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Savings plan helps disabled, families

A Biggar woman predicts a collective sigh of relief will sweep across Saskatchewan once people with disabilities and their families learn that the provincial government is enacting an exemption that will provide relief from the cycle of poverty.

"The majority of adults with disabilities in this country live in poverty," said Laurie Larson, the vice-president of the Canadian Association for Community Living and the mother of two sons with disabilities. "Poverty leads to more exclusion because you can't participate in the community if you don't have the funds or you don't have access to transportation. You tend to remain isolated and excluded and it's a vicious cycle."

She said parents were excited when the federal government's 2007 budget introduced the Registered Disability Savings Plans (RDSPs) for people with disabilities. The initiative aims to help people with disabilities and families with a child or other family member with a disability save for their longterm financial security. However it was not exempt from provincial social assistance calculations in Saskatchewan. That changed Thursday. The province announced it will allow those with disabilities or their parents to create RDSPs without having to worry that the assets will be clawed back when withdrawals are made on behalf of the beneficiaries. Prior to the announcement, welfare recipients saw a dollar-for-dollar clawback of their benefits whenever their families provided financial support because social assistance is considered a last-resort program.

"What we're trying to do with our proposed regulation amendment is to make it absolutely clear that whether the money is sitting there as an asset or whether our client derives an income from it, it's exempt," said Debbie Grant, the director of Income Assistance with the Ministry of Social Services. "The use of those funds can be used to pay the monthly rent, buy a TV or get some kind of special equipment. The RDSP is an encouragement to put funds in that plan and it's also a relief for families that there will be funds available with some matching grants and bonds from the federal government so it can grow."

Beginning in December, Canadians who have a severe and prolonged physical or mental impairment and are eligible for the Disability Tax Credit will be able to take advantage of the initiative. The RDSP will be similar to an RRSP, which is set up through a financial institution.

Creating the exemption shows a lot of insight on the part of Social Services Minister Donna Harpauer, said Michael Richter, executive director of the South Saskatchewan Independent Living Centre.

"It shows that she understands that a good percentage of the long-term caseload on social assistance are people with disabilities so the exemption for social services income support is paramount," he said. "The whole idea behind the RDSP is to help out with a better quality of life for a person with a disability and it really wouldn't make sense at all to claw those dollars back because someone is in receipt of social assistance."

Larson said many parents worry about the future for their disabled children.

"What happens after the parents die?" she asked. "Knowing that poverty is the future, a lot of parents want to do something. This will give them the vehicle to begin to address that ... It is very good news that Saskatchewan has taken this step."

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