

IMPORTANT

WHO IS THE RDSP INTENDED FOR?

The RDSP is for any member who wants to contribute to the RDSP of an eligible beneficiary.

To set up a RDSP, the beneficiary needs to:

- **Be eligible for the Disability Tax Credit according to Canada Revenue Agency criteria**
- **Have a valid Social Insurance Number (SIN)**
- **Be under the age of 60**
- **Reside in Canada**

Age and residence criteria are not taken into consideration when transferring an RDSP account opened in another financial institution.

The beneficiary, his or her parents, or if the beneficiary is incapacitated, his or her legal representative can establish an RDSP. RDSPs can also be held jointly by beneficiaries and their parents. A public department, agency, or institution that is legally authorized to act on behalf of the beneficiary can also be a holder of the account.

The plan only authorizes a single beneficiary, and this beneficiary can only enter into one plan.

HOW DO I OPEN AN RDSP ACCOUNT?

You can open an RDSP by contacting an advisor at your Caisse populaire. Your advisor will provide you with general information and answer your questions.

WHICH INVESTMENT PRODUCTS DOES THE RDSP OFFER?

The products included in the RDSP are guaranteed products that will enable you to accumulate funds without risking your capital :

- Guaranteed fixed-rate investments
- Market-linked guaranteed investments
- RDSP regular Savings Accounts

Since the money invested grows tax-free, it's best to invest a lump sum at the beginning of the year. You can also contribute with regular instalments.

It is free to sign up for the RDSP.

Get information

To find out more about the RDSP, speak to an advisor at your Caisse populaire or visit our web site and the Canada Revenue Agency web site.

- www.caissealliance.com/RDSP
- www.cra-arc.gc.ca (RDSP)



REGISTERED DISABILITY SAVINGS PLAN



THE REGISTERED DISABILITY SAVINGS PLAN

INVEST IN THE WELL-BEING OF PEOPLE WITH SEVERE DISABILITIES

The Caisse populaire seeks to aid its members with severe disabilities, as well as their families, by offering the Registered Disability Savings Plan (RDSP), created by the federal government.

Thanks to the RDSP, you will save money and benefit from grants that will enable you to enhance financial security for yourself or your loved ones with severe disabilities.

Improving the well-being of all people is an integral part of the Caisse populaire's mission and it's core values.

WHAT ARE THE ADVANTAGES OF THE RDSP?

When you contribute to an RDSP opened for yourself or for a loved one with a disability, you help build a better long-term financial future. Even if RDSP contributions are not tax deductible, this plan encourages savings with its many advantages:

- Your contributions are matched by the **Canada Disability Savings Grant (CDSG)**.
 - Up to **\$3,500 annually** and **\$70,000** over the beneficiary's **lifetime**, depending on the beneficiary's net family income and the amounts contributed to the RDSP.
- Low-income and modest-income families could have access to the **Canada Disability Savings Bond (CDSB)** without even having to contribute.
 - Up to **\$1,000 annually** and **\$20,000** over the beneficiary's **lifetime**.
- CDSB and CDSG payments depend on the beneficiary's net family income.
- Investment income grows tax-free as long as it stays in the plan.
- No annual contribution limit; maximum lifetime contribution per beneficiary of **\$200,000**.
- During his 2010-2011 budget speech, the Minister of Finance announced his intention to allow Bond and Grant rights that have been unused since 2008 to be deferred for 10 years.
- During this same speech, he announced his intention to authorize the rollover of a deceased person's RRSP to the RDSP of a child or grandchild, minor or adult, who was financially dependent on the deceased individual.

The RDSP is a profitable investment because **it gives you access to generous grants** and tax benefits! Enjoy the many advantages of the RDSP by contributing now.

THE RDSP: A PLAN THAT GROWS IN VALUE

To fully benefit from the advantages of the RDSP, it is ideal to contribute the amount that allows you to maximize subsidies every year. Bonds vary based on the beneficiary's family income. Bonds and Grants will cease to be paid when the first of the following events take place: the maximum of the Bonds and Grants has been reached, or the year of the beneficiary's 49th birthday comes to an end.

1. The parents of **Catherine**, age 10, have decided to contribute to her RDSP. During the first nine years, since the annual family income of her parents is more than \$81,941*, an annual contribution of \$1,000 entitles them to a maximum Grant of \$1,000. For the subsequent years, the beneficiary's income is taken into account since she is over 18 years old. Since her annual family income is less than \$23,855*, an annual contribution of \$1,500 entitles her to the maximum annual Grant of \$3,500 and the maximum Canada Disability Savings Bond of \$1,000. Catherine will have received all Bond and Grant funds to which she is entitled at the age of 39.

Net family income

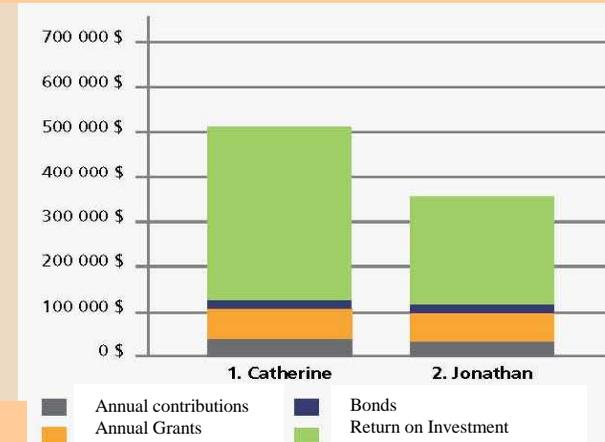
The beneficiary's family income is considered as of the calendar year of his or her 19th birthday. Before that time, the family income of the parents is considered.

2. The annual family income of the beneficiary, **Jonathan**, age 25, is less than \$23,855*. An annual contribution of \$1,500 entitles him to the maximum annual Grant of \$3,500 and the maximum Canada Disability Savings Bond of \$1,000. He contributes to his RDSP for 20 years, until the Grants and Bonds have been fully used.

* Family income thresholds are indexed annually for inflation. The income thresholds indicated are those for 2010.

** Assumed return of 4.25% compounded annually and based on a diversified portfolio.

	1. Catherine	2. Jonathan
Total contributions	\$39,000	\$30,000
Grants	\$70,000	\$70,000
Bonds	\$20,000	\$20,000
Return on investment**	\$384,143	\$236,909
Total accumulated at age 60	\$513,143	\$356,909



These examples clearly illustrate how truly helpful the government's Bonds and Grants are and the importance of starting to contribute early.

Act quickly! Just by opening an RDSP account, you could benefit from government bonds of up to \$1,000!

WHO CAN CONTRIBUTE TO AN RDSP?

Beneficiaries themselves, their parents, their loved ones, or any other person who has been authorized in writing by the holder of the plan, can contribute to the RDSP. In order to benefit from the Canada Disability Savings Grant (CDSG) or the Canada Disability Savings Bond (CDSB), contributions must be made by the end of the beneficiary's 49th birthday.

HOW DO I WITHDRAW FROM THE RDSP?

Withdrawals from an RDSP may be made in the form of **Lifetime Disability Assistance Payments (LDAP)** or **Disability Assistance Payments (DAP)**:

Lifetime Disability Assistance Payments (LDAP) are regular payments that must be made at least once per year until the end of the plan or the death of the beneficiary. These payments must start no later than the beneficiary's 60th birthday, but they can also start earlier. The payment is calculated based on the life expectancy of the beneficiary and the fair market value of the plan.

A **Disability Assistance Plan (DAP)** is an amount paid to the beneficiary upon request of the beneficiary or the holder of the plan. Certain conditions must be respected.

Important: If funds are withdrawn from the RDSP before the 10-year waiting period is up, the total of Grants and Bonds received over the 10 years preceding the withdrawal will have to be reimbursed to the government.

Income from the RDSP does not reduce the beneficiary's eligibility for federal income-tested benefits, such as:

- GST or HST credits
- The Canada Child Tax Benefit (CCTB)
- The old Age Security Pension (OASP) and the Guaranteed Income Supplement (GIS)
- Employment Insurance benefits