

Empowering your financial future

Help reach your long-term financial goals with a Registered Disability Savings Plan (RDSP)

Two in three Canadians with disabilities may be missing out on the opportunity to reach their long-term savings goals!

Nearly two in three Canadians eligible for a Registered Disability Savings Plan (RDSP) have **not** yet taken advantage of this long-term savings plan,¹ missing out on the valuable government financial benefits an RDSP offers.

Empire Life's Registered Disability Savings Plan—**the first offered by a Canadian life insurance company**—offers a diversified range of segregated fund investment options with the protection of insurance guarantees.

If you or your loved one is a person with a disability, an RDSP can help provide financial security and peace of mind.

¹ Source: Employment and Social Development Canada. Canada Disability Savings Program: 2023 Annual Report, Table 6: Historical RDSP take-up rate, Canada (2014 to 2023).



What is a Registered Disability Savings Plan?

A Registered Disability Savings Plan (RDSP) is a savings plan to help Canadians with disabilities, who are approved for the Disability Tax Credit,² save and invest for their future. You can choose to invest your RDSP savings in a variety of financial products and any investment growth within your RDSP is tax-sheltered.

A lifetime maximum of \$200,000 can be contributed to an RDSP, but there are no annual limits. An RDSP may also be eligible for grants and bonds from the Government of Canada to help with long-term savings.

² For further information on the Disability Tax Credit go to canada.ca and search for "Disability Tax Credit".



Are you eligible for a Registered Disability Savings Plan?

The first step in determining eligibility for an RDSP is that the plan beneficiary must be approved for the Disability Tax Credit (DTC). Application for the DTC can be made using **Form T2201**.

The Disability Tax Credit often has an expiry date, but it must be approved for the plan beneficiary to be eligible for an RDSP.

Registered Disability Savings Plan eligibility criteria



Approved for **Disability Tax Credit**



Be a **Resident of Canada**



Age 59 or less on December 31 of the year applied in



Have a valid **Social Insurance Number (SIN)**

Take advantage of government grants and bonds

One of the important benefits of an RDSP is the ability to have your savings increased by the deposit of grants and bonds from the Government of Canada. They're available until the end of the year the plan beneficiary turns 49.

Lifetime financial benefits of a Registered Disability Savings Plan*



\$70,000

Canada Disability Savings Grant



\$20,000

Canada Disability Savings Bond³



\$90,000

Total of grants and bonds available



\$200,000

Lifetime contribution amount⁴



Plus **tax-sheltered investment growth** within your RDSP

* Maximum amounts available, if eligible.

An application for the Canada Disability Savings Grant (grant) and Canada Disability Savings Bond (bond) can be made when your RDSP is opened. If you're eligible, the bond will be automatically applied to your RDSP after you apply. And, if you were approved for the Disability Tax Credit (DTC) for any or all of the past 10 years, but didn't have an RDSP, you may be able to catch up missed grants and bonds using carry-forward amounts.

³ If eligible, based on family income. ⁴ Lifetime contribution amount for private contributions, which are any contribution not made by the Government of Canada. Rollovers from specific retirement plans and RESPs are considered as part of the lifetime contribution amount.



Canada Disability Savings Grant

The Canada Disability Savings Grant is a matching Government of Canada grant⁵ deposited into your Registered Disability Savings Plan. It's based on contributions and the plan beneficiary's family net income.⁶ You must contribute \$1,500 in a year to get the maximum annual amount of grant you may be eligible for, but a partial amount is also available. The grant uses a matching rate based on deposits and income thresholds to determine grant payments.⁷

- Annual grant limit of **\$3,500**
- Lifetime grant limit of **\$70,000**
- Annual limit with carry forward of **\$10,500**
- **Contributions are required to receive grants**

⁵ Some provinces also offer RDSP grants. ⁶ The plan beneficiary's family net income is based on their age and is determined from tax returns filed with the Canada Revenue Agency (CRA) from the two years prior to the current year. Until the end of the year the plan beneficiary turns 18, family net income is the combined income of the plan beneficiary's parents or guardians. At the beginning of the year the plan beneficiary turns 19, family net income is the plan beneficiary's income plus their spouse's or common-law partner's income. ⁷ Income thresholds are indexed annually by the Canada Revenue Agency.



2025 Canada Disability Savings Grant rates

Family net income	Matching rate for contributions	Annual amount to contribute to receive the maximum grant	Annual grant limit
Less than or equal to income threshold of \$114,750	\$3 for every \$1 on the first \$500 contributed	\$1,500	\$3,500
	\$2 for every \$1 on the next \$1,000 contributed		
Above income threshold of \$114,750	\$1 for every \$1 on the first \$1,000 contributed	\$1,000	\$1,000



Canada Disability Savings Bond

The Canada Disability Savings Bond is money the Government of Canada contributes to RDSPs of low- and modest-income Canadians. The bond amount varies by income. Unlike grants, contributions are not necessary to receive the bond.

- Annual bond limit of **\$1,000**
- Lifetime limit of **\$20,000**
- Annual limit with carry forward of **\$11,000**
- No contributions required
- Income must be within levels for low- and modest-income set by the government



2025 Canada Disability Savings Bond rates

Family net income	Bond rates	Annual bond limit
Less than or equal to \$37,487	\$1,000 per year	\$1,000
Between \$37,487 and \$57,375	A portion of the \$1,000 is deposited each year. As income increases, the bond amount paid into the RDSP decreases.	
Greater than or equal to \$57,375	Not eligible for bond	N/A

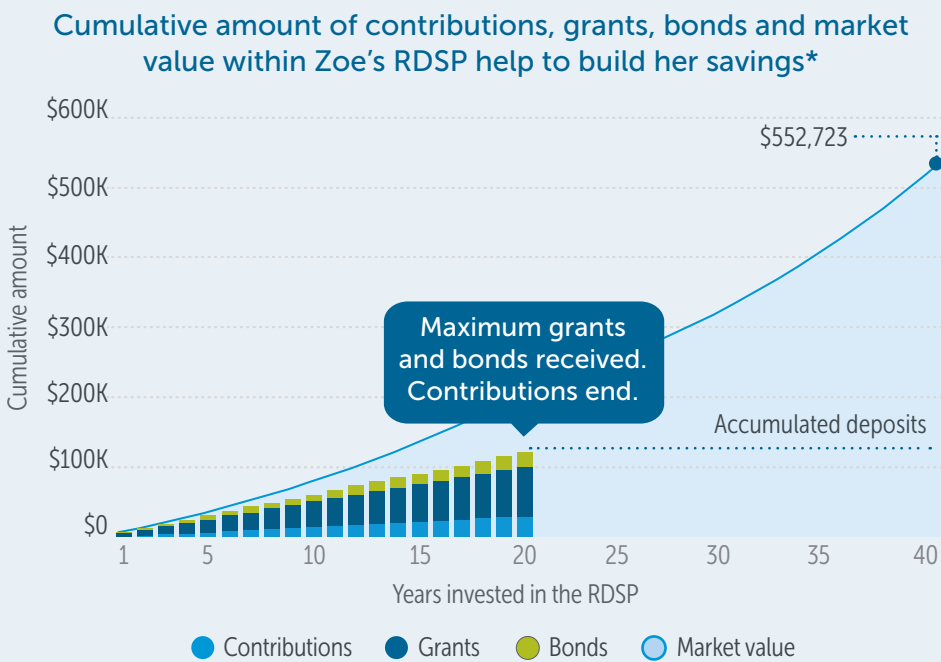
Tip!

Start filing the plan beneficiary's income tax returns at age 17 even if there is no income to report. The government uses the tax return from two years prior to the current tax year to determine the plan beneficiary's income.

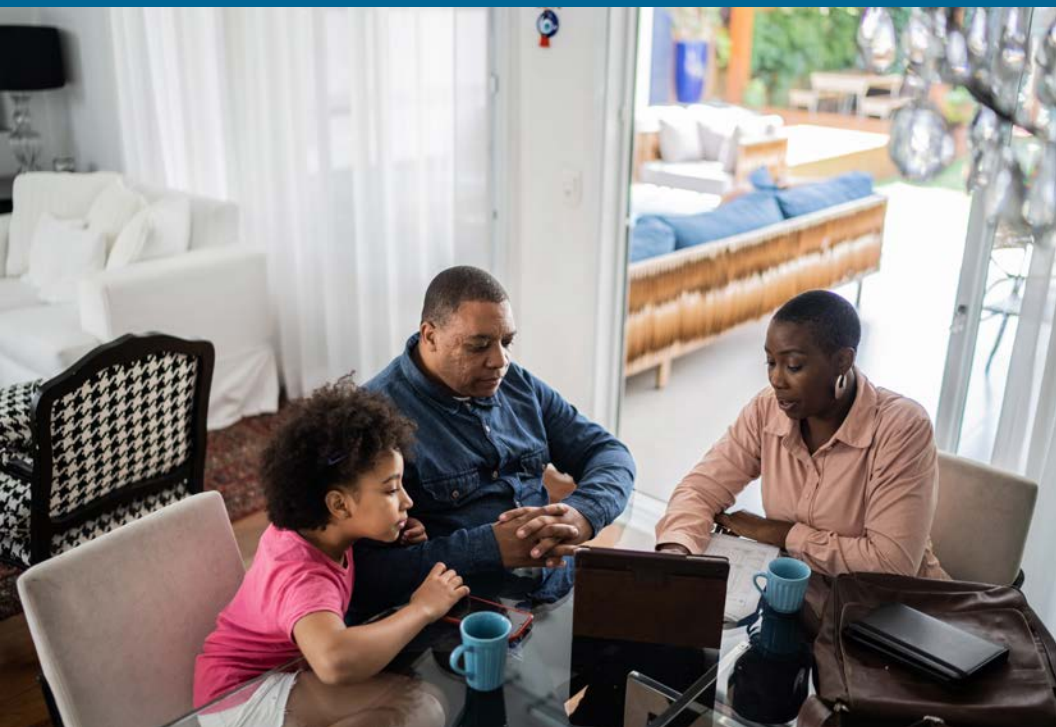
Case study: Working together to build savings

Once an RDSP is opened anyone may contribute to it including the holder(s), the plan beneficiary, their family members, and other contributors (with the holder’s written consent). They all work together to build your savings.

Let’s look at Zoe, who started investing \$1,500 per year into her RDSP when she was 20 years old. Now age 60 she must start withdrawing from her RDSP. Over 40 years, she received the maximum amount of grants and bonds available. As Zoe made contributions and received grants and bonds, she invested the money and achieved an average annual rate of return of 5%. Her RDSP now holds \$552,723 for her to begin making withdrawals from.



For illustrative purposes only. * Assumes private contributions were made on January 2, bonds were paid on February 1, and grants were paid on March 1 of each year. No further contributions were made after year 20 (age 39) when the maximum amount of grants and bonds had been received. Assumes an average annual rate of return of 5%. Returns are net of fees.



Work with an advisor to apply for an RDSP entirely online with Empire Life!

An application for an Empire Life Disability Savings Plan can be submitted entirely online by working with your advisor. Advantages of the online process are that the application and government forms are completed automatically, with e-signatures on forms, no paperwork to keep track of and all records are held in a secure environment. (A paper application is also available.)

Turning your RDSP savings into income

There are two types of payments that can be made from an RDSP:



Lifetime Disability Assistance Payment (LDAP)

This is a recurring or annual payment that must begin by December 31 of the year the plan beneficiary turns 60. The frequency of the payment is set at the time of the request.

Once started, this payment continues until the RDSP is terminated or the plan beneficiary dies. Payments may be subject to an annual maximum withdrawal amount based on the plan beneficiary's age and the fair market value of the plan using the Lifetime Disability Assistance Plan (LDAP) formula.



Disability Assistance Payment (DAP)

There may be instances where a single lump sum withdrawal is needed, which can be requested from an RDSP. This is called a Disability Assistance Payment (DAP).

This type of payment can happen more than once, but a request must be made for each one. Not all RDSP providers offer this type of payment. Empire Life does offer this option.



Only the holder⁸ can request withdrawals from an RDSP, and they must be used only for the plan beneficiary. Withdrawals may have a limit. Early withdrawals, before age 60, may incur a withdrawal penalty and repayment of grants and bonds.



Warning about withdrawals!

Withdrawals may trigger the repayment of some or all grant and bond amounts that have been paid into an RDSP within the previous 10 years. For every \$1 withdrawn, \$3 worth of grants or bonds must be repaid to the government.

Specified Disability Savings Plan (SDSP)

A plan beneficiary with a shortened life expectancy has greater flexibility to access the savings from their RDSP. Once medically certified, a request can be made to change a Registered Disability Savings Plan to a Specified Disability Savings Plan (SDSP). Speak with your advisor to learn more.

⁸ The holder is the person who opens the RDSP and makes or authorizes contributions on behalf of the plan beneficiary.

**Gain the benefits
of protection with
Empire Life segregated
funds in your RDSP**



Don't miss out on the benefits of a Registered Disability Savings Plan with Empire Life.

Empire Life Guaranteed Investment Fund benefits

Empire Life Guaranteed Investment Funds (GIFs) are segregated fund contracts that can be held in an Empire Life Registered Disability Savings Plan.



Insurance protection

Segregated fund contracts offer valuable insurance benefits that some other investments cannot, such as maturity and death benefit⁹ guarantees.¹⁰



Death Benefit Guarantee Resets

Annual, automatic death benefit guarantee resets until age 80 lock-in market growth and increase guaranteed values available at death.¹¹



Wide range of investment choices

Empire Life GIF offers a wide range of investment options from fixed income to 100% equity. You and your advisor can choose the funds that best suit your investor profile.

⁹ If the plan beneficiary dies before the maturity date, the death benefit is paid to the estate of the plan beneficiary. ¹⁰ The maturity and death benefit guarantees are reduced proportionately for withdrawals. ¹¹ Final reset occurs on the plan beneficiary's 80th birthday.

Take advantage of the savings and potential investment growth of an RDSP

A Registered Disability Savings Plan (RDSP) can help provide financial security for Canadians with disabilities, including the benefits of receiving government grants and bonds to assist with reaching long-term financial goals.

Empire Life's Registered Disability Savings Plan—**the first offered by a Canadian life insurance company**—offers a diversified range of segregated fund investment options with the protection of insurance guarantees.



To find out more about Empire Life's Registered Disability Savings Plan, speak with your advisor and visit **empire.ca/RDSP**

Segregated Fund contracts are issued by The Empire Life Insurance Company ("Empire Life"). A description of the key features of the individual variable insurance contract and the RDSP are contained in the Empire Life GIF Information Folder and the Empire Life Disability Savings Plan Trust Agreement. **Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value.** Past performance is no guarantee of future performance.

This document reflects the views of Empire Life as of the date published. The information in this document is for general information purposes only and is not to be construed as providing legal, tax, financial or professional advice. The Empire Life Insurance Company assumes no responsibility for any reliance made on or misuse or omissions of the information contained in this document. Please seek professional advice before making any decision.

® Registered trademark of **The Empire Life Insurance Company**. Policies are issued by The Empire Life Insurance Company. © 2025 The Empire Life Insurance Company. All rights reserved.

The Empire Life Insurance Company

259 King Street East, Kingston, ON K7L 3A8
empire.ca info@empire.ca 1 877 548-1881

