

## **RDSP Application Instructions**

### **Holder**

#### **a) Beneficiary age 18 or over**

When the Beneficiary is of the age of Majority (age 18 or over) they must be a holder of their RDSP. The Beneficiary can be the sole holder or there can be joint holders (usually Parents or Guardians) along with the beneficiary/holder.

If the Beneficiary is the holder of their own plan, Primary Care Giver (PCG) information is not required when the Beneficiary is mentally competent.

**In case of 3 Holders or more please use an additional RDSP application form.**

#### **b) Beneficiary under age 18**

A plan can have more than one Holder and usually parents can jointly be holders when the beneficiary is under age 18 and is not permitted to be a holder. When the Beneficiary turns age 18 they must become either the sole holder or a holder with a Joint holder(s) as applicable as per part (a) above. Previous holders can continue to be Joint Holders when the age of 18 is reached by the beneficiary.

If the plan has a beneficiary under the age of 18 the application requires Primary Care Giver (PCG) information for grants eligibility. PCG is the person or agency getting the Canada Child Tax Benefit.

**In case of 3 Holders or more please use an additional RDSP application form**

## **Grant and Bond Application Forms**

**Net family incomes can change and when you check mark application for both Bond and Grant you ensure future eligibility**

### **For Beneficiary under age 18**

#### **PART A: Plan Holder**

- requires information and signatures of all holders

#### **PART B: Current Eligible Individual (person or agency receiving Canada Child Tax Benefit)**

- requires Current Eligible Individual information and signature

#### **PART C: January Eligible Individual (person or agency receiving first Canada Child Tax Benefit For Beneficiary in the calendar year of Grant and Bond request)**

- requires January Eligible Individual information and signature

### **For Beneficiary age 18 or over**

#### **PART A: Plan Holder(s) (can be Beneficiary, parent(s) legal Guardian or agency others)**

- requires information and signatures of all holders

#### **PART B: Beneficiary Age 18 or over or Legal Representative**

- requires Beneficiary information and signature

- (if applicable) Legal Guardian information and signature

# Global Disability Savings Plan Application

## 1. PLAN TYPE

Account Type:  New Plan  Existing Plan Plan #  Transfer from another RDSP Plan # Language preference:  English  French

### 2a) HOLDER 1

Gender <input type="checkbox"/> M <input type="checkbox"/> F	Title <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr. <input type="checkbox"/> PCG	First Name	Last Name	
Birth Date DD / MM / YYYY	Social Insurance Number	Name of Dept., Agency or Inst. (If applicable)		Business Number (If applicable)
Home Address		City	Province	Postal Code
Home Phone	Bus. Phone	E-mail (Residence or Business)		
Employer	Employer Address	Occupation	Type of Business	

### 2b) HOLDER 2

**Note:** Any other Holders must fill an additional application

Gender <input type="checkbox"/> M <input type="checkbox"/> F	Title <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr. <input type="checkbox"/> PCG	First Name	Last Name	
Birth Date DD / MM / YYYY	Social Insurance Number	Name of Dept., Agency or Inst. (If applicable)		Business Number (If applicable)
Home Address		City	Province	Postal Code
Home Phone	Bus. Phone	E-mail (Residence or Business)		
Employer	Employer Address	Occupation	Type of Business	

### 2c) HOLDER

Please check applicable boxes

**Holder 1**

**Holder 2**

Are you a legal parent of the beneficiary:	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Are you a guardian, tutor, curator or other individual who is legally authorized to act on behalf of the beneficiary:	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO
Are you a public department, agency, or institution that is legally authorized to act on behalf of the beneficiary:	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO

## 3. BENEFICIARY

Please PRINT clearly all information

Language preference:  English  French

First Name (Each name in this section must match SIN card)		Middle Name	Last Name	
Gender <input type="checkbox"/> M <input type="checkbox"/> F	Title <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.	Birth Date DD / MM / YYYY	Social Insurance Number	Check and initial if you are also a Holder <input type="checkbox"/>
Home Address		City	Province	Postal Code
Home Phone	Bus. Phone	E-mail (Residence or Business)		

HOLDER INITIALS

## 4. OTHER CONTACT PERSON

Only applicable if Beneficiary is also Holder

Title <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr. <input type="checkbox"/> PCG	First Name	Last Name		
Home Address		City	Province	Postal Code
Home Phone	Bus. Phone	E-mail (Residence or Business)		

## 5. PRIMARY CAREGIVER

Mandatory where Beneficiary is under age 18

Title <input type="checkbox"/> Mr. <input type="checkbox"/> Mrs. <input type="checkbox"/> Miss. <input type="checkbox"/> Ms. <input type="checkbox"/> Dr.	First Name	Last Name		
Name of Dept., Agency or Inst. (If applicable)		Business Number (If applicable)		
Home Address		City	Province	Postal Code
Social Insurance or Business Number	Home Phone	Bus. Phone	E-mail (Residence or Business)	

## 6. CERTIFICATION OF PRIMARY CAREGIVER

As the Primary Caregiver of the beneficiary, I, the undersigned, certify that the information I have provided is, to the best of my knowledge, correct and complete. I agree that this information may be used to validate the beneficiary's information and DTC-eligibility.

Date DD / MM / YYYY	Primary Caregiver's Name (PRINT)	Primary Caregiver's Signature X
------------------------	----------------------------------	------------------------------------

## 7. MONETARY CONTRIBUTION

Where is the money coming from?

Lump Sum Contribution:  Cheque Attached  transfer from another RDSP  Systematic Purchase Plan

## INVESTMENT DIRECTIONS

Fund #	Fund Name	Amount (\$ or %)	FEL %	Check applicable	Wire #	PAC (\$ or %)	SWP/RIF (gross or net) (\$ or %)
				<input type="checkbox"/> DSC <input type="checkbox"/> Low-Load			<input type="checkbox"/> gross <input type="checkbox"/> net
				<input type="checkbox"/> DSC <input type="checkbox"/> Low-Load			<input type="checkbox"/> gross <input type="checkbox"/> net
				<input type="checkbox"/> DSC <input type="checkbox"/> Low-Load			<input type="checkbox"/> gross <input type="checkbox"/> net
Total:							

## SYSTEMATIC PURCHASE PLANS

Please complete section 6

Frequency <input type="checkbox"/> Once <input type="checkbox"/> Weekly <input type="checkbox"/> Bi-Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Bi-Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual	Start date DD / MM / YYYY	Last allowable deposit date by Gov't 31 / 12 / YYYY
--	------------------------------	--

## 8. APPLICATION FOR GRANTS

I/We have completed and attached the following application forms:

- CDSG
- CDSB

## 9. BANKING INFORMATION

Please attach a void cheque to this application. Must attach Funds Transfer PAD Agreement

To: Global Growth Assets Inc. I hereby authorize and request to draw on my account (on the date indicated above) at the named financial institution, and to purchase units as indicated above. Should my cheque be returned due to insufficient funds, I understand that a \$35.00 handling fee will be charged to my Global Growth Assets Inc. account.

Name of institution	Address	
Transit Number	Bank Code	Account Number

## 10. SPECIAL INSTRUCTIONS

---

---

---

---

---

---

---

---

---

---

**11. TERMS, CONDITIONS & AUTHORIZATION**

To: Global Growth Assets Inc. – Agent and Bank of Nova Scotia Trust Company – Trustee

- (a) As the Holder(s) of the disability savings plan, I/we the Holder(s) certify that the information given on this form is, to the best of my/our knowledge, correct and complete
- (b) I/We certify that the Bank of Nova Scotia Trust Company has been asked to submit the Global Disability Savings Plan to the Specified Minister as a “registered disability savings plan” in accordance with section 146.4 of the *Income Tax Act*.
- (c) I/We understand that contributions can only be made to the registered disability savings plan by the Holder(s), unless the Holder(s) provides the Issuer with written consent authorizing another entity to contribute in accordance with paragraph 146.4(4)(h) of the *Income Tax Act*.
- (d) I/We agree to notify the Issuer and/or GGAI in the event that the beneficiary is residing outside of Canada.
- (e) I/We understand that the Holders are jointly liable with the beneficiary (or the beneficiary’s estate) for taxes arising in connection with the deregistration of a non-compliant plan
- (f) I/We understand that the information gathered on this form will be shared with both Human Resources and Skills Development Canada and the Canada Revenue Agency for the purposes of administering the registered disability savings plan program and for the validation of beneficiary and holder information. Information collected and under control of HRSDC and CRA will be administered in accordance with the Privacy Act, the Income Tax Act, Canada Disability Savings Act, and the Department of Social Development Act.
- (g) Privacy Statement: I/We, the undersigned, acknowledge that the Agent is aware of the confidentiality of personal information for our clients. At the same time, I/we understand that as a provider of financial services, the collection and use of personal information is fundamental to the Agent’s business. Any information collected will be securely maintained and access limited to their employees, representatives and regulators in the performance of their duties.
- (h) I/We understand that the Canada Revenue Agency will use the information on this form to validate the beneficiary’s residency and disability tax credit eligibility and that these validations will be shared with the Issuer.
- (i) I/We hereby apply to GGAI for a Disability Savings Plan Agreement and acknowledges the following:
  - i. This application, shall become a part of such DSP when executed, and
  - ii. I/We have received a copy of the Declaration of Trust and agree to the terms thereof.
  - iii. The date of registration of a plan cannot be earlier than the date at which all required information is obtained.
  - iv. Using borrowed money to finance the purchase of a DSP involves greater risk than using cash resources only. I am aware that if I borrow money to purchase a DSP, my total liability to repay the loan and the interest thereon may exceed the termination value of the DSP.

Holder 1 Signature X	Date DD / MM / YYYY	Holder 2 Signature X	Date DD / MM / YYYY
Accepted by Global Growth Assets Inc., the Agent, and on behalf of Bank of Nova Scotia Trust Company, Trustee		Authorized Signature X	Date DD / MM / YYYY
Notes		Comments	
<b>FOR OFFICE USE</b>			

# Global Disability Savings Plan Trust Agreement

The Bank of Nova Scotia Trust Company (the “**Trustee**”) will act as trustee of an arrangement for a Global Disability Savings Plan, under which contributions are to be made in trust to the Trustee to be invested, used or applied for the purpose of making payments to the Beneficiary, and where the Beneficiary is eligible for the disability tax credit in the taxation year the arrangement is entered into. In entering into the arrangement, the Trustee agrees to pay or cause to be paid Disability Assistance Payments to a Beneficiary.

The arrangement will be governed by the terms and conditions of this Trust Agreement, the attached application and Applicable Legislation. Under the ITA, an Accountholder is known as a “holder” and the Trustee is known as the “issuer”. New Accountholders are named in the attached application.

The Trustee may delegate the performance of any of the Trustee’s tasks, duties and responsibilities in respect of the Plan and the Plan Trust to Global Growth Assets Inc. (the “**Agent**”). The Trustee shall, however, remain ultimately responsible for the administration of the Plan and the Plan Trust, and shall ensure that the Plan and the Plan Trust are administered in compliance with the requirements of the Applicable Legislation.

The parties, being the Trustee and the Accountholder(s), agree as follows:

## Definitions

For the purposes of this Agreement the ensuing terms will have the following meanings:

“Agent” means Global Growth Assets Inc. (GGAI) which the Agent holds exclusive marketing and distribution rights for Global Disability Savings Plan and is responsible for certain administration duties arranged with the Issuer.

“Agreement” means this Agreement for which the Issuer and Holder agree to the terms herein.

“Applicable Legislation” means the Income Tax Act (“ITA”), the Canada Disability Savings Act (“CDSA”) and its regulations that govern this Plan, the property in this plan, and the parties involved in this Agreement.

“Application” means the application to enter into this Agreement which is attached hereto and forms an integral part hereof.

“Assistance Holdback Amount” means, at a particular time, the amount (including transfers) of Government Funded Benefits paid into a RDSP within the 10 year period before the particular time, less any amount of Benefits paid in that 10 year period repaid to the Specified Minister.

“Beneficiary” means the person is a DTC-eligible individual validly nominated under the Agreement by the Holder for the purpose of the RDSP, to whom or on whose behalf, Lifetime Disability Assistance Payments and Disability Assistance Payments shall be paid.

“Canada Disability Savings Act” (“CDSA”) means the legislated act and its regulations that govern this Plan.

“Contribution” means any amount paid by the Holder or a qualified person with written consent of the Holder, into the Disability Savings Plan of a Beneficiary in accordance with section 146.4(h) of the ITA. Contribution is limited to \$200,000 lifetime per Beneficiary. “Contribution” to a disability savings plan does not include (other than for the purpose of paragraph (b) of the definition of “disability savings plan”)

- a) an amount paid into the plan under or because of the Canada Disability Savings Act or a designated provincial program;
- b) an amount paid into the plan under or because of any other program that has a similar purpose to a designated provincial program and that is funded, directly or indirectly, by a province (other than an amount paid into the plan by an entity described in subparagraph (a)(iii) of the definition “qualifying person” in its capacity as holder of the plan); or
- c) an amount transferred to the plan in accordance with subsection 146.4(8).
- d) other than for the purposes of paragraphs 146.4(4) (f) to (h) and (n) of the ITA, a specified RDSP payment as defined in subsection 60.02(1) of the ITA.

“Disability Assistance Payment (DAP)” means any payment from the Plan to or on behalf of a Beneficiary or to the Beneficiary’s estate.

“Disability Savings Plan” means the Plan of a Beneficiary under an Agreement between the Issuer and

- a) one or more of the following entities:

- i. the Beneficiary,
  - ii. an entity who is a qualifying person in relation to the Beneficiary at the time the Agreement is entered into, and
  - iii. a legal parent of the Beneficiary who is not a Qualifying Person in relation to the Beneficiary at the time the Agreement is entered into but is the Holder of another RDSP of the same Beneficiary;
- b) under which one or more contributions are to be made in trust to the Issuer to be invested, used, or applied by the Issuer for the purpose of making payments to the Beneficiary and
- c) where the Agreement is entered into a taxation year in respect of which the Beneficiary is eligible for the Disability Tax Credit.

“Designated Provincial Program” means a program established under the laws of a province and supports savings in registered disability savings plans.

“Disability Tax Credit (DTC)-eligible Individual” means an individual who would be eligible for the Disability Tax Credit if subsection 118.3(1) of the ITA were read without reference to paragraph 118.3(1) (c) of the ITA.

“Eligible Individual” means a child or grandchild of a deceased annuitant under the registered retirement savings plan or a registered retirement income fund, or of a deceased member of a registered pension plan and who, at the time of the deceased’s death, was financially dependent on the deceased for support by reason or mental or physical infirmity.

“Global Growth Assets Inc. (GGAI)” means the Agent having exclusive rights to market the Global Disability Savings Plan and perform certain administrative functions for the Plan.

“Government Funded Benefits” means the Canada Disability Savings Grant

(CDSG) and Canada Disability Savings Bond (CDSB) as provided for in the CDSA and any other Benefits provided by Applicable Legislation.

“Holder “of a Disability savings plan means a person who is:

- i. an entity that has rights as an entity entered into the Plan with the Issuer;
- ii. an entity who receives rights as a successor or assignee of an entity who entered into the Plan with the Issuer; and
- iii. the Beneficiary, if the Beneficiary has rights under the plan to make decisions concerning the Plan, unless the Beneficiary’s only right is to request that Disability Assistance Payments be made.

There may be more than one Holder (Joint Holders) at any given time and there can be successive Holders.

“Income” means the accrual of earnings on the assets of the Plan.

“Income Tax Act” (ITA)” means the Income Tax Act (Canada) as amended from time to time.

“Issuer” means the Bank of Nova Scotia Trust Company, or its successor, as Issuer of the Trust to hold the assets of the Trust, provided that that the Issuer shall at all times be a corporation licensed or otherwise authorized under the laws of Canada or a province to carry on in Canada the business of offering to the public its services as a Trustee.

“Lifetime Disability Assistance Payments (LDAP)” means Disability Assistance Payments that after they begin to be paid under the terms of the RDSP are payable at least annually until the Beneficiary dies or the Plan is terminated. LDAP must commence at the latest in the year the Beneficiary attains 60 years of age.

“Minister “means the Minister of Canada Revenue Agency.

“Plan” means this arrangement established hereunder and known as the Global Disability Savings Plan, a savings plan established under Applicable Legislation for the purpose of providing long-term financial security for the Beneficiary of the Plan.

“Plan Trust” means the trust governed by the Plan.

“Qualifying Person” means

- a) if the Beneficiary has not reached the age of majority at or before the time the Agreement is entered into:
  - i. a legal parent of the Beneficiary;
  - ii. a guardian, tutor, curator or other individual who is legally authorized to act on behalf of the Beneficiary ;or
  - iii. a public department , agency, or institution that is legally authorized to act on behalf of the Beneficiary.

- b) If the Beneficiary has reached the age of majority at or before the time the Agreement is entered into but is not contractually competent to enter into the Agreement, Qualifying Person will mean an entity as described in paragraphs (ii) or (iii) of this definition.

“Registered Disability Savings Plan (RDSP)” means a Disability Savings Plan that satisfies the conditions of 146.4 of the ITA.

“Specified Disability Savings Plan (SDSP)” means an RDSP that has become an SDSP under authorization of HRSDC through certification provided by the holder(s) from a medical doctor stating that, in their opinion, the beneficiary will not live longer than five years. Increased flexibility allows Beneficiaries to access more funds from their plan by permitting the plan holder to request annual withdrawals for the beneficiary without triggering the 10-year repayment rule, subject to specified limits and certain conditions.

“Specified Minister” means the Minister as designated in the CDSA.

“Specified RDSP payment” means a payment that is made to the Plan after June 2011 that is designated, in prescribed form, by the Holder and the Beneficiary as a Specified RDSP Payment at the time the payment is made. The payment is an amount that originated from the registered retirement savings plan, registered retirement income fund or registered pension plan of the Beneficiary’s deceased parent(s) or grandparent(s). The amount was paid as a refund of premiums, an eligible amount, or a payment (with exception to a payment that is part of a series of periodic payments or payments that relate to an actuarial surplus) because of the parent(s) or grandparent(s) death and the Beneficiary was financially dependent on the parent or grandparent because of a mental or physical infirmity at the time of their death.

“Specified Year” means the particular calendar year in which a medical doctor, who is licensed to practice under the laws of a province (or where a Beneficiary resides), certifies in writing that, in their professional opinion, the Beneficiary is not likely to live more than five years, and each of the following five calendar years after the particular calendar year. The specified year will not include any calendar year that is prior to the calendar year in which the certification is provided to the Issuer.

## **Purpose of the Plan**

The Plan will be operated exclusively for the benefit of the Beneficiary under the Plan. The Beneficiary’s designation is irrevocable and no right of the Beneficiary to receive payments from the Plan is capable of surrender or assignment.

## **Duties of the Agent**

Global Growth Assets Incorporated acting as the Agent is responsible for the distribution and certain administration functions in accordance with the Agent Agreement made between the Issuer and the Agent on May 19 2010. The Agent Agreement was made for the purposes of exchange of information and payment of CDSG and CDSB and follows the established guidelines of CDSA and ITA. The Agent, Global Growth Assets Inc. shall, but is not limited to:

- i. receive contributions in respect of the Plan;
- ii. arrange to have the Trust established with the Trustee to hold the assets of the Plan and accrue Income thereon in accordance with this Agreement.
- iii. arrange to have all fees and expenses payable as set forth in this Agreement;

The Agent, GGAI represents and warrants to the Holder that pursuant to the terms of this Agreement the Issuer has agreed to act as Trustee of the Plan Trust, all property of the Plan Trust shall be irrevocably held exclusively for the benefit of the Beneficiary named for the Plan.

## **Issuer’s Responsibility**

The Issuer will be ultimately responsible for the administration of the Plan with compliance to Applicable Legislation. Without detracting from the Issuer’s ultimate responsibility for the administration of the Plan, the Issuer retains an Agent to provide certain agreed upon services of administration and for distribution and marketing rights for the Plan.

The Issuer shall, where an entity becomes a Holder of the plan after a plan is entered into, so notify the

Specified Minister in a prescribed form containing prescribed information on or before the day that is 60 days after the later of:

- i. the day the Issuer is advised of the entity having become a Holder of the plan, and
- ii. the day on which the Issuer is provided with the new Holder’ Social Insurance Number or Business Number, as the case may be.

The Issuer cannot amend the plan before having received notification from the Minister that amendments comply with required conditions of an RDSP. The Issuer must notify the Minister within 30 days that they are aware that the plan is or is likely to be non-compliant.

The Issuer must exercise diligence and care to minimize the possibility that a Holder of the plan will be liable to pay tax in connection with the RDSP.

In cases of transfer from another RDSP to an Issuer’s RDSP termination of the prior plan is required within 120 days from the transfer date. Failure to meet this requirement means that a plan is deemed never to have been registered if a prior plan has not been terminated on or before the day that is 120 days. The Specified Minister may waive the condition if the Minister considers it unreasonable under circumstances.

If the Issuer fails to comply with these obligations, the Issuer is liable to penalties as set out in subsection 162(7) of the ITA.

## **Conditions for Registration**

The Issuer submits contract information for registration in accordance with the ITA. Registered Disability Savings Plan status is maintained when the plan continues to comply with subsection 146.4(4) of the ITA.

The RDSP is operated exclusively for the benefit of the Beneficiary. The Beneficiary named under an Agreement of the RDSP is an irrevocable Beneficiary and there is no surrender or assignment of the Plan.

There can be only one RDSP for a Beneficiary at any given time except in transfer situations. The Beneficiary is required to be resident in Canada when the plan is entered into except in transfer situations. The Beneficiary must be a DTC Eligible Individual in respect of the taxation year in which the Plan is opened for him/her.

A Disability Savings Plan is not considered registered unless it is based on an approved specimen plan. For each plan being registered under the Specimen Plan the Issuer is to be provided with the Social Insurance Number of the Beneficiary and either the SIN or Business Number of each of the entities entering into the plan.

## Holder's Responsibility

The Holder must provide GGAI with their SIN and other relevant information as required on the application. In addition, they must provide the birth date, residential address and social insurance number of the Beneficiary and must verify the Beneficiary's Canadian residency status. The Holder warrants that the information provided by the Holder is true and accurate, and acknowledges that GGAI and the Issuer are relying on its truth and undertakes to provide proof of these matters if requested by GGAI or the Issuer. The Holder must notify GGAI of any change in the information provided.

Only the Holder may make contributions to the Plan, unless they have given written consent to allow other entities to make contributions into the plan. The Holder is solely responsible for ensuring that the Contributions made under the Agreement in respect of a Beneficiary

do not exceed the RDSP lifetime limit. If the Contribution limits are exceeded, the Holder is solely responsible for the payment of any tax on excess Contributions and for requesting a refund of the excess Contributions.

If more than one person is a party to this Agreement as a Holder they shall be deemed to be joint Holders and all of the rights hereunder shall be enjoyed and exercised by each of them and upon the death of one Joint Holders all rights and obligations shall be enjoyed and exercised by the surviving Holder(s).

The Beneficiary to the plan is irrevocable and no right of the Beneficiary to receive payment from the plan can be surrendered or assigned. There must be at least one Holder for the plan at all times which can include the Beneficiary.

In the case of a new Holder for a plan, the new Holder cannot perform duties of a Holder until GGAI has been advised of the change of Holder within 60 days and provided with the SIN or BN of the new Holder. Upon application and where circumstances warrant, the Minister or the Specified Minister may expand upon the Holder's rights and/or permit extensions to the timelines specified in the applicable legislation.

An entity (other than the legal parent of the Beneficiary) must cease to be a Holder of the plan at the time the entity ceases to be a Qualifying Person in relation to the Beneficiary.

## Changes in Holder

An entity may only become a successor or assignee of a Holder if the entity is:

- i. the Beneficiary;
- ii. the Beneficiary's estate ;
- iii. a Holder of the Plan at the time rights under the Plan are acquired ;
- iv. a Qualifying Person in relation to the Beneficiary at the time the rights under the Plan are acquired; or

- v. a legal parent of the Beneficiary who was previously a holder of the Plan.

## Designation of Beneficiary

A person qualifies as a Beneficiary for a Disability Savings Plan if they are resident in Canada when the designation is made, unless he or she was already a Beneficiary under another RDSP. The individual must be a DTC Eligible Individual in respect of the taxation year in which the Plan is opened for them before designation to the Plan can take place.

The individual is not considered a Beneficiary of the Plan until the Holder designates the Beneficiary on the Application by providing the Beneficiary's Social Insurance Number (SIN), full name, address, gender and date of birth.

A Beneficiary can be the Holder of their own Plan or can become a Holder of their Plan when they reach the age of majority and are contractually capable. The Beneficiary may be the sole Holder or one of the Joint Holders for the RDSP. The person designated on the Application as the Beneficiary under the Agreement will be the only Beneficiary at all times.

## Contributions

Contributions to a plan can be made if at the time the Beneficiary is DTC –eligible in respect of the particular taxation year and the Beneficiary was living at that time. Transfer of funds from one RDSP to another RDSP is not considered as a contribution.

Contributions are not deductible for tax purposes. Contributions can be made by anyone or by any entity on behalf of a Beneficiary with written consent of a Holder of the plan. Contributions made on the behalf of a Beneficiary are not returnable to the Contributor. Contributions may be extended over a period of time for



this Agreement in respect of the Beneficiary and shall not exceed the RDSP lifetime limit of \$200,000 as defined in the ITA.

An RDSP cannot accept Contributions when a Beneficiary is not resident of Canada. Contributions may not be made to the plan after the year the Beneficiary has attained the age of 59. Subject to certain conditions, Contributions will result in the receipt of Government Funded Benefits. A Contribution does not include Government Funded Benefits.

## **Registered Plan Rollover**

A "Specified RDSP Payment" is also known informally as a Rollover in the context of the RDSP program. Rollover amounts originating from a Registered Retirement Savings Plan(RRSP), Registered Retirement Income Fund(RRIF) or Registered Pension Plan(RPP) of an RDSP beneficiary's parent or grandparent are permitted tax free transfer to the beneficiary's RDSP. Rollover amounts are permitted if the beneficiary was financially dependent on the parent or grandparent at the time of the deceased's death, from whom the rollover occurs. Rollover amounts are required to respect the RDSP \$200,000 contribution limit.

## **Government Funded Benefits**

Subject to certain conditions and limitations, Contributions to a RDSP will result in the receipt of Government Funded Benefits which are allocated to an account for the Beneficiary maintained by the Issuer within the Trust. Income earned on such Benefits will be allocated to a separate account for the Beneficiary maintained by the Issuer within the Trust.

The total amount of Government funded Benefits will not exceed \$70,000 of CDSG and \$20,000 of CDSB during the Beneficiary's lifetime.

Net Family income thresholds used to determine Government Funded Benefits eligibility for a child under the age of majority (age 18) are referable to the Beneficiary's parents or legal guardian. Thereafter, the net family income of the Beneficiary will be used, even if they live with their parents or legal guardian.

The Agent and the Issuer will take all reasonable steps to ensure receipt by the Issuer on behalf of the Plan of any Government Funded Benefits to which the Beneficiary of the Plan is from time to time entitled. Application for RDSP and forms for Grant and Bond are required to be completed and submitted by the applicable entities.

In circumstances required by the CDSA and of the ITA, GGAI will cause the Issuer to make a payment from the Trust as a repayment of Government Funded Benefits previously received by the Trust. The Plan and the Plan Trust will comply with any relevant conditions or limitations which may be imposed from time to time by the CDSA and the ITA in connection with the Government Funded Benefits.

The Holder and Beneficiary agree to provide such information as may reasonably be required from time to time, in order to enable GGAI and the Issuer to apply for and administer any Government Funded Benefits in accordance with the ITA and the CDSA.

Disability Assistance Payment will be comprised of Contributions, Income earned and Government Funded Benefits.

## **Canada Disability Savings Grant (CDSG)**

Contributions made before the year that the Beneficiary of an RDSP attains 50 years of age are eligible to attract CDSG. The maximum amount of CDSG that can be allocated to an

RDSP of a Beneficiary is \$70,000. The CDSG maximum annual amount is \$3,500. The amount of eligible CDSG is determined by the Beneficiary's net family income level and the amount of contribution for the particular year.

## **Canada Disability Savings Bond (CDSB)**

The CDSB is paid into an RDSP to a maximum of \$1,000 per year to a maximum of \$20,000 during a Beneficiary's lifetime available before the year the Beneficiary attains age 50. Net family income levels determine the amount paid annually. Contributions are not required to receive the Bond.

## **Carry-Forward Provision**

Unused grant and bond entitlements from the past 10 years, starting from 2008, can be claimed for an RDSP. Annual maximums paid on unused entitlements are : \$10,500 of grant money and \$11,000 of bond money. Carry forward amounts pertain to eligibility requirements established for previous years. Eligibility for the carry forward requires the beneficiary to be aged 49 or under at the time of the claim.

## **Investments and Income**

All monies held in the Trust shall be invested in accordance with the investment policies that are established for the Plan and shall be qualified investments for RDSPs under the ITA. There is one trust account per Beneficiary.

The Income of the Plan Trust with respect to Contributions shall be allocated on a periodic basis to the account of the Beneficiary by the Issuer, based upon the amount of Contributions to the plan and the Income of the Plan Trust with respect

to Contributions allocated to the Beneficiary's account to that date minus any withdrawals, transfers or repayments of such Contributions or other amounts to that date.

## Payments from the Global Disability Savings Plan

Disability Assistance Payments consisting of Contributions, earned Income and Government Funded benefits are payable from the Plan within limitations imposed by the ITA and the CDSA and any provincial grant programs in connection with the CDSA.

Lifetime Disability Assistance Payments must be initiated no later than the year when the Beneficiary attains the age of 60 or if the plan was entered into after the age of 60 (in case of a transfer) the calendar year following the calendar year in which the plan was established.

The following payments can be made from the Global Disability Savings Plan trust:

- i. to a Beneficiary: Disability Assistance Payment (DAP) when requested and/or Lifetime Disability Assistance Payments (LDAP) commencing in the particular year.
- ii. to a trust of the Beneficiary that irrevocably holds property pursuant to an RDSP in the case of a transfer : Contributions , CDSG, CDSB and Income held in a previous RDSP
- iii. to the estate of the Beneficiary where the Beneficiary has died: consisting of the total of Contributions, Income earned and Government Funded Benefits after AHA and Designated Provincial Programs repayment.
- iv. Repayments of CDSG and/or CDSB: where there is a refund of

Government Funded Benefits to the government as specified under Repayment of Grants and Bonds under the CDSA or Designated Provincial Program.

## Maximum Payments amount of Lifetime Disability Assistance Payments of an RDSP

Total of all such payments made in any calendar year that begin must continue to be paid at least annually and are not to exceed the amount determined by the formula  $A/(B+3 -C) + D$  where:

A is the fair market value of the property held by the plan trust at the beginning of the calendar year (other than annuity contracts held by the plan trust that, at the beginning of the calendar year, are not described in paragraph (b) of the definition "qualified investment" in subsection 205(1) of the ITA)

B is the greater of 80 and the age in whole years of the Beneficiary at the beginning of the calendar year

C is the age of the Beneficiary at the beginning of the calendar year

D is the total of all amounts each of which is:

- i. a periodic payment under an annuity contract held by the plan trust at the beginning of the year (other than an annuity contract described at the beginning of the calendar year in paragraph (b) of the definition "Qualified Investment" in subsection 205(1) of the ITA) that is paid to the plan trust in the calendar year, or
- ii. if the periodic payment under such an annuity contract is not made to the plan trust because the plan trust disposed of the right to that payment in the year , a reasonable estimate of that payment on the assumption that

the annuity contract had been held throughout the year and no rights under the contract were disposed of in the year

A DAP may not be made from the Plan if the fair market value of the property held by the Plan Trust, immediately after the payment is made, would be less than the Assistance Holdback Amount in relation to the Plan.

If the total amount of all Government Funded Benefits paid into this and another Registered Disability Savings Plan of the Beneficiary before the beginning of the calendar year exceeds the total amount of contributions (other than a transfer) paid into this and another Registered Disability Savings Plan of the Beneficiary before the beginning of the calendar year then the following conditions must be adhered to:

- a) If the calendar year is not a Specified Year for the Plan, the total amount of Disability Assistance Payments made in the year from the Plan will not exceed the amount determined by the formula in paragraph 146.4(4)(l) of the ITA in respect of the Plan for the calendar year. When calculating the total amount, a transfer is to be disregarded if payments are made in lieu of those that should have been made under the prior plan of the Beneficiary as described in paragraph 146.4 (8) (d ) of the ITA. A transfer is to be disregarded if the transfer is made in lieu of a payment that would have been permitted to be made from the other plan in the calendar year if the transfer had not occurred.
- b) If the Beneficiary has reached 27 years of age but not 59 years of age before the calendar year, the Beneficiary may direct that one or more Disability Assistance payments be made from the Plan in the year provided that the total

of all Disability Assistance Payments made from the plan in the year do not exceed the amount imposed by the constraints of paragraph (a) of this section. These payments may not be made from the Plan if the fair market value of the property held by the Plan Trust, immediately after the payment is made, would be less than the Assistance Holdback Amount in relation to the Plan.

- c) If the Beneficiary has reached 59 years of age before the calendar year, the total of all Disability Assistance Payments made from the Plan in the year, will be equal to the amount determined by the formula in paragraph 146.4(4)(l) of the ITA. If the property in the Plan Trust is insufficient to make available the required amount, a lesser amount may be paid.

### **Non-taxable portion of Disability Assistance Payment**

The non-taxable portion of a DAP made at a particular time from an RDSP of a Beneficiary is the lesser of the amount of the DAP and the amount determined by the formula

$A \times B/C$  where:

A is the amount of Disability Assistance Payment

B is the amount, if any, by which the total of all amounts each of which is the amount of a contribution made before the particular time to any RDSP of the Beneficiary (other than as a transfer) exceeds the total of all amounts each of which is the non-taxable portion of a DAP made before the particular time from any RDSP of the Beneficiary; and

C is the amount by which the value of the plan's assets immediately before the payment exceeds the Assistance Holdback Amount

### **Transfers**

An RDSP may be transferred to the Global Disability Savings Plan from another RDSP, and likewise when there is a request of a transfer from the Global Disability Savings Plan to another RDSP all relevant conditions and limitations must be satisfied as imposed from time to time by the ITA.

A transfer under the direction of Holder(s) of a plan requires the Issuer to transfer all the property held by the plan trust to another RDSP of the same Beneficiary with all information necessary for compliance, and conditions imposed under Applicable Legislation.

A Beneficiary may not be a beneficiary under another RDSP unless the Beneficiary is transferring to another plan. The amount must be transferred directly to another RDSP of the Beneficiary and the prior plan is to be closed within 120 days from opening the new plan. When the Beneficiary is eligible for Lifetime Disability Assistance Payments the plan will make payments from the new plan accounting for all payments already made from RDSPs for the particular year and the aggregate amount contained in the new plan consistent with the LDAP formula in 146.4(4)(l) of the ITA.

For all purposes of this Agreement, where an amount is transferred to the Plan from another RDSP, the amounts received from the transferor RDSP shall be allocated as follows: Contributions made to the transferor RDSP and Income earned thereon shall be deemed to be Deposits to this Agreement and Income earned thereon respectively; Government Funded Benefits received by the transferor RDSP and Income earned thereon shall be deemed to be Government Funded Benefits received under this Agreement and Income earned thereon respectively.

A transfer will not be treated as a disposition of assets.

### **Fees and Expenses**

The Trustee and/or the Agent may charge administration and transaction fees, in such amounts and at such times as may be fixed by the Trustee and/or the Agent from time to time, provided that the Trustee and/or the Agent will give

reasonable prior written notice to the Accountholder of a change in the amount of such fees. Such fees may be paid for out of, or recovered from, the property of the Plan Trust, to the extent that they are not paid when due by the Accountholder.

The Trustee and/or the Agent may charge expenses incurred by the Trustee and/or the Agent in the administration of the Plan and the Plan Trust. Such expenses may be paid out of, or recovered from, the property of the Plan Trust, to the extent that they are not paid on a timely basis by the Accountholder.

All taxes, penalties, and interest applicable to the Plan or the Plan Trust (but not, for greater certainty, applicable to the Accountholder) shall be charged to the Plan Trust. Such taxes, interest and penalties will be paid for out of, or recovered from, the property of the Plan Trust.

Provided however that the Trustee and/or the Agent may not charge or recover fees or expenses or taxes, penalties and interest to the extent that it would result in the fair market value of the property of the Plan Trust being less than the Assistance Holdback Amount.

Subject to the paragraph above, the Trustee may, without instructions from the Accountholder, apply any cash held in the Plan Trust for the payment of fees or expenses or taxes, penalties and interest charged

to the Plan or the Plan Trust. Where there is insufficient cash in the Plan Trust at any time, the Trustee or the Agent shall make reasonable requests for instructions from the Accountholder regarding which investments of the Plan Trust to liquidate in order to realize sufficient cash to make the payment. If, after making reasonable requests from the Accountholder at the last address provided by the Accountholder, the Trustee or the Agent do not receive instructions satisfactory to it from the Accountholder within a reasonable time, the Trustee may, in its discretion, liquidate part or all of the property of the Plan Trust in order to realize sufficient cash to make the payment. Any such liquidation shall be made at such prices as the Trustee may in its discretion determine to be the fair market value of the property at the time.

## **Tax Considerations**

Contributions to a RDSP are not deductible. The investment income on Contributions, CDSGs and CDSBs accrues tax-free in the Plan. CDSGs, CDSBs, Income earned and Rollovers (or Specified RDSP Payments) in the Plan are included in the Beneficiary's income for tax purposes when paid out of an RDSP. Contributions are not included as income for tax purposes when paid out of a RDSP.

The amount taxable to a Beneficiary or their estate is the amount, if any, that exceeds the non-taxable portion of a Disability Assistance Payment. Adjusted income of an individual excludes payments from a RDSP in the calculation for tax on OAS benefits. Income excludes payments from a RDSP from the income base upon which OAS benefits and Employment Insurance benefit repayments are calculated. Adjusted income excludes payments from a RDSP from the income base

used for calculating the Canada Child Tax Benefit.

No tax is payable by a Trust for an RDSP on the taxable income of the Trust for a taxation year except in very limited circumstances where a trust borrows money, carries on a business or holds non-qualified investments. Transactions that give rise to tax are: buying or selling property for inadequate consideration, investing in non-qualifying investments, extending supplementary advantages and using trust property as security. Tax is payable where the trust has borrowed money and the tax is payable in the year borrowed or in the following year. No tax is paid if borrowed funds for the particular year are repaid before the beginning of the next year. Each Holder is responsible to pay tax on non-qualified investments that they chose for the RDSP.

The CDSA provides for a deduction for an amount repaid by a taxpayer to the extent that the amount was previously included as income.

## **Joint and Several Liability**

The Holder of a Plan is jointly liable without limitation with the Beneficiary (or the Beneficiary's estate) for taxes arising from de-registration of a non-compliant plan. A Joint Holder's payment reduces the total liability but not the proportionate liability of other Holder. A loss of registered status means that the plan has made a Disability Assistance Payment immediately before de-registration of the plan. The taxable portion of the payments is included as income for the year.

## **Termination of the Plan**

A plan is to be terminated by the end of the calendar year following the year of the calendar year in which the Beneficiary ceases to be a DTC-eligible individual as per the ITA information contained in paragraph 118.3(1)(a.1) or when the Beneficiary dies.

Amounts remaining in the plan after any repayments under the CDSA are paid to the Beneficiary or the Beneficiary's estate by the end of the calendar year for a Plan to be terminated.

## **Cessation of Registered Status and Non-Compliance of the Plan**

Conditions set out in subsection 146.4(3) must be subsequently satisfied and if not the plan is deemed never to have been a Registered Disability Savings Plan and the registered status is rescinded to the time it was entered into. Subsection 146.4(3) requires that the Issuer notify the "Specified Minister" of the plan's existence within 60 days of the Agreement being entered into. Further, it is required that any pre-existing RDSP of the Beneficiary be terminated within 120 days of the plan being entered into. If a RDSP becomes non-compliant at any time, it loses its registered status. An RDSP excludes a plan that is not compliant and under rules of subsection 146.4(10) to 146.4(12) of the ITA.

If either the Issuer, the Holder, or the Beneficiary of the Plan fails to comply with the requirements in respect of Registered Disability Savings Plan as set out in the Applicable Legislation or if the Plan is not administered in accordance with its terms, the Plan will be considered non-compliant and will cease to be Registered Disability Savings Plan at that time.

At the time the Plan ceases to be registered, a Disability Assistance Payment will be deemed to have been made from the Plan to the Beneficiary or, if the Beneficiary is deceased, to their estate, that is equal to the amount by which the fair market value of the property held by the Plan Trust exceeds the Assistance Holdback Amount.

If the requirements of the Applicable Legislation are not met, the Plan will cease to be a Registered Disability Savings Plan unless the Minister of National Revenue waives such requirements.

If the Plan ceases to be registered because a Disability Assistance Payment made results in the fair market value of the plan property being less than the Assistance Holdback Amount, then an additional Disability Assistance Payment amount will be deemed to have been made to the beneficiary equal to:

- (i) the lesser of the Assistance Holdback Amount and the fair market value of the plan property at the time the payment was made, or
- (ii) the fair market value of the plan after the payment was made.

The non-taxable portion of the payment will be deemed to be nil.

## **Rights**

If a Beneficiary emigrates from Canada the DSP can stay open but Contributions and Government Funded Benefits must cease.

## **Amendment**

Only the Issuer, with approval by the Registered Plans Directorate, shall be entitled without concurrence of or prior notice to the Holder or the Beneficiary to make any amendment to this Agreement which is:

- i. required to be made in order to comply with any applicable law or order or rule of any governmental or regulatory authority or to ensure the continued qualification of the Agreement as an RDSP under the CDSA or the ITA;
- ii. necessary or desirable in the opinion of the Issuer, provided such amendment does not adversely affect the rights of any

Holder or Beneficiary and does not have the effect of disqualifying the Agreement as an RDSP under the CDSA and ITA; or

- iii. necessary to rectify a clerical or typographical error herein.

Any amendment to this Agreement other than an amendment referred to in paragraph (i) above may be made by the Issuer and such amendment shall be effective 30 days after written notice has been provided to the Holder and Beneficiary.

## **Notice**

Any notice required or permitted to be given hereunder shall be mailed by prepaid mail or personally delivered. Notices mailed are deemed received on the fifth day following mailing and notices delivered upon delivery thereof. Notice to the Agent from a Holder and Beneficiary shall be addressed to 100 Mural Street, Richmond Hill, Ontario L4B 1J3. Notice to the Holder and Beneficiary shall be addressed to their addresses on the records of the Agent. Any party may change its address for notice by the method aforesaid and the Agent may change its address for notice by making reference to a new address in the annual report delivered to the Holder and Beneficiary.

## **Statements**

The Holder and the Beneficiary shall be provided with a statement, not less frequently than annual, showing the amount of the Contributions, any additions or deductions therefrom, the amount of Government Funded Benefits, the income earned, the annual rate of return earned by the Trust during the previous year and other relevant information for the RDSP. In addition, the Holder and the Beneficiary shall be provided annually with the financial statements in the form of an annual report with respect to the Trust.

A copy of the semi-annual financial statements and the statement of investment portfolio and portfolio transactions of the Trust will also be available without charge upon request.

## **Governing Law**

This Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein and shall be binding upon the Holder acting on behalf of the Beneficiary and his or her heirs, executors and administrators.