

Enhancing access to the Registered Disability Savings Plan for disabled employees

In Canada, 4.4 million Canadians suffer a disability, of which many are children, or under the age of 44. Of these Canadians, 68,833 have successfully applied for and got the benefits of the Registered Disability Savings Plan (RDSP). According to CBC News, 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 number 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 in working with clients to apply for and get this funding, the application process is what is impeding its use.

The reason for that is the intense, cumbersome paperwork that is required from start to finish of the process. The applicants, to successfully complete, need to get a medical assessment done and file the paperwork to get the federal Disability Tax Credit (DTC). During our 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 and do not see the need to go through the process of applying for a disability tax credit. Reason being, they in most cases, do not pay taxes. However, when learning of the bond portion of the RDSP, there was renewed interest in going through the application process.

In an effort to assist in the accessing this program, it was learned that there are similar income assistance programs in the Province of BC (Persons with Disabilities), that also request a similar, if not more stringent, medical assessment, as the one required to qualify for the DTC.

Furthermore, there seems to be an appetite by government leaders, as described by BC's Minister of Finance, Mike De Jong, to the Kamloops Chamber of Commerce, that there needs to be more collaboration with the Provincial and Federal Government on becoming more efficient and effective.

Therefore, in reviewing the application and requirements for a person to be granted the PWD, there could also be a connection to CRA on the completion of the successful applicant to grant a federal DTC. By doing this, access to the Registered Disability Savings Plan will be readily accessible by those who need it most, those being lower income Canadians.

This could also be enhanced by reviewing the files of the existing British Columbians currently on PWD, and making the application to CRA on their behalf to get the DTC.

From a business perspective, good employers today are taking more interest in the financial stability and health of their workforce. Studies have shown that employees who are offered financial education, support, and savings programs at work are more reliable and become better, more engaged contributors. By taking an interest in and advocating for improved access to the RDSP program on behalf of the disabled population, the chamber, and its member businesses, will have demonstrated an active interest in the financial enhancement of disabled employees in Canada.

Recommendations

That the provincial/territorial 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 a provincial/territorial disability support program and the DTC under one application.
2. Review all existing recipients of a provincial/territorial disability support program to determine eligibility of the DTC based on timing of the last tested application.
3. Create a national program to provide employers a workable linkage to the RDSP program for employees with disabilities.