

How does the FHSA work?

A First Home Savings Account (FHSA) is the first step for your first home. We're here to support you every step of the way on your journey towards home ownership. Let's explore how an FHSA can help

1. Am I eligible to open an FHSA?

You can open an FHSA, if you are a Canadian resident between the ages of 18 (or 19 for your province) and 71, and you qualify as a first-time home buyer.

2. How much can I contribute to an FHSA?

Starting the year you open an FHSA, you can contribute up to \$8,000 per year, up to a lifetime limit of \$40,000. These contributions are tax-deductible from your income for the year of the contribution.

3. Can I carry forward contribution room?

Yes, you can carry forward your unused contribution room to the following year, to a maximum of \$8,000. That means the most you can contribute in any one year is \$16,000 (\$8,000 annual limit + \$8,000 carryforward).

4. Can I transfer money in or out of an FHSA?

Yes! You can transfer money in from an RRSP (but not a TFSA or RRIF) if you have the FHSA contribution room. You can transfer money out from an FHSA to an RRSP or a RRIF (but not a TFSA), regardless of your RRSP contribution room. Note that transfers are not tax-deductible, and they don't affect RRSP contribution room.

5. How do I withdraw money from an FHSA?

Withdrawals for a qualifying first-home purchase can be made tax-free. If you don't end up buying a home, you can withdraw the money for other purposes, but it would be considered taxable income.

6. When do I have to close an FHSA?

There is a maximum timeframe for an FHSA, and it must be closed 15 years after opening your first FHSA, the year you turn 71, or the year after your first qualifying withdrawal—whichever comes first.

Talk to an advisor today so we can get started!



The Power of Us®

