



RESPONSE TO PETITION

Prepare in English and French marking 'Original Text' or 'Translation'

PETITION No.: **421-03890**

BY: **MR. ARYA (NEPEAN)**

DATE: **MAY 17, 2019**

PRINT NAME OF SIGNATORY: **JENNIFER O'CONNELL**

Response by the Minister of Finance

SIGNATURE

Minister or Parliamentary Secretary

SUBJECT

Autism

ORIGINAL TEXT

REPLY

The Government understands that individuals with disabilities may face unique challenges in accessing and completing post secondary education, including financial barriers. Budget 2019 contains measures that will better support persons with disabilities to meet their post-secondary studies goals. By modernizing the Canada Student Loans Program for student borrowers with disabilities, these changes would:

- Increase the cap on the Canada Student Grant for Services and Equipment for Students with Permanent Disabilities from \$8,000 to \$20,000 per year, to help students with permanent disabilities afford the necessary services and equipment for their studies.
- Expand eligibility for the Severe Permanent Disability Benefit so that more student borrowers with severe permanent disabilities can qualify for loan forgiveness; and,
- Make it easier for students with permanent disabilities to return to school with support after a long absence.

These changes would also implement interest-free and payment-free leave in six-month stackable periods, for a maximum of 18 months, for borrowers taking temporary leave from their studies for medical reasons, including mental health leave.

Within the tax system, the Government also offers specific tax measures and supports to help individuals with disabilities to save for their education. Individuals wishing to save specifically for education purposes can do so through a Registered Education Savings Plan (RESP). The Government supports savings in an RESP with the Canada Education Savings Program, which provides Canada Education Savings Grants and Canada Learning Bonds. Income earned on contributions to RESPs, including federal grants and bonds, grows tax-free until it is withdrawn. Additional flexibility may exist for those saving in an RESP for a person with a severe disability, in that investment income earned in an RESP may be transferred on a tax-free basis, to a Registered Disability Savings Plan (RDSP) for that same beneficiary.

While the Government appreciates the spirit of the petition, the purpose of the RDSP is to provide a tax-assisted savings vehicle to help Canadians save for the long-term financial security of an individual with a severe disability, rather than to assist with education-related expenses. The limits that exist on withdrawals from an RDSP are based on recommendations by an external expert panel and are designed to ensure the RDSP helps to support long-term savings.

The Government of Canada is committed to further supporting the financial security of persons with disabilities. Budget 2019 proposes to remove the requirement to close an RDSP when an RDSP beneficiary no longer qualifies for the Disability Tax Credit (DTC). Allowing a beneficiary to keep their RDSP open during periods in which they do not qualify for the DTC will ensure RDSP beneficiaries are not required to return amounts they received during a period when they qualified for the DTC. Budget 2019 also proposes to exempt RDSP assets from seizure in bankruptcy, with the exception of contributions made in the 12-month period prior to bankruptcy. Together these measures will better protect the long-term savings of persons with disabilities.