Tax-Free First Home Savings Account (FHSA)

The Tax-Free First Home Savings Account (FHSA) will allow clients to save up to buy their first home. Future buyers will be able to save $40,000 on a tax-free basis.

Who is eligible?

Any resident of Canada aged between 18 and 71 years who did not, at any prior time in the calendar year or in the preceding four calendar years, inhabit as a principal place of residence[1] an eligible home[2] in Canada or elsewhere, owned, or co-owned by them or their current spouse or common-law partner[3].

Maximum annual contribution

The annual limit is $8,000 with a lifetime limit of $40,000. You can carry forward your unused FHSA participation room at the end of the year, up to a maximum of $8,000 to use in the following year.

Tax savings

Your FHSA contributions are tax-deductible and will allow you to reduce your taxable income of the year you contribute. Your investment income is tax-exempt. Withdrawals for the purchase of a first eligible property are not taxable and do not need to be repaid.

Currently available eligible products:

Accompanied by our wealth advisor, you can invest in a wide range of investment solutions.

How to use your FHSA

Buy your first home

The FHSA is a new registered plan that can help you save tax-free for buying your first home.

Combine the FHSA and the HBP

You can use the funds from your FHSA and perform an HBP-type withdrawal for purchasing the same property.

Save more

If you're not buying a property, you can save more for retirement by transferring your FHSA to an RRSP (or RRIF) without affecting your RRSP contribution limit.

If you have any questions, please contact your wealth advisor.

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1 Principal place of residence: The place an individual lives regularly, normally or usually. Note that this is not the principal residence, since in that case, the individual must also own the property.

2 Eligible home: An eligible home is a qualifying dwelling unit located in Canada. This can be an existing home or one being constructed. Single-family homes, semi-detached homes, row housing, mobile homes, condominiums, apartments in a duplex, triplex or quadruplex, and apartment buildings are eligible. A share in a condominium that grants you, as a co-owner, the right to own a dwelling unit located in Canada is also eligible; however, a share in a condominium that only grants you the right to live in the unit does not. With regard to condominiums, you become its owner the day you gain the right to take possession of it.

3 Common-law partner: (subsection 248(1), definition as per the *Income Tax Act* (Canada)) With respect to a taxpayer at any time, means a person who cohabits at that time in a conjugal relationship with the taxpayer and:
– has so cohabited throughout the 12-month period that ends at that time, or
– would be the parent of a child of whom the taxpayer is a parent [...]

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