

SAVINGS AND
INVESTMENTS

Build your down payment and take the first step toward homeownership

Looking to buy your first home?
The FHSA can help make
it happen.



Maya has been renting for the past six years. She dreams of having a place of her own, but wonders whether homeownership is still within reach. She wants to grow her savings faster without giving up the small pleasures that make everyday life enjoyable.

beneva

People
protecting
people

The FHSA: an ally on the path to homeownership

Dreaming of buying your first home? The FHSA can help you grow your down payment and get you there sooner.

Why is the FHSA so attractive?

The FHSA combines the benefits of an RRSP and a TFSA in a single registered plan. On the one hand, contributions to your FHSA are tax-deductible. On the other, you can withdraw the money you've accumulated to purchase your first home without paying tax and without having to repay the funds, unlike withdrawals made through the HBP.

- Deduct your contributions from your taxable income, just like with an RRSP.
- Contribute up to \$8,000 per year, to a lifetime maximum of \$40,000.
- Carry forward up to \$8,000 of unused contribution room to the following year if you don't contribute the maximum.
- Combine the FHSA and the HBP (Home Buyers Plan) to maximize your down payment.

Good to know

The FHSA can take different forms depending on your risk tolerance and investment horizon, including a guaranteed-interest account or an investment account



How Maya turns her tax refunds into a bigger down payment

Maya, 28 years old, has been renting an apartment for six years. Each year, she manages to set aside \$7,000. Yet, like many people, she wonders whether owning a home is still attainable.

With an annual income of \$55,000 and a 31% marginal tax rate, she decides to open an FHSA to invest her savings. In addition to earning tax-sheltered investment growth, her contributions reduce her taxable income. The result? She receives a tax refund, which she reinvests into her FHSA.

After maximizing her FHSA contribution room, she plans to apply the same strategy with her RRSP. Year after year, her savings, investment returns and tax refunds continue to build her down payment.

Without increasing the amount she saves or sacrificing her lifestyle, Maya moves one step closer to her goal: buying her first home.

Five-year savings comparison table

	TFSA	FHSA	RRSP	FHSA and RRSP
Basic savings	\$35,000	\$35,000	\$35,000	\$35,000
Tax returns reinvested	None	\$5,000	\$14,000	\$14,000
Total capital invested after five years	\$35,000	\$40,000	\$49,000	\$49,000
Tax-free withdrawal for the purchase of a first home, with no repayment required	\$35,000	\$40,000	None	\$40,000
HBP withdrawal	None	None	\$49,000	\$9,000
Reimbursement of HBP	None	None	\$3,066 per year	\$400 per year

Why is the FHSA the right choice for Maya?

The FHSA allows Maya to make every dollar she saves work harder.

Each year, her contributions reduce her taxable income, making her eligible for a tax refund. This strategy helps her build a down payment faster and reduces her reliance on the HBP, leaving more room in her budget once she becomes a homeowner.

When it's time to buy her first home, Maya will be able to withdraw the funds accumulated in her FHSA tax-free, with no obligation to repay the amount withdrawn.

She can also use the HBP to access the savings accumulated in her RRSP. By combining both plans, she'll have a larger down payment and be even better positioned to achieve her goal of homeownership.

Open your FHSA today! Every dollar you contribute helps build your down payment while reducing the amount of tax you pay.