



FINANCIAL WISDOM

- WEALTH BUILDER -

December 2025

RDSP Offers a Bonus

You may have heard of the **Registered Disability Savings Plan (RDSP)** – one of the best financial tools available for Canadians who qualify for the **Disability Tax Credit (DTC)**. Since its launch in 2008, the RDSP has helped thousands of people with disabilities save and grow their money with significant government support.

An RDSP is a special registered plan where you contribute after-tax dollars, and the investments grow tax-deferred. You can contribute up to **\$200,000** in your lifetime. Your contributions come out tax-free, while any investment growth and government funds are taxable when withdrawn.¹

The real advantage of the RDSP is the **free money** the government adds through the **Canada Disability Savings Grant (CDSG)** and the **Canada Disability Savings Bond (CDSB)**. These programs help boost savings and support those with lower incomes.²

Canada Disability Savings Grant (CDSG) - If your adjusted family net income is \$114,750 or less (for 2025): The government contributes **\$3 for every \$1** on the first \$500 (up to \$1,500). Then **\$2 for every \$1** on the next \$1,000 (up to \$2,000).

That's a possible **\$3,500** in matching grants each year. If your income is higher than \$114,750, you still get **\$1 for every \$1** on the first \$1,000, for a maximum of **\$1,000**. The lifetime CDSG limit is **\$70,000**.

Canada Disability Savings Bond (CDSB) - For lower-income Canadians, the CDSB doesn't even require contributions.

If your adjusted family net income is \$37,487 or less, you can receive up to \$1,000 annually. Income between \$37,487 and \$57,375 qualifies for a partial bond, and above that, no bond is paid. The lifetime CDSB maximum is **\$20,000**.³

Carrying Forward Unused Entitlements - One of the RDSP's best features is the ability to **carry forward up to 10 years** of unused grants and bonds. If you were eligible for the DTC in past years but never opened a plan, you can still catch up. That means opening an RDSP today could unlock years of missed government contributions.

Example - Here's a quick illustrative scenario: let's say someone named "Alex" qualifies for the DTC and has had very low income (below all thresholds) for many years, but hasn't opened an RDSP yet. If Alex opens one now and contributes some money, they can **apply for the past 10 years of unused entitlements and receive both the grants and bonds that they would have been eligible for** – so long as they were DTC-approved during those years. It's almost like unlocking a backlog of government matching money. To ensure you're maximizing benefits and following the 10-year "holdback" rule on withdrawals, talk to a qualified financial advisor.

1. Government of Canada: What is an RDSP, 2/3 Government of Canada: RDSP Grants and Bonds,

Questions about RDSPs? Contact our office!

Richard Hearn, CFP, CPCA

Richard H. Financial Corp. - Portfolio Strategies Corporation

Ph: 403.212.2099 - <https://www.richardh.ca> - info@richardh.ca

Copyright © 2025 Financial Wisdom All rights reserved. (2025-12)