

THE RDSP: A PLAN THAT GROWS IN VALUE

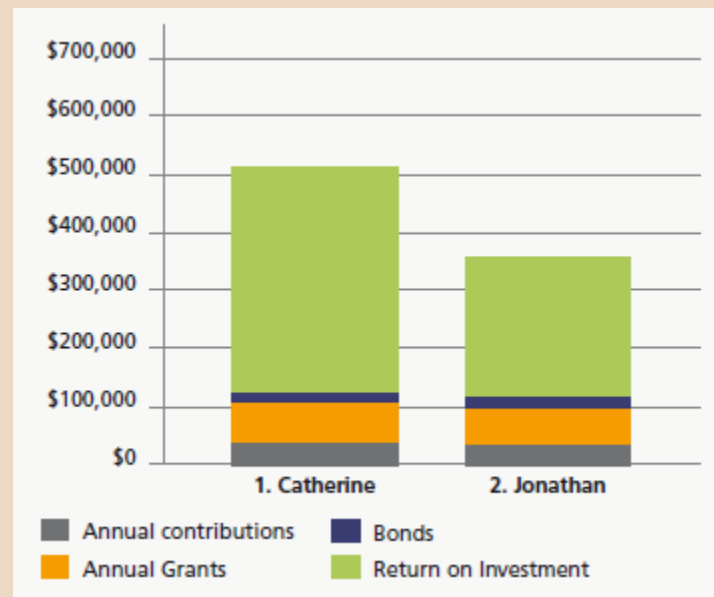
1. The parents of Catherine, age 10, have decided to contribute to her RDSP. During the first nine years, since the annual family income of her parents is more than \$81,941*, an annual contribution of \$1,000 entitles them to a maximum annual Grant of \$1,000. For the subsequent years, the beneficiary's 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.

	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



* 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.