



The “Special Needs” Planner

Prepared by Graeme Treeby of the “Special Needs” Planning Group

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Enriching Lives

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Coming Soon - The Registered Disability Savings Plan

There has been a whisper in our community that is turning into a roar. The Federal Government has created the Registered Disability Savings Plan which is intended to create a long term savings plan for people with disabilities in Canada. The plan, which can be set up by the person with a disability or their parent or guardian allows for contributions to be made now for use in the future. Depending on family income, the Federal Government will provide Canadian Disability Savings Grants up to a maximum of \$3500 for a contribution of \$1500 each year for a period of 20 years. For low income families, they will provide a \$1,000 Canadian Disability Savings Bond without any contributions to the plan for those same 20 years. It may ultimately be advisable for each and every person who receives ODSP benefits to establish an RDSP for that reason alone.

The money that accumulates in an RDSP does so on a tax deferred basis. When withdrawals begin, the Canadian Disability Savings Grants and Bonds, plus interest become taxable in the hands of the beneficiary of the plan. There appears to be no restriction on the use of the funds withdrawn from the plan.

However, the picture is not all rosy. There are a number of significant caveats that must be considered. Firstly, there is a \$200,000 limit to the amount that can be contributed to the plan. This means that to take full advantage, someone

has to contribute \$200,000. Many families and individuals will not have the financial means to do so. In addition, contributions can only be made up to age 59 while the grants and bonds are only payable into the plan until age 49. All grants and bonds paid into the RDSP in the 10 years prior to the first withdrawal from the plan are fully repayable to the Federal Government. In addition, there are significant restrictions on the amounts that can be withdrawn when the Grants and Bonds exceed contributions.

Another major problem is that it is not yet available. The RDSP Act has been passed but the Federal Government has admitted that it will be far too complicated for them to administer. Therefore they have asked the Private Sector to create and administer the RDSP. To date, we are unaware of any private sector organizations that have such a product available. The major banks have said it will take between 18 to 24 months before they will be ready to present a final product to Canadians .

By far the most pressing problem is the Ontario Disability Support Program. **The ODSP has stated that the RDSP will disqualify a person from receiving ODSP benefits.** It is hoped that they will change this position but until they do, it would not be wise to set up an RDSP for someone on ODSP benefits.

The Special Needs Planning Group has become a leader in RDSP information. If you wish to be on our RDSP contact list, simply forward your name and contact information to me at: graemetreeby@sympatico.ca and we will be in contact with you as soon as a plan is available.



Acceptance of All That Is:

It was a busy morning, approximately 8:30 am, when an elderly gentleman in his 80's, arrived to have stitches removed from his thumb. He stated that he was in a hurry as he had an appointment at 9:00 am. I took his vital signs and had him take a seat, knowing it would be over an hour before someone would be able to see him. I saw him looking at his watch and decided, since I was not busy with another patient, I would evaluate his wound. On exam it was well healed, so I talked to one of the doctors, got the needed supplies to remove his sutures and redress his wound.

While taking care of his wound, we began to engage in conversation and I asked him if he had a doctor's appointment this morning, as he was in such a hurry. The gentleman told me no, that he needed to go to the nursing home to eat breakfast with his wife.

I then inquired as to her health. He told me that she had been there for a while and that she was a victim of Alzheimer Disease. As we talked, and I finished dressing his wound, I asked if she would be worried if he was a bit late. He replied that she no longer knew who he was, that she had not recognized him in five years now.

I was surprised, and asked him. "And you still go every morning, even though she doesn't know who you are?" He smiled as he patted my hand and said. She doesn't know me, but I still know who she is."

I had to hold back tears as he left, I had goose bumps on my arm, and thought, "That is the kind of love I want in my life."

True love is neither physical, nor romantic. True love is an acceptance of all that is, has been, will be, and will not be.

(Author unknown. Edited by Graeme Treeby of The Special Needs Planning Group)

Where There's a Will, There's a Way!!

As parents of people with disabilities, we all know that the future of our loved ones depends on how effective we are at planning for the future. Then why is it that so many of us have not yet completed our wills and Henson Trusts? Without these documents, it is unlikely that our wishes will be carried out when we die. Therefore, we encourage you to complete your Wills and trusts. If you need a lawyer who knows what to do, contact us and we will be pleased to send you a list.

Tax Tips 2007

The 2007 taxation year has just ended and soon our thoughts will turn to the preparation of our 2007 Income Tax Returns. Before starting your returns, check out the Tax Tips section of our web site for useful and insightful tips regarding Income Tax and the Special Needs community. Remember too, that you can back-file for Disability and Caregiver Tax Credits that you missed in prior years at no cost to you. All it takes is a few minutes of your time and the free step by step instructions found on the Special Needs Planning Group web site at: www.specialneedsplanning.ca

For Information, Comments or to Be Included on the RDSP Contact List, Call:

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