Canada Revenue Agency
Agence du revenu du Canada

Registered Disability Savings Plan

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Canada

Find out if this guide is for you

Use this guide if you want information about registered disability savings plans (RDSPs). This guide has information which is not in the general income tax and benefit package, and which you may need to fill out your income tax and benefit return.

The CRA's publications and personalized correspondence are available in braille, large print, e-text, and MP3. For more information, go to **canada.ca/cra-multiple-formats** or call **1-800-959-8281**.

La version française de ce guide est intitulée Régime enregistré d'épargne-invalidité.

Unless otherwise stated, all legislative references are to the Income Tax Act or, where appropriate, the Income Tax Regulations.

What’s new for 2023

Registered Disability Savings Plans (RDSPs)

The temporary qualified family member (QFM) measure has been extended by 3 years to December 31, 2026, and the QFM definition has been expanded to include a beneficiary's brother or sister.

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Definitions

This section provides a general definition of the technical terms that we use in this guide.

Adjusted family net income – is your family net income **minus** any Universal child care benefit (UCCB) and Registered disability savings plan (RDSP) income received **plus** any UCCB and RDSP amounts repaid.

Advantage – any benefit or debt that is conditional on the existence of the RDSP, subject to certain exceptions for normal investment activities and conventional incentive programs.

An advantage also includes any benefit that is an increase in the total fair market value (FMV) of the property of the RDSP that is reasonably attributable to any one of the following:

- a transaction or event (or series) that would not have occurred in a normal commercial or investment context between arm's length parties acting prudently, knowledgeably, and willingly, and one of the main purposes of which is to benefit from the tax-exempt status of the RDSP
- a payment received in substitution for a payment for services rendered by the holder (or non-arm's length person) or for a return on investment on non-registered property
- **a swap transaction**
- specified non-qualified investment income that has not been paid from the RDSP within 90 days of the holder receiving a notice from CRA requiring removal

An advantage also includes a registered plan strip, or any benefit that is income or a capital gain that is reasonably attributable to one of the following:

- a prohibited investment
- an artificial diversion of an amount away from the RDSP

For more information on advantages, see Income Tax Folio S3-F10-C3, Advantages – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Arm's length – refers to a relationship or a transaction between unrelated persons who act in their separate interests. An arm's length transaction is generally a transaction that reflects ordinary commercial dealings between parties acting in their separate interests.

Common law partner – a person who is **not your spouse**, with whom you are living in a conjugal relationship, and to whom at least **one of the following situations** applies.

The person:

- has been living with you in a conjugal relationship, and this current relationship has lasted for at least 12 continuous months

  Note
  In this definition, "12 continuous months" includes any period that you were separated for less than 90 days because of a breakdown in the relationship.

- is the parent of your child by birth or adoption
- has custody and control of your child (or had custody and control immediately before the child turned 19 years of age) and your child is wholly dependent on that person for support

Fair market value (FMV) – is generally considered to mean the highest price expressed in terms of money that can be obtained in an open and unrestricted market between informed and prudent parties, who are dealing at arm's length and under no compulsion to buy or sell. For more information on the valuation of securities of closely-held corporations, see Information Circular IC89-3, Policy Statement on Business Equity Valuations.

Financially dependent – if you are a child or grandchild of an annuitant, you are generally considered financially dependent on that annuitant at the time of their death if, before that person's death, you ordinarily resided with and depended on the annuitant, and you meet **one of the following conditions**:

- your net income for the previous year (shown on line 23600 of your income tax and benefit return) was less than the unreduced maximum basic personal amount (line 30000 of your income tax and benefit return) for that previous year
- your financial dependence was due to a mental or physical infirmity and your net income for the previous year was equal to or less than the unreduced maximum basic personal amount **plus** the disability amount (line 31600 of your income tax and benefit return) for that previous year

If, at the time of the annuitant's death, you are away from home because you were attending school, we still consider you to have resided with the annuitant.

If you meet one of the above conditions and you did not reside with the annuitant at the time of their death but received significant financial support from the annuitant, we may consider you to be financially dependent on the annuitant at the time of their death, if you can establish that you were. To do so, you or the legal representative should submit a request in writing to your tax services office explaining why we should consider you to be financially dependent on the annuitant at the time of their death.

If your net income was **more than the amounts described above**, we **will not** consider you to be financially dependent on the annuitant at the time of their death, unless you can establish that you were by submitting a request as described above.

Non-arm's length – generally refers to a relationship or transaction between persons who are related to each other.

However, a non-arm's length relationship might also exist between unrelated individuals, partnerships, or corporations, depending on the circumstances. For more information, see the definition of "Arm's length".

Non-qualified investment – any property that is not a qualified investment for the RDSP trust.

For more information, see Income Tax Folio S3-F10-C1, Qualified Investments – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Prohibited investment – property to which the RDSP holder is closely connected. It includes any of the following:

- a debt of the holder
- a debt or share of, or an interest in, a corporation, trust or partnership in which the holder has a significant interest (generally a 10% or greater interest, taking into account non-arm's length holdings)
- a debt or share of, or an interest in, a corporation, trust, or partnership with which the holder does not deal at arm's length

A prohibited investment **does not include** a mortgage loan that is insured by the Canada Mortgage and Housing Corporation or by an approved private insurer. It also does not include certain investment funds and certain widely held investments that reflect a low risk of self-dealing. For more information, see Income Tax Folio S3-F10-C2, Prohibited Investments – RRSPs, RESPs, RRIFs, RDSPs and TFSAs.

Qualified investment – an investment in properties (except real property), including money, guaranteed investment certificates, government and corporate bonds, mutual funds, and securities listed on a designated stock exchange.

For more information see Income Tax Folio S3-F10-C1, Qualified Investments – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

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

Related persons – are not considered to deal with each other at arm's length. Related persons include individuals connected by blood relationship, marriage, common-law partnership, or adoption (legal or in fact). A corporation and another person or two corporations may also be related persons.

Registered plan strip – the amount of a reduction in the FMV of property of the RDSP, if the value is reduced as part of a transaction or event (or series) for which one of the main purposes is to enable the holder (or non-arm's length person) to obtain a benefit in respect of the property of the RDSP or to obtain a benefit as a result of the reduction. Exceptions are provided for plan distributions that are included in income, or specifically excluded from income (such as a tax-deferred transfer between plans).

For more information on a registered plan strip, see Income Tax Folio S3-F10-C3, Advantages – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Specified non-qualified investment income – any income (excluding the dividend gross-up), or a capital gain that is reasonably attributable, directly or indirectly, to an amount that is taxable for any RDSP of the holder (for example, subsequent generation income earned on non-qualified investment income or on income from a business carried on by an RDSP).

Specified registered disability savings plan payment – in respect of an eligible individual means a payment that meets all of the following conditions:

- the payment is made to an RDSP under which the eligible individual is the beneficiary
- the payment complies with the plan registration conditions
- the payment has been designated in prescribed form for a taxation year by the holder of the plan and the eligible individual at the time that the payment is made
- if the eligible individual is **not** a DTC-eligible individual, the payment is made before the end of the fifth year throughout which the individual is **not a DTC-eligible** individual.

Spouse – a person to whom you are legally married.

Swap transaction – this is any transfer of property between the RDSP and its holder (or non-arm's length person). Exceptions are provided for contributions to and distributions from the RDSP, purchase and sale transactions between the RDSP and another RDSP of the holder, and transactions relating to insured mortgages. For more information on swap transactions and applicable transitional rules, see Income Tax Folio S3-F10-C3, Advantages – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Unrelated persons – may not be dealing with each other at arm's length at a particular time. Each case will depend upon its own facts. The following criteria will be used to determine if the parties to a transaction are not dealing at arm's length:

- whether there is a common mind that directs the bargaining for the parties to a transaction
- whether the parties to a transaction act in concert without separate interests; ("acting in concert" means, for example, that parties act with considerable interdependence on a transaction of common interest)
- whether there is de facto control of one party by the other because of, for example, advantage, authority, or influence

For more information, see Income Tax Folio S1-F5-C1, Related Persons and Dealing at Arm's Length.

Chapter 1 – What is a registered disability savings plan

A registered disability savings plan (RDSP) is a savings plan intended to help an individual who is approved to receive the disability tax credit (DTC) to save for their long-term financial security.

Contributions to an RDSP are not tax deductible and can be made until the end of the year in which the beneficiary turns 59. Contributions that are withdrawn are not included as income to the beneficiary when paid out of an RDSP. However, the Canada disability savings grant (grant), the Canada disability savings bond (bond), investment income earned in the plan, and the proceeds from rollovers are included in the beneficiary's income for tax purposes when paid out of the RDSP. For more information on RDSPs, go to **canada.ca/registered-plans-administrators**.

What is a Canada disability savings grant

The grant is an amount that the Government of Canada pays into an RDSP. The government will pay a matching grant of 300%, 200%, or 100%, depending on the beneficiary's adjusted family net income and the amount contributed. The beneficiary's adjusted family net income is calculated as follows:

- from birth to December 31 of the year the beneficiary turns 18, the beneficiary's adjusted family net income is based on the income information used to determine the Canada child benefit (CCB) for that beneficiary
- beginning the year the beneficiary turns 19 until the RDSP is closed, the beneficiary's adjusted family net income is based on their income **plus** their spouse's, or common-law partner's income
- if the beneficiary is under the care of a department, agency, or institution for at least one month in the year, the adjusted family net income is based on the allowance payable to the department, agency, or institution under the Children's Special Allowances Act

An RDSP can get a maximum of $3,500 in matching grants in one year and up to $70,000 over the beneficiary's lifetime. A beneficiary's RDSP can receive a grant on contributions made until December 31 of the year in which the beneficiary turns 49.

The amount of the grant is based on the beneficiary's adjusted family net income as follows:

Chart 1 – Canada disability savings grant

Beneficiary's adjusted family net income	Grant	Maximum
$106,717* or less		
on the first $500	$3 for every $1 contributed	$1,500
on the next $1,000	$2 for every $1 contributed	$2,000
More than $106,717*		
on the first $1,000	$1 for every $1 contributed	$1,000

*The beneficiary adjusted family net income thresholds are indexed each year to inflation. The income thresholds shown are for 2023.

What is a Canada disability savings bond

The bond is an amount paid by the Government of Canada directly into an RDSP. The government will pay a bond of up to $1,000 a year to low-income Canadians with disabilities. No contributions have to be made to get the bond. The lifetime bond limit is $20,000. A bond can be paid into an RDSP until the year in which the beneficiary turns 49.

The amount of the bond is based on the beneficiary's adjusted family net income as follows:

Chart 2 – Canada disability savings bond

Beneficiary's adjusted family net income	Bond
$34,863* or less (or if the holder is a public institution)	**$1,000**
Between **$34,863*** and **$53,359***	Part of the **$1,000** based on the formula in the **Canada Disability Savings Act**
More than $53,359*	No bond is paid

*The beneficiary adjusted family net income thresholds are indexed each year to inflation. The income thresholds shown are for 2023.

To qualify for the bond or to earn a grant, the beneficiary must file income tax and benefit returns for the past two years and all future taxation years when they have an RDSP.

For a beneficiary under the age of 18, their grant and bond amounts are calculated using the combined income of their parents or guardians from filed income tax returns. To continue receiving the correct amount of grants and bonds in the year they turn 19 and for every year after that, the beneficiary must start filing personal income tax returns, every year beginning in the year they turn 17.

Carry forward of unused grant and bond

Before the end of the year you turn 49 years of age, you can carry forward up to 10 years of unused grant and bond entitlements to future years, as long as you met the eligibility requirements during the carry-forward years (for example, if you were approved for the disability tax credit and you were a Canadian resident). If an RDSP was opened:

- in 2023, the carry forward period would be from 2013 to 2023
- in 2027, the carry forward period would be from 2017 to 2027

The grant and bond will be paid on unused entitlements up to an annual maximum of $10,500 for the grant and $11,000 for the bond.

Employment and Social Development Canada (ESDC) administers the grant and the bond programs. ESDC bases the amount of the grant and bond that are available for any particular year on the beneficiary's family income, as well as on matching rates.

Example
Let us take Roger for example:

- he is a person with a disability
- his income has been less than $15,000 each year since 2008
- he has been approved for the DTC each year since 2008
- he is not, and has never been, a beneficiary of an RDSP
- he has reached the age of majority and is contractually competent to enter into a plan

In August 2023, Roger opens an RDSP. Although opened in 2023, Roger's plan has accumulated grant and bond entitlements over the past 10 years, going back to 2013 since RDSPs became available in 2008.

The following is a breakdown of Roger's accumulated grant and bond entitlements:

- $1,500 in grant entitlements per year at the 300% matching rate ($1,500 × 10 years for a total of $15,000)
- $2,000 in grant entitlements per year at the 200% rate ($2,000 × 10 years for a total of $20,000)
- $1,000 in bond entitlements per year ($1,000 × 10 years for a total of $10,000)

Upon application for his bond, his RDSP will receive $10,000 in accumulated bond entitlements.

After the RDSP is opened, with Roger's written consent, his family contributes $800 to his RDSP in October 2023, for which his RDSP receives $2,400 ($800 × 300%) as a grant.

Roger carries forward $12,600 ($15,000 - $2,400) in unused grant entitlement at the 300% rate and still carries $20,000 in unused grant entitlement at the 200% rate.

Who can become a beneficiary of an RDSP

You can designate an individual as beneficiary if the individual meets all of the following criteria:

- Is approved for the DTC (unless transferring from an existing RDSP to a new RDSP).
- Has a valid social insurance number (SIN).
- Is a resident of Canada when the plan is entered into.
- Is under the age of 60 (a plan can be opened for an individual until the end of the year in which they turn 59). The age limit does not apply when a beneficiary's RDSP is opened as a result of a transfer from the beneficiary's former RDSP.

A beneficiary can **only have one RDSP** at any given time, although this RDSP can have **several plan holders** throughout its existence, and it can have **more than one plan holder** at any given time.

Notes
A person is approved for the DTC only if a medical practitioner certifies on Form T2201, Disability Tax Credit Certificate, that the individual has a severe and prolonged impairment in physical or mental functions. This form must also be approved by the CRA and the person must be deemed to be approved for the DTC. To apply online or get Form T2201, go to **canada.ca/disability-tax-credit** or call **1-800-959-8281**.

The holder does not have to be a resident of Canada. However, the beneficiary must be a resident of Canada when the plan is opened and when each contribution is made to the plan. RDSP payments can only be made to the beneficiary (or to the beneficiary's estate after the beneficiary's death). Contributors will not be entitled to a refund of their contributions.

For more information, go to **canada.ca/disability-tax-credit** or see Guide RC4064, Disability-Related Information.

How to open an RDSP

To open an RDSP, a person who qualifies to be a holder of the plan must contact a participating financial institution that offers RDSPs. These financial institutions are known as RDSP **issuers**.

Note
The plan **holder** is the person who opens the RDSP and makes or authorizes contributions on behalf of the beneficiary. As long as conditions are met, there can be more than one plan holder at any time.

Who can open an RDSP

The beneficiary is under the age of majority

If the beneficiary is under the age of majority, a qualifying person can open an RDSP for the beneficiary and become a holder if that person is any of the following:

- a legal parent of the beneficiary
- a guardian, tutor, or curator of the beneficiary, or another individual who is legally authorized to act for the beneficiary
- a public department, agency, or institution that is legally authorized to act for the beneficiary

The beneficiary has reached the age of majority and is contractually competent to enter into a plan

If the beneficiary has reached the age of majority and is contractually competent to enter into a plan, the beneficiary can open an RDSP for themselves.

If the legal parent(s), at the time the plan is established, are holders of a pre-existing RDSP for the adult beneficiary, the legal parent(s) could remain holder(s) of the new plan. The adult beneficiary could also be added as a joint holder along with their parents.

The beneficiary has reached the age of majority but their contractual competency to enter into a plan is in doubt

The ability for a qualifying family member (QFM) to open a plan under these rules applies as of June 29, 2012 and ends on **December 31, 2026**.

A QFM of a beneficiary includes a spouse, common-law partner, parent, brother or sister.

> **Note**
> The spouse or common-law partner is not eligible for this measure if they are living apart from the individual due to a breakdown in their marriage or partnership.

The QFM measure cannot be used if the beneficiary is currently the individual of an existing RDSP or if a qualifying person is authorized to act on behalf of the individual.

A QFM can open an RDSP for the beneficiary and become a holder if, after reasonable inquiry, it is the opinion of the RDSP issuer, that an adult individual's contractual competency to enter into a plan is in doubt.

A QFM is no longer qualified to be a holder if any of the following apply:

- in the issuer's opinion, after reasonable inquiry, the beneficiary's contractual competence to enter into a plan is no longer in doubt and the beneficiary notifies the issuer that they choose to become the plan holder
- the beneficiary is determined to be contractually competent by a competent tribunal or other authority under provincial law and the beneficiary chooses to replace the QFM as the plan holder
- a legal representative is later named in respect of the beneficiary, the legal representative will then replace the QFM as the plan holder

The RDSP issuer will be required to notify the individual if the individual becomes a beneficiary under an RDSP opened according to these rules.

The beneficiary has reached the age of majority but is not contractually competent to enter into a plan

An individual who is eligible to be a beneficiary of an RDSP, (but for whom a plan has not yet been opened) may have reached the age of majority but may not be contractually competent to enter into a plan.

A qualifying person, who is legally authorized to act for the beneficiary, under the provincial legislation, can open an RDSP for the individual and become a holder.

Can the holder of an RDSP be changed

The plan was opened when the beneficiary was a minor – the beneficiary is now a contractually competent adult

If a plan is opened by a beneficiary's legal parent(s), the legal parent(s) can continue as the holder(s) of the plan after the beneficiary reaches the age of majority. When the beneficiary reaches the age of majority and is contractually competent to enter into a plan, the beneficiary can be added to the RDSP as a joint holder.

If a plan was opened by a legally authorized person or body other than the beneficiary's legal parent(s), that person or body must be removed as a holder of the plan when the beneficiary reaches the age of majority and is contractually competent to enter into a plan. The beneficiary will become the new plan holder.

The plan was opened when the beneficiary was an adult whose contractual competency was in doubt

A qualifying family member (other than a legal parent who opened a plan when the beneficiary was a minor) will be replaced by the beneficiary upon their written request if it is determined that the beneficiary is contractually competent.

The plan was opened when the beneficiary was not able to enter into a contract

If the guardian, tutor, public department, or any other qualifying person or body (with the exception of a qualifying family member) is no longer qualified to be a holder (for example they are no longer the legal guardian or have died), they must be removed from the plan as holder.

A qualifying person can choose to remove themselves as a holder as long as there is another qualifying person to assign their rights to.

In these cases, the following can be added to the plan as a holder's successor or assignee:

- the beneficiary (provided that the beneficiary has reached the age of majority and is contractually competent)
- the beneficiary's estate
- any other person or body who is already a holder (for example, two legal parents enter into an RDSP plan together and one parent passes away; the other parent would receive the deceased parent's rights and become the sole holder of the plan)
- a legal parent of the beneficiary and was previously a holder of the plan
- a qualifying person at the time the rights are acquired

Who can contribute to an RDSP

Anyone can contribute to an RDSP with the written permission of the plan holder. For more information, see "Who can open an RDSP" on page 8.

The contribution limit for RDSPs

There is no annual limit on amounts that can be contributed to an RDSP of a particular beneficiary in a given year. However, the overall lifetime limit for a particular beneficiary is $200,000 (all previous contributions and rollovers that have been made to an RDSP of a particular beneficiary will reduce this amount). Contributions are permitted until the end of the year in which the beneficiary turns 59.

Note
Amounts directly transferred from one beneficiary's RDSP to another RDSP for the same beneficiary do not count toward the $200,000 overall contribution limit.

What types of payments are made from an RDSP

There are three types of payments made from an RDSP:

- disability assistance payments (DAPs) which include:
  - single disability assistance payments (lump sum DAPs)
  - lifetime disability assistance payments (LDAPs)
- direct transfers to another RDSP for the same beneficiary (for more information, see "Transfers" on page 12)
- repayments under the Canada Disability Savings Act (CDSA) or a designated provincial program

A **DAP** is any payment from an RDSP to the beneficiary or to their estate after their death. DAPs may consist of contributions, grants, bonds, proceeds from rollovers and income earned in the plan. Only the beneficiary or the beneficiary's estate will be permitted to receive DAPs from the RDSP.

Note
A DAP is not permitted if, after the payment, the FMV of the property held by the RDSP would be less than the assistance holdback amount for the RDSP. For more information, see "Repayments under the CDSA" on page 10.

Not all RDSPs permit the payment of lump sum DAPs. The RDSP issuer **may** allow the RDSP holder to request lump sum DAPs to be made to a beneficiary that are separate from LDAPs, (as described below), where it is permitted under the specific RDSP. Contact a participating RDSP issuer to determine if it offers plans that allow an RDSP holder to request these types of payments from a plan.

If the RDSP is a **specified disability savings plan** (SDSP), as described on the next page, withdrawals can be made from the plan in the year of certification and each subsequent year without triggering the repayment of the assistance holdback amount.

LDAPs are disability assistance payments (DAPs) that, once started, must be paid at least annually until either the plan is terminated or the beneficiary has died. These payments must begin by the end of the year in which the beneficiary turns 60 and, unless the year is a specified year (as described below), are subject to an annual withdrawal limit determined by the formula described on this page.

Note
If an RDSP is a SDSP, payments must start being paid from the plan before the end of the calendar year following the year in which the plan last became an SDSP.

A **specified year** is the calendar year in which a licensed medical doctor or a nurse practitioner certifies in writing that the beneficiary will not live longer than five years, and includes each of the five calendar years following the year of certification. A year will not qualify as a specified year unless the medical certificate has been provided to the issuer in or before the year in question. For example, if a doctor makes such a certification in 2022, but the issuer is not provided with the certification until 2023, only the years from 2023 to 2027 are specified years for the RDSP.

If the RDSP is an SDSP, the specified year includes each following calendar year.

Repayments under the CDSA

Under the CDSA, the assistance holdback amount is generally required to be repaid to ESDC if any DAP is paid from the RDSP.

The **assistance holdback amount** is defined in the Canada Disability Savings Regulations. In general terms, it is the total amount of bond and grant paid into the RDSP within the last 10-year period, less any part of that amount that has been repaid to ESDC.

As of January 1, 2014, an amount that is three times the amount of the DAP, up to a maximum of the assistance holdback amount, is required to be repaid to ESDC if any DAP is paid from the RDSP.

The assistance holdback amount, as of January 1, 2021, depends on the beneficiary's age.

For more information on the assistance holdback rules, contact ESDC at **1-800-622-6232**.

LDAP formula

There is no limit on the amount of lump sum DAPs or LDAPs payable to the beneficiary in a specified year (if the plan is **not** an SDSP). However, in all cases a DAP is not permitted if, after the payment, the FMV of the property held by the RDSP would be less than the assistance holdback amount for the RDSP.

The total amount of the LDAP paid in the year cannot be more than the amount calculated using the following formula:

$A \div (B + 3 - C) + D$

where:

A = the FMV of the property held in the plan at the beginning of the year, (excluding the value of locked-in annuity contracts held by the plan trust)

B = the greater of 80 and the age of the beneficiary at the beginning of the calendar year

C = the actual age of the beneficiary at the beginning of the calendar year

D = the total of all periodic payments paid, or deemed to have been paid, under certain locked-in annuity contracts, to the plan trust in the calendar year, if applicable

Non-taxable portion of a DAP

The **non-taxable portion** of a DAP made to a beneficiary from an RDSP is the lesser of:

- the DAP
- the amount determined by the formula:

$A \times B \div C + D$

where:

A = the amount of the DAP

B = the amount by which the total contributions made to any RDSP of the beneficiary exceeds the total non-taxable portion of all DAPs previously made from any RDSP of the beneficiary (if this formula were read without reference to variable D below)

C = the amount by which the FMV of the property held by the RDSP before the DAP is greater than the assistance holdback amount for the plan

D = the amount in respect of which a holder of the plan pays the tax payable on an advantage described on page 17, unless this tax is waived, cancelled or refunded or has previously been included in the non-taxable portion of a DAP made to the beneficiary

Example
Linda earned more than $106,717 in 2023 and is the sole provider for her spouse Paul, who is 40 years old. She starts contributing to his RDSP in 2023 and Linda contributes $10,000 annually to Paul's RDSP for 20 years. The contributions made are eligible for the grant at a rate of 100% of the contributions made in the particular year, up to a maximum of $1,000 annually (see "Chart 1" on page 7). Paul is **not** eligible for the bond (see "Chart 2" on page 7).

After 20 years, the FMV of the RDSP is $261,448. Since Paul will be 60 years old in 2043, the grant can be paid on the contributions from 2023 to 2032 (until he turns 49).

Contributions can be made to the plan up until the end of the year in which Paul turns 59. No DAPs were paid from the RDSP since the RDSP was set up.

Therefore, in 2043, the amount that Paul can receive is $10,893.67 calculated by the LDAP formula, which is **A ÷ (B + 3 - C) + D**:

$261,448 ÷ (80 + 3 - 59) + $0
$261,448 ÷ 24
$10,893.67

The non-taxable portion of the LDAP is $8,333.33 and is calculated by the second formula described on this page:

$10,893.67 × $200,000 ÷ $261,448 + $0

Variable B is $200,000 because no DAPs were made before 2043.

Variable C is $261,448 because no assistance holdback amount exists since the last grant was paid into the RDSP more than 10 years ago.

What is a specified disability savings plan (SDSP)

A **specified disability savings plan** (SDSP) is a measure to provide beneficiaries who have **shortened** life expectancy with greater flexibility to access their savings from an RDSP. Withdrawals from an SDSP **will not** trigger a repayment of the assistance holdback amount as long as the sum of the taxable portions of all withdrawals made in the year does not exceed $10,000 (unless the LDAP formula result requires a greater amount to be paid). However, once the election is made, no more contributions can be made to the plan and the plan will not be entitled to any new grant or bond. Furthermore, beneficiaries **will not** be entitled to carry forward any grant or bond for those years under this plan.

When an RDSP becomes an SDSP

The RDSP becomes an SDSP when all of the following conditions are met:

- a licensed medical doctor or a nurse practitioner certifies in writing that the beneficiary of an RDSP is, in their professional opinion, unlikely to survive more than five years
- the holder of the RDSP elects in prescribed form and provides the election, along with the medical certification, to the issuer of the RDSP and
- ESDC receives notification of the election from the issuer

When a plan stops being an SDSP

A plan stops being an SDSP if any of the following occur:

- ESDC receives notification from the issuer of the plan that the holder elects to have the plan stop being an SDSP.
- The total of the taxable portion of the DAPs made from the plan in the year while it was an SDSP exceeded $10,000 (unless the LDAP formula result requires a greater amount to be paid).

  Note
  The holder must wait 24 months after the plan stopped being an SDSP before making a new election.
- A contribution, bond, or grant is paid into the plan.
- An amount is paid into the plan from a designated provincial program.
- The plan is terminated.
- The plan stops being an RDSP.
- It is the beginning of the first calendar year throughout which the beneficiary under the plan is no longer approved for the DTC.
- Payments have not begun to be paid before the end of the particular calendar year following the year in which the plan last became an SDSP.
- An RESP rollover is made.

- The total amount of DAPs made from the plan to the beneficiary in the calendar year is less than the amount determined by the LDAP formula or an amount equal to the FMV of the property in the plan, whichever is the lesser.

Additional rules if the RDSP is a primarily government-assisted plan (PGAP) in the year

An RDSP becomes a PGAP in a year when the total of all government grant and bond payments made into any of the beneficiary's RDSPs in the previous years is more than the total of all private contributions made to any of the beneficiary's RDSPs in the previous years.

Generally, in a PGAP year (other than a specified year), the DAPs (including LDAPs) must not exceed the greater of the LDAP formula and 10% of the FMV of the plan assets at the beginning of the year. Certain DAPs made following, and as a consequence of, a transfer of property from another RDSP of the beneficiary do not count toward this limit on DAPs.

If the beneficiary is no longer approved for DTC and the holder requests the termination of the plan, there is no limit in the amount withdrawn.

In any year where the beneficiary is over the age of 59, the LDAP will not be more than the LDAP **formula**. In a PGAP year, the combination of LDAPs and DAPs must not exceed the greater of the LDAP formula and 10% of the FMV of the plan assets at the beginning of the year.

When the beneficiary turns 28 (or any later age up to, and including, the age of 58) during the calendar year, the beneficiary has the right to direct that DAPs be paid to them at any time in that year if, after payment, the FMV of the property in the RDSP is not less than the assistance holdback amount for the RDSP. The DAP that can be paid under these circumstances cannot be more than the calculated allowable amount. With the exception of plans where the beneficiary is over the age of 59, a DAP made in any other year may require that the assistance holdback amount be repaid to ESDC.

Reporting of payments from an RDSP

Proceeds from rollover amounts as well as the grant, bond and investment income earned in the plan are included in the beneficiary's income for tax purposes when they are paid out of the RDSP. RDSP issuers report the taxable portions of the payments from the plan in box 131, located in the "Other information" area of a T4A slip and send two copies of the slip to the beneficiary or the beneficiary's legal representative. The beneficiary has to include this amount as income on line 12500 of their income tax and benefit return for the year in which they receive it.

For more information on the taxable portion of the payments see "Tax payable on DAPs" on page 15.

Transfers

An amount can be transferred from one RDSP to another RDSP **only** under the following conditions:

- the transfer must be made directly from a beneficiary's current RDSP to a new RDSP for the same beneficiary
- a transfer can only be made if all holders of the current RDSP agree to the transfer
- all funds must be transferred from the current RDSP to the new RDSP
- the current RDSP must be terminated immediately following the transfer to another RDSP
- where the beneficiary has attained 59 years of age before the year in which the transfer takes place, the issuer of the new plan agrees to pay any DAPs required to be made under the plan

Rollovers

Rolling over retirement savings property on a tax-deferred basis to an RDSP

The maximum rollover amount into an RDSP is $200,000. All contributions and rollover amounts made to any RDSP of a beneficiary will reduce this amount. A grant will not be paid into the RDSP on amounts that are rolled over.

The RDSP rules allow for a rollover of a deceased individual's registered retirement savings plan (RRSP) proceeds to an RDSP of the deceased individual's financially dependent child or grandchild with an impairment in physical or mental functions. For more information, see "Eligible individual" on the this page.

If the beneficiary is no longer approved for DTC, the rollover must be done before the end of the fifth taxation year throughout which the beneficiary is no longer approved for DTC.

These rollover rules also apply to:

- registered retirement income fund (RRIF) proceeds
- certain lump-sum amounts paid from registered pension plans (RPPs) and specified pension plans (SPPs)
- pooled registered pension plans (PRPPs) proceeds

RDSP rollover reporting

The retirement savings rollover transaction must be documented using Form RC4625, Rollover to a Registered Disability Savings Plan (RDSP) Under Paragraph 60(m) or the form provided by the RDSP issuer. A tax slip will be issued (for example, T4A, T4RSP, or T4RIF). The amount of the retirement savings rollover is reported and deducted on the eligible individual's income tax and benefit return. In some cases, the amount may also need to be reported and deducted in the deceased individual's final return.

For more information on how rollovers should be reported, see “Transfers to registered disability savings plans” in Guide T4040, RRSP and Other Registered Plans for Retirement.

Note
These rules apply to retirement savings rollovers only. Education savings rollovers are recorded on Form RC435, Rollover from a Registered Education Savings Plan to a Registered Disability Savings Plan or another form provided by the RESP promoter. Tax slips are not issued for education savings rollovers.

RDSP issuers may produce and use their own method of documentation for education savings rollovers. The retirement savings rollover to an RDSP:

- will be considered a private contribution for the purpose of determining whether the RDSP is a PGAP, but will not be eligible for grants
- will be included in the taxable portions of RDSP withdrawals made to the beneficiary
- may not exceed, and will reduce the RDSP contribution lifetime limit

Eligible individual

An eligible individual is a child or grandchild of a deceased annuitant under an RRSP or RRIF, or of a deceased member of an RPP or SPP or PRPP, who was financially dependent on the deceased for support, at the time of the deceased’s death, by reason of an impairment in physical or mental functions. The eligible individual must also be the beneficiary under the RDSP into which the eligible proceeds will be paid.

Rolling over RESP property on a tax-deferred basis to an RDSP

Rollovers can be made from an RESP to an RDSP. In general terms, a subscriber of an RESP that allows accumulated income payments and a holder of an RDSP may jointly elect to rollover an accumulated income payment under the RESP to the RDSP if, at the time of the election, the RESP beneficiary is also the beneficiary under the RDSP.

To qualify for an RESP rollover, the beneficiary must meet the existing age and residency requirements in relation to RDSP contributions. As well, **one** of the following conditions must be met:

- the beneficiary is, or will be, unable to pursue post-secondary education because they have a severe and prolonged mental impairment
- the RESP has been in existence for more than 35 years
- the RESP has been in existence for at least 10 years, each beneficiary under the RESP has reached 21 years of age and is not eligible to receive educational assistance payments

An RESP rollover to an RDSP will not be subject to regular income tax or the additional 20% tax, for more information, see Form T1172, Additional Tax on Accumulated Income Payments from RESPs. The RESP promoter must send Form RC435, Rollover from a Registered Education Savings Plan to a Registered Disability Savings Plan to the RDSP issuer and keep a copy of it on file. This will satisfy the RESP promoter’s requirement to file the election with CRA.

When an RESP rollover occurs, contributions in the RESP will be returned to the subscriber on a tax-free basis. As well, Canada education savings grants (CESGs) and Canada learning bonds (CLBs) in the RESP will be required to be repaid to ESDC and the RESP terminated by the end of February of the year after the year during which the rollover is made.

The RESP rollover to an RDSP:

- will be considered a private contribution for the purpose of determining whether the RDSP is a PGAP, but will not be eligible for grants
- will be included in the taxable portions of RDSP withdrawals made to the beneficiary
- may not exceed, and will reduce the RDSP contribution lifetime limit

When a rollover cannot be made

A rollover from an RESP, RRSP, RRIF, RPP, PRPP or SPP cannot be made if any of the following conditions applies:

- the beneficiary is not approved for the DTC (There is one exception. See “Rolling over retirement savings property on a tax-deferred basis to an RDSP” on page 12)
- the beneficiary has died
- the beneficiary is over 59 years of age in the year of the contribution or
- the beneficiary is not a resident of Canada
- it will cause the $200,000 contribution limit to be exceeded
- the RDSP holder has not provided their consent to the rollover

What happens if the beneficiary is no longer approved for the DTC

Since 2021, if a beneficiary is no longer approved for DTC, the holder of their RDSP has the option of closing the plan or keeping it open.

If the holder decides to keep it open, amounts can still be withdrawn from the RDSP, but:

- new contributions are not allowed to be made to the RDSP
- new grants or bonds cannot be paid to the RDSP
- amounts from a deceased parent or grandparent’s RRSP, RRIF, RPP, PRPP or SPP which the beneficiary was financially dependent for support, can be rolled over into the RDSP provided the rollover is completed before the end of the fifth taxation year throughout which the beneficiary is no longer DTC-eligible

The grants and bonds that were received by the plan are not required to be repaid solely due to the loss of the beneficiary’s DTC approval.

Amounts from the RDSP can still be withdrawn at the request of the holder. Prior to the year the beneficiary turns 60, withdrawals will result in the repayment of grants and bonds that were paid into the RDSP in the 10 years before the beneficiary lost their DTC approval.

If the beneficiary regains DTC approval, the RDSP will operate normally and contributions can be made to the plan.

What happens if the beneficiary dies

The RDSP **must** be closed and all amounts remaining in the plan must be paid out to the beneficiary's estate by December 31 of the year **following** the calendar year in which the beneficiary dies. Any funds remaining in the RDSP, after any required repayment of government grants and bonds will be paid to the estate. If a DAP had been made and the beneficiary is deceased, the taxable portion of the DAP must be included in the income of the beneficiary's estate in the tax year in which the payment is made.

When do grants and bonds have to be repaid

10-Year Repayment Rule

If any of the following events occur, all government grants and bonds paid into the plan during the preceding **10 years** before the event must be repaid to the Government of Canada. Repayments are required when any of the following conditions applies:

- the RDSP is terminated
- the plan ceases to be a RDSP
- the beneficiary loses DTC approval before the age of 60 and the holder chooses to close or withdraw amounts from the RDSP
- the beneficiary dies

To ensure the funds in an RDSP are available to meet potential obligations under the 10-year repayment rule, RDSP issuers must set aside an "assistance holdback amount" equal to the total grant and bond paid into the RDSP in the preceding 10 years less any grant and bond already repaid in respect of that 10-year period. When one of the events described above occurs, the required repayment is equal to the amount of the assistance holdback amount immediately preceding the event.

> **Note**
> Repayments of amounts that were previously included as income **are** tax deductible and reported on line 23200 of the income tax and benefit return.

A beneficiary with a life expectancy of five years or less will be allowed annual RDSP withdrawals of up to $10,000 in taxable plan savings, as well as a pro-rated amount of plan contributions, without having to repay the grants or bonds paid into the plan in the preceding 10 years. These rules only apply when an election to consider the plan an SDSP has been filed with the RDSP issuer by the holder of the RDSP and the issuer has notified ESDC of the election.

A rule **applies** for withdrawals made from an RDSP **after 2013**. This rule replaces the 10-year repayment rule only for RDSP withdrawals. The former 10-year repayment rule will continue to apply where the RDSP is terminated or deregistered or the RDSP beneficiary dies.

This rule may change due to legislation. For the most updated information on the 10-year rule, contact the issuer of your RDSP or go to ESDC at **esdc.gc.ca**.

Proportional repayment rule

As of 2014, the proportional repayment rule applies on the event where an amount is withdrawn from the RDSP. The proportional repayment rule will require that, for each $1 withdrawn from an RDSP, $3 of any grants or bonds paid into the plan in the 10 years preceding the withdrawal be repaid, up to a maximum of the assistance holdback amount. Repayments will be attributed to the grants or bonds that make up the assistance holdback amount based on the order in which they were paid into the RDSP.

The proportional repayment rule does not apply for those beneficiaries that have lost DTC approval before the age of 60 and want to close or withdraw amounts from their RDSP. In this case, the 10-year repayment rule will apply and the entire Assistance Holdback Amount will need to be repaid. The proportional repayment rule also does not apply in the case of the death of a beneficiary. In this case, the full Assistance Holdback Amount must be paid back to the government and the remaining amounts held in the plan goes to the estate of the beneficiary.

The proportional repayment rule may be change due to legislation. For the most updated information on how much the repayment will be, contact the issuer of your RDSP or go to ESDC at **esdc.gc.ca**.

Example
Jeff opens an RDSP in 2018 and contributes $1,500 to his plan annually, being eligible for the maximum grant ($3,500) for each year. In 2023, the assistance holdback amount for his plan equals $21,000 (6 years, 2018 to 2023 inclusively, multiplied by $3,500).

In 2023, he withdraws $600 from his RDSP. Under the 10-year repayment rule, the entire assistance holdback amount of $21,000 would have to be repaid. Under the proportional repayment rule, $1,800 of the assistance holdback amount will be repaid (approximately 9% of the repayment required under the former 10-year repayment rule). The $1,800 repayment will come from the grants paid into his RDSP in 2018 and the plan's assistance holdback amount will be reduced to $19,200.

Chapter 2 – Tax payable

Tax payable on DAPs

When a DAP is made from an RDSP, the part of the payment that includes proceeds from a rolled over amount, the grants and bonds paid into the plan, and all investment income earned in the RDSP, such as interest, is taxable.

That part of the payment is included in the income of the beneficiary for the year in which the payment is made. If the beneficiary is deceased when the payment is made, the amount is included in the income of the beneficiary's estate for the year of the payment.

Note
The taxable portion (or RDSP income) is excluded from income when calculating various income-tested benefits, such as the GST/HST credit, the Canada child benefit (CCB), and the Canada workers benefit (CWB). It is also excluded when calculating the social benefit repayment and the refundable medical expense supplement.

Tax deduction at source

RDSP issuers will have to withhold income tax at source once the taxable portion of a beneficiary's lump sum **DAPs** and **LDAPs** exceed the **total** of the following two federal non-refundable tax credits (NRTCs):

- the maximum basic personal amount (BPA)
- the disability amount (DA)

NRTCs help to reduce a taxpayer's total income tax liability at the end of the year. There are many federal and provincial NRTCs that individuals may be eligible to claim when filing their personal income tax and benefit returns. However, only the federal maximum BPA of $15,000 and federal DA ($9,428 in 2023) are to be used to calculate the taxable income from which to withhold income tax at source. This is because all RDSP beneficiaries are eligible for these two NRTCs.

Using the chart on this page, with the 2023 tax year for example, a beneficiary can receive up to $24,428 (BPA of $15,000 + DA of $9,428) in taxable lump sum DAPs and LDAPs before the RDSP issuer has to withhold income tax at source. For the 2022 tax year, this amount was $23,268.

Withholding threshold		
Year	**2023**	**2022**
Federal maximum Basic Personal Amount (BPA)	$15,000	$14,398
Federal Disability Amount (DA)	$9,428	$8,870
Total	$24,428	$23,268

Once this amount is reached, income tax must be deducted from the taxable portion of all remaining payments in the year using the lump-sum tax withholding rate displayed below.

Note
NRTCs are adjusted annually to allow for inflation and other factors.

The taxable portion of a beneficiary's lump sum DAPs and LDAPs are the total of:

- the Canada disability savings grants
- the Canada disability savings bonds
- the investment income earned in the plan, such as interest
- proceeds from rollovers of other plans (RRSPs or RESPs for example)

Note
Individual or private contributions, or an amount in respect of which a holder of the plan pays the **Error! Reference source not found.** tax described on page 17 (unless this tax is waived, cancelled or refunded, or has previously been included in the non-taxable portion of a DAP made to the beneficiary) are not taxable.

RDSP issuers will use the lump-sum withholding rate that corresponds to either the:

- total taxable portion of all LDAPs expected to be paid in the year,
- taxable portion of each lump sum DAP when requested

The lump-sum withholding rates are:

- 10% (5% for Quebec) on amounts up to and including $5,000
- 20% (10% for Quebec) on amounts over $5,000, and up to $15,000
- 30% (15% for Quebec) on amounts over $15,000

Note
The above rates are a blend of the federal and provincial rates. The Quebec rates represent only the federal rates. For more information on the provincial rates for the province of Quebec, go to **finances.gouv.qc.ca.**

Chapter 3 – Anti-Avoidance Rules for RDSP

The anti-avoidance rules provide for a special tax on certain advantages that unduly exploit the tax attributes of an RDSP, as well as special taxes on prohibited investments and on non-qualified investments.

Each person who is a holder of an RDSP is jointly liable for the taxes on prohibited investments, non-qualified investments and advantages described below. Where two or more holders of an RDSP are jointly liable to pay such a tax only one form needs to be filed on behalf of all the holders that are liable for the tax.

Tax payable on prohibited investments

If the RDSP trust acquires a prohibited investment or if previously acquired property becomes prohibited, the investment will be subject to a special tax equal to 50% of the fair market value (FMV) of the investment, and the holder must file, Form RC339, Individual Return for Certain Taxes for RRSPs, RRIFs, RESPs or RDSPs, with a payment for any balance due, no later than June 30 following the end of the calendar year.

The tax is refundable in certain circumstances. For more information, see "Refund of taxes paid on non-qualified or prohibited investments" on page 16.

If the prohibited investment ceases to be a prohibited investment while it is held by the RDSP trust, the RDSP trust is considered to have disposed of and immediately re-acquired the property at its FMV.

The holder is also liable for the 100% advantage tax on income earned and capital gains realized on prohibited investments.

The 100% advantage tax applies to income earned, and the portion of any realized capital gain that accrued, **after March 22, 2017**, regardless of when the prohibited investment generating the income or gain was acquired.

Note
If an investment is both a non-qualified investment and a prohibited investment, it is treated as a prohibited investment only.

For more information, see Income Tax Folio S3-F10-C2, Prohibited Investments – RRSPs, RESPs, RRIFs, RDSPs and TFSAs.

Tax payable on non-qualified investments

If the RDSP trust acquired a non-qualified investment, or if a previously acquired property becomes a non-qualified investment, the investment will be subject to a special tax. The tax is equal to 50% of the FMV of the property at the time that it was acquired or that it became non-qualified, and the holder must file Form RC339, Individual Return for Certain Taxes for RRSPs, RRIFs, RESPs or RDSPs, with a payment for any balance due, no later than **June 30** following the end of the calendar year.

Notes
Any increase in the value of a non-qualified investment at the time of disposition is not reported on the Form RC339, Individual Return for Certain Taxes for RRSPs, RRIFs, RESPs or RDSPs. Income earned and capital gains realized by an RDSP trust on non-qualified investments will continue to be taxable to the Trust, regardless of when the investment was acquired. The Trust must file Form T3RET, T3 Trust Income Tax and Information Return and is liable to pay any tax owing.

Any charges or fees that the financial institution has passed on to the annuitant as a result of the T3 Return having been filed is a matter between the annuitant and the financial institution.

If an investment is both a non-qualified investment and a prohibited investment, it is treated as a prohibited investment only and the trust is not subject to tax on the investment earnings.

The tax payable on non-qualified investments is refundable in certain circumstances. For more information, see "Refund of taxes paid on non-qualified or prohibited investments" below.

The holder is also liable for the 100% advantage tax on specified non-qualified investment income if this income is not withdrawn promptly.

For more information, see Income Tax Folio S3-F10-C1, Qualified Investments – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Refund of taxes paid on non-qualified or prohibited investments

You may be entitled to a refund of the 50% tax on non-qualified or prohibited investments if the investment was disposed of, or ceased to be a non-qualified or prohibited investment, before the end of the calendar year after the year in which the tax arose (or such later time as is permitted by the Minister of National Revenue).

However, no refund will be issued if it is reasonable to expect that the holder knew, or should have known, that the investment was or would become a non-qualified or a prohibited investment.

The refund applies to the 50% tax on non-qualified or prohibited investments but not to the 100% tax on advantages.

Note
If the 50% tax on non-qualified or prohibited investments, and the entitlement to the refund of that tax, arose in the same calendar year then a remittance of the tax is not required. For example, no remittance of tax would be required if an RDSP trust acquired and disposed of a non-qualified investment in the same calendar year.

How to claim a refund

To claim a refund, you must:

- send your request in writing (you can attach it to Form RC339)
- attach the appropriate documents detailing the information relating to the acquisition and disposition of the non-qualified or prohibited property (you can attach the written request and supporting documents to Form RC339)

The documents must contain the following:

- name and description of the property
- number of shares or units
- date the property was acquired or became non-qualified or prohibited property
- date of the disposition or the date that the property became qualified or ceased to be prohibited

Obligations of the RDSP issuer

The issuer of an RDSP must exercise the care, diligence and skill of a reasonably prudent person to minimize the possibility that a trust governed by the plan holds a non-qualified investment.

If the issuer fails to comply with this obligation, the issuer is liable to a penalty under the Income Tax Act.

The issuer is also required to notify the holder of the RDSP, in prescribed form and manner before March of a calendar year, if at any time in the preceding year the RDSP trust acquired or disposed of a non-qualified investment, or if an investment became or ceased to be a non-qualified investment.

Tax payable on an advantage

If the holder or a person not dealing at arm's length with the holder (including the RDSP itself) was provided with an advantage in relation to their RDSP during the year, a 100% tax is payable, which is:

- in the case of a benefit, the FMV of the benefit
- in the case of a loan or a debt, the amount of the loan or debt
- in the case of a registered plan strip, the amount of the registered plan strip

For taxes payable on an advantage you must file using Form RC339, Individual Return for Certain Taxes for RRSPs, RRIFs, RESPs or RDSPs.

> **Note**
> When an advantage is extended by the issuer of an RDSP, the issuer, and not the holder, is liable for the tax. The issuer must file Form RC298, Advantage Tax Return for RRSP, TFSA, FHSA, or RDSP issuers, RESP promoters or RRIF carriers, with a payment for any balance due, no later than **June 30** following the end of calendar year.

For more information, see Income Tax Folio S3-F10-C3, Advantages – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs.

Waiver or cancellation of tax

We may waive or cancel all or part of the taxes if we determine it is fair to do so after reviewing all factors, including whether:

- the tax arose because of a reasonable error
- the extent to which the transaction or series of transactions that gave rise to the tax also gave rise to another tax under the Income Tax Act
- the extent to which payments have been made from the RDSP

> **Note**
> A **waiver** refers to penalties and interest otherwise payable by a taxpayer for which relief is granted by the CRA before these amounts are assessed or charged to the taxpayer. A **cancellation** refers to penalties and interest amounts that were assessed or charged to the taxpayer for which relief is granted by the CRA.

The waiver is limited to tax paid under the anti-avoidance rules and not taxes paid under any other part of the Income Tax Act.

To consider your request, we need a letter that explains why the tax liability arose, why this is a reasonable error, and why it would be fair to cancel or waive all or part of the tax.

Send your letter to one of the following addresses:

If your residential address is based in:

Ontario, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut, Northwest Territories, as well as the following cities in the province of Quebec (Montréal, Québec City, Laval, Sherbrooke, Gatineau, and Longueuil).

Send your request to:

Canada Revenue Agency
Sudbury Tax Centre
Pension Workflow Team
Post Office Box 20000, Station A
Sudbury ON P3A 5C1

If your residential address is based in:

Manitoba, Saskatchewan, Alberta, British Columbia, Nova Scotia, New Brunswick, and the remaining areas in the province of Quebec not listed under the Sudbury Tax Centre.

Send your request to:

Canada Revenue Agency
Winnipeg Tax Centre
Pension Workflow Team
Post Office Box 14000, Station Main
Winnipeg MB R3C 3M2

Digital services

Digital services for individuals

The CRA's digital services are fast, easy, and secure!

My Account

My Account lets you view and manage your personal income tax and benefit information online.

Use My Account throughout the year to:

- view your benefit and credit information and apply for certain benefits
- view your notice of assessment or reassessment
- view uncashed cheques and request a replacement payment
- change your address, phone numbers, direct deposit information, marital status, and information about children in your care
- manage notification preferences and receive email notifications when important changes are made to your account
- check your tax-free savings account (TFSA) contribution room, your registered retirement savings plan (RRSP) deduction limit, and your first home savings account (FHSA) participation room
- track the progress of certain files you have submitted to the CRA
- make a payment online to the CRA with the My Payment service, create a pre-authorized debit (PAD) agreement, or create a QR code to pay in person at Canada Post for a fee. For more information on how to make a payment, go to **canada.ca/payments**
- view and print your proof of income statement
- manage authorized representatives and authorization requests
- submit documents to the CRA
- submit an audit enquiry
- link between your CRA My Account and Employment and Social Development Canada (ESDC) My Service Canada Account
- manage multi-factor authentication settings

To sign in to or register for the CRA's digital services, go to:

- My Account, at **canada.ca/my-cra-account**, if you are an individual
- Represent a Client, at **canada.ca/taxes-representatives**, if you are an authorized representative

Receive your CRA mail online

Set your correspondence preference to "Electronic mail" to receive email notifications when CRA mail, like your notice of assessment, is available in your account.

For more information, go to **canada.ca/cra-email-notifications**.

MyBenefits CRA mobile web application

Get your benefit information on the go!

Benefit recipients can access the MyBenefits CRA mobile web application throughout the year to quickly view their benefit and credit payment details, eligibility information and application status.

For more information, go to **canada.ca/cra-mobile-apps**.

Electronic payments

Make your payment using:

- your Canadian financial institution's online or telephone banking services
- the CRA's My Payment service at **canada.ca/cra-my-payment**
- your credit card, Interac e-transfer, or PayPal through one of the CRA's third-party service providers
- pre-authorized debit (PAD) at **canada.ca/my-cra-account**

For more information, go to **canada.ca/payments**.

For more information

If you need help

If you need more information after reading this guide, go to **canada.ca/taxes** or call **1-800-959-8281**.

Direct deposit

Direct deposit is a fast, convenient, and secure way to receive your CRA payments directly in your account at a financial institution in Canada. For more information and ways to enrol, go to **canada.ca/cra-direct-deposit** or contact your financial institution.

Forms and publications

The CRA encourages you to file your return electronically. If you need a paper version of the CRA's forms and publications, go to **canada.ca/cra-forms-publications** or call **1-800-959-5525**.

Electronic mailing lists

The CRA can send you an email when new information on a subject of interest to you is available on the website. To subscribe to the electronic mailing lists, go to **canada.ca/cra-email-lists**.

Tax Information Phone Service (TIPS)

For tax information by telephone, use the CRA's automated service, TIPS, by calling **1-800-267-6999**.

Teletypewriter (TTY) users

If you use a TTY for a hearing or speech impairment, call **1-800-665-0354**.

If you use an **operator-assisted relay service**, call the CRA's regular telephone numbers instead of the TTY number.

Formal disputes (objections and appeals)

You have the right to file an appeal if you disagree with an assessment, determination, or decision.

For more information, go to **canada.ca/cra-file-objection**.

CRA service feedback program

Service complaints

You can expect to be treated fairly under clear and established rules, and get a high level of service each time you deal with the CRA. For more information about the Taxpayer Bill of Rights, go to **canada.ca/taxpayer-rights**.

You may provide compliments or suggestions, and if you are not satisfied with the service you received:

1. Try to resolve the matter with the employee you have been dealing with or call the telephone number provided in the correspondence you received from the CRA. If you do not have contact information for the CRA, go to **canada.ca/cra-contact**
2. If you have not been able to resolve your service-related issue, you can ask to discuss the matter with the employee's supervisor
3. If the problem is still not resolved, you can file a service-related complaint by filling out Form RC193, Service Feedback. For more information and to learn how to file a complaint, go to **canada.ca/cra-service-feedback**

If you are not satisfied with how the CRA has handled your service-related complaint, you can submit a complaint to the Office of the Taxpayers' Ombudsperson.

Reprisal complaints

If you have received a response regarding a previously submitted service complaint or a formal review of a CRA decision and feel you were not treated impartially by a CRA employee, you can submit a reprisal complaint by filling out Form RC459, Reprisal Complaint.

For more information, go to **canada.ca/cra-reprisal-complaints**.

Due dates

When a due date falls on a Saturday, Sunday, or public holiday recognized by the CRA, your return is considered on time if the CRA receives it or if it is postmarked on or before the next business day.

For more information, go to **canada.ca/taxes-dates-individuals**.

Related forms and publications

Forms

RC193	Service Feedback
RC298	Advantage Tax Return for RRSP, TFSA, FHSA, or RDSP issuers, RESP promoters or RRIF carriers
RC339	Individual Return for Certain Taxes for RRSPs, RRIFs, RESPs or RDSPs
RC435	Rollover from a Registered Education Savings Plan to a Registered Disability Savings Plan
RC459	Reprisal Complaint
RC4625	Rollover to a Registered Disability Savings Plan (RDSP) Under Paragraph 60(m)
T1172	Additional Tax on Accumulated Income Payments from RESPs
T2201	Disability Tax Credit Certificate

Publications

IC89-3	Policy Statement on Business Equity Valuations
IC99-1R3	Registered Disability Savings Plans
RC4064	Disability-Related Information

Income Tax Folios

S1-F1-C2	Disability Tax Credit
S1-F5-C1	Related Persons and Dealing at Arm's Length
S3-F10-C1	Qualified Investments – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs
S3-F10-C2	Prohibited Investments – RRSPs, RESPs, RRIFs, RDSPs and TFSAs
S3-F10-C3	Advantages – RRSPs, RESPs, RRIFs, RDSPs, and TFSAs

Cancel or waive penalties and interest

The CRA administers legislation, commonly called taxpayer relief provisions, that allows the CRA discretion to cancel or waive penalties and interest when taxpayers cannot meet their tax obligations due to circumstances beyond their control.

The CRA's discretion to grant relief is limited to any period that ends within 10 calendar years before the year in which a relief request is made.

For penalties, the CRA will consider your request only if it relates to a tax year or fiscal period ending in any of the 10 calendar years before the year in which you make your request. For example, your request made in 2023 must relate to a penalty for a tax year or fiscal period ending in 2013 or later.

For interest on a balance owing for any tax year or fiscal period, the CRA will consider only the amounts that accrued during the 10 calendar years before the year in which you make your request. For example, your request made in 2023 must relate to interest that accrued in 2013 or later.

Taxpayer relief requests can be made online using the CRA's My Account, My Business Account (MyBA), or Represent a Client digital services:

- **My Account**: After signing in, select "Accounts and payments," then "Request relief of penalties and interest."
- **MyBA or Represent a Client**: After signing in, on the MyBA overview page, select the appropriate program from the navigation menu, then select the correct account. Finally, select "Request relief of penalties and interest" under the "Request" heading.

You can also fill out Form RC4288, Request for Taxpayer Relief - Cancel or Waive Penalties and Interest, and send it with one of the following ways:

- online with My Account: select "Submit documents" under the "Correspondence" section
- online with MyBA or Represent a Client: select "Submit documents" from the banner at the top of the page
- by mail to the designated office, as shown on the last page of the form, based on your place of residence

For information on the "Submit Documents online" service, go to **canada.ca/cra-submit-documents-online**.

For more details on the required supporting documents, relief from penalties and interest, and other related forms and publications, go to **canada.ca/penalty-interest-relief**.