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Tax Policy Branch  
Department of Finance  
140 O'Connor St.  
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Re: **RDSP: Comment on draft legislation**

The Multiple Sclerosis Society of Canada is pleased to comment on the draft legislation that will establish the Registered Disability Savings Plan (RDSP). The government of Canada is to be commended for initiating the RDSP and the Working Income Tax Benefit (WITB), both of which should positively benefit some – but unfortunately, not all – people who are disabled. We hope our suggestions will strengthen this positive initiative.

The MS Society applauds the establishment of a plan which will encourage families to provide for the future income security of a person with disabilities. Equally important is the contribution to individual plans by the government through the Canada Disability Savings Grant (CDSG) and the Canada Disability Savings Bond (CDSB).

A significant concern, however, is that despite the CDSG and the CDSB, low income families will find it difficult to establish and maintain an RDSP. When having to choose between providing food for the family and contributing to an RDSP, the necessity of feeding family members will win, as it should.

The definition in the plan of who will be eligible for the RDSP is too restrictive. By using eligibility for the disability tax credit (DTC) as the criteria, hundreds of thousands of people with disabilities will not be eligible. This is particularly concerning for people with MS who often have episodes of being severely disabled that fluctuate with periods of remission. These periods of relapses and remissions can last for months, and even years. The same issue exists with the WITB, which also uses qualification for the DTC as its definition of eligibility.

Another issue regarding the RDSP that must be solved is the interaction with provincial and territorial governments. Many people with disabilities rely on social assistance payments as their only source of income. If a family manages to establish an RDSP, a question that is not yet answered is whether provincial/territorial governments will treat the money in the RDSP or income from the RDSP as assets. If they do, then carefully saved money may very well be clawed back by the provincial and territorial social assistance programs.

In conclusion, while the Multiple Sclerosis Society applauds the government's initiatives with the RDSP and the WITB, we believe both could be improved and expanded. The MS Society has long urged the government of Canada to take a broader approach to disability income security and disability supports. **It is a logical next step from the establishment of these two programs to a feasibility study on the creation of a comprehensive disability income program for all people with disabilities in Canada.** This study could be undertaken in the context of the promised Canadians with Disabilities Act.

In addition, we have the following specific recommendations for the RDSP:

- That the definition of who is eligible for the RDSP be expanded to include persons with disabilities who do not currently meet the DTC criteria because of fluctuating conditions.
- That the government of Canada actively engage provincial and territorial governments in discussions to ensure the money in and income from RDSPs are not clawed back by provincial and territorial social assistance programs.

We hope that you will find our input helpful. For more information, please contact Deanna Groetzinger, Vice-President, Government Relations and Policy, MS Society of Canada: e-mail – [Deanna.groetzinger@mssociety.ca](mailto:Deanna.groetzinger@mssociety.ca); telephone – 416-967-3007.

Yours sincerely,

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