

FHSA = First Home Savings Account

Introducing the First Home Savings Account, a new way to save for your future:

A FHSA is a registered plan allowing you, as a prospective first-time home buyer, to save for your first home tax-free (up to certain limits).



Who can open a FHSA?

Canadian residents who are between 18 and 71 years of age who are considered a first-time home buyer. In certain provinces and territories, the age to legally contract is 19 years (i.e.: BC).

What is a first-time homebuyer?

You will be considered to be a first-time home buyer if you did not, at any time in the current calendar year before the account is opened or at any time in the preceding four calendar years, live in a qualifying home (or what would be a qualifying home if located in Canada) as your principal place of residence that either: you owned/jointly owned or your spouse/common-law partner (at the time the account is opened) owned or jointly owned.

How much can you contribute to your FHSA?

Your FHSA participation room in the year that you open your first FHSA (2023) = \$8,000

The lifetime FHSA limit = \$40,000

How much can you deduct?

The contributions that you make to your FHSAs may be deductible on your income tax and benefit return for the year of the contribution or a future year, like RRSP contributions.

FHSA Carryforward

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. You are not able to carry forward all unused contribution room.

Transfers from your RRSPs to your FHSAs

Generally, you can transfer property from your RRSPs to your FHSAs without any immediate tax consequences if it is a direct transfer and does not exceed your unused FHSA participation room at the time of the transfer.

Contributions

Unlike RRSPs, contributions that you make to your FHSAs during the first 60 days of the year are **not** deductible on your **previous** year's income tax and benefit return.

You also cannot claim a tax deduction for any FHSA contributions that you make after your first qualifying withdrawal.

For more information, please visit the CRA website:

<https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/first-home-savings-account.html>