

Making Registered Disability Savings Plan more accessible to Canadians who need it

In Canada, 4.4 million Canadians have a disability, of which many are children or under the age of 44. Of this, 68,833 Canadians have successfully applied for, and received benefits of, the Registered Disability Savings Plan (RDSP). According to CBC News on May 30, 2013, the numbers of applications are as follows:

RDSPs by year

| Year | Number of accounts opened |
|--------------|----------------------------------|
| 2009 | 20,598 |
| 2010 | 18,144 |
| 2011 | 12,099 |
| 2012 | 13,103 |
| 2013* | 4,979 |
| Total | 68,833 |

*Source: Human Resources and Skills Development Canada. *Figure accurate as of mid-May.*

This total number of applications is low considering it is estimated that 500,000 Canadians are potentially eligible for the RDSP.

Based on many interviews with applicants, and personal experience of those who have worked with them, the application process is what is impeding its use.

The reason for the decline in applications is primarily the intense, cumbersome paperwork that is required from start to finish of the process. To successfully complete this process, applicants need to have a medical assessment completed and then file the paperwork to obtain the federal Disability Tax Credit (DTC). During interviews at information seminars with potential candidates, it was discovered that most people with disabilities, as well as their caregivers, are in a low income bracket. Therefore, they do not see the need to go through the process of applying for a Disability Tax Credit because they, in most cases, do not pay taxes.

However, when learning of the bond portion of the RDSP, there was renewed interest to go through the application process.

In an effort to assist in accessing this program, it was discovered that there are similar income assistance programs in the Province of BC, such as Persons with Disabilities (PWD) that also require an even more stringent medical assessment of the person required to qualify for the DTC.

Furthermore, there appears to be an appetite for provincial/federal collaboration by government leaders, as mentioned by BC's Minister of Finance Mike De Jong to the Kamloops

Chamber of Commerce in 2013, to enhance efficiency and effectiveness. Therefore, in reviewing the application and requirements for a person to be granted the PWD, a connection to CRA on the completion of the successful applicant to grant a federal DTC could be beneficial. By doing so, access to the Registered Disability Savings Plan would be readily accessible to lower income Canadians, the ones who need it most.

THE CHAMBER RECOMMENDS

The Provincial and Federal Governments, as well as their related ministries:

1. Investigate and implement a cross-linked application process to enable those with recognized disabilities to have access to both the PWD and DTC under one application.
2. Review all existing recipients of PWD to determine eligibility of the DTC based on timing of the last tested application.
3. Review other provincial programs that would also result in automatic DTC eligibility.

Submitted by Kamloops Chamber of Commerce Social Issues Committee