ◆ The Rollover comes into effect July 2011. This measure will be effective for individuals who pass away after 2007.

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