

First Home Savings Account

Tax-free and suddenly rent-free. Invest today to reach your down-payment goals faster.

What is the First Home Savings Account?

The First Home Savings Account (FHSA) is a government-registered, tax-free investment savings account — combining the benefits of a TFSA and RRSP — to which you can contribute up to a lifetime maximum of \$40,000 to purchase your first home!

Who is eligible for an FHSA?

- Canadian resident
- Age of majority in your province
- Under the age of 71
- Is a first-time homebuyer*

*A first-time homebuyer as defined by the CRA

[Learn More →](#)

Save for your first home tax-free

Annual contribution limit \$8,000	Lifetime contribution limit \$40,000	Unused contribution carry-over period 1 year	Total time you can hold an FHSA 15 years*
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*You can hold an FHSA for up to 15 years or until the end of the year that you turn 71.

What are the benefits of an FHSA?

-  Use it to save up to \$40,000 for your first home
-  Keep your gains tax-free
-  Contributions are tax-deductible
-  The flexibility to hold a variety of investments in an FHSA
-  Withdrawals are tax-free when used for a qualifying home purchase
-  Carry over unused contribution room up to \$8,000 for one year
-  Transfer unused FHSA funds to an RRSP or RRIF tax-free

Comparing investments with tax-benefits

	FHSA	RRSP	TFSA
Annual contribution limit	\$8,000	18% of your earned income for the previous year or the maximum specified by CRA for the year	\$7,000 (2024 contribution limit)
Contributions are tax deductible	Yes	Yes	No
Taxable withdrawal if used for home purchase?	No	Yes (unless under HBP)	No
Taxable withdrawal if used for other purchase?	Yes	Yes (Unless under Lifelong Learning Plan)	No
Limit towards first home purchase	\$40,000	\$35,000	Entire balance
Repayment	Not required	Within 15 years, starting 2nd year after withdrawal	Not required
Carryforward contribution room	Yes	Yes, if contribution room available	Yes
Maturity limit	15 years from account opening or age 71, whichever occurs first	By the last day of the year the account holder turns 71	None
Spousal contributions	Not allowed	Allowed in a spousal RRSP	Not allowed

FAQs

What is considered a “qualifying withdrawal” from my FHSA to keep it tax-free?

- Your new home must be your main residence within one year after buying or building it.
- You must be a first-time home buyer when you make a withdrawal or within 30 days of moving into a qualifying home.
- You'll need a written agreement to buy or build a qualifying home before Oct. 1 of the year following the year of the withdrawal.

Can I withdraw the funds if I don't purchase a qualifying home?

Yes, you can withdraw the funds in this case. However, it wouldn't be a tax-free qualifying withdrawal. You would need to include the withdrawal in your income and pay tax at your marginal tax rate. Or, you can transfer unused amounts to your Registered Retirement Savings Plan (RRSP) or Registered Retirement Income Fund (RRIF) on a tax-deferred basis.

Can I open an FHSA if my spouse or I already own a home?

You are no longer considered a first-time home buyer if in the past four years, you occupied a home that you, your current spouse, or common-law partner owned. You can only open an FHSA if you are a first-time home buyer and meet the eligibility criteria.

Do I have to withdraw all my FHSA funds at the same time?

No. However, once you make your first qualifying withdrawal, you must withdraw or transfer to your RRSP or RRIF all remaining funds by December 31 of the following year.

Can I open an FHSA if I own a rental property?

Yes! As long as you didn't live in the home in the current year or any of the four preceding years and you meet all the other requirements to open an FHSA.

Ready to Take the First Step to Your First Home?

Say goodbye to renting and hello to home ownership. Start saving for your first home with tax-free benefits.

connectfirstcu.com/FHSA

*Terms and conditions apply.

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