

SAVINGS AND
INVESTMENTS

First Home Savings Account (FHSA)

The plan that turns your dream of home ownership into a concrete project.



beneva

People
protecting
people

For future homeowners, the First Home Savings Account (FHSA) is the most significant tax innovation since the Home Buyers' Plan (HBP).

The FHSA combines the best features of both the TFSA and the RRSP, while allowing your investment to grow tax-free. Like an RRSP, your contributions reduce your taxable income. Like a TFSA, your withdrawals to purchase a first home are completely tax-free. Plus, you don't have to repay the amount withdrawn for your down payment.

Is the FHSA right for you?

The FHSA may be particularly beneficial if you're in one of the following situations:

You want to buy your first home

- The FHSA is designed for you if you're planning to purchase your first house or condo.
- Your contributions lower your taxable income.
- Your withdrawals to purchase a home are tax-free.

You're starting your career

- The FHSA allows you to begin saving early for a future home purchase.
- Unused contribution room can be carried forward to the following year, up to a maximum of \$8,000.

You're planning to buy a home as a couple

- Each spouse or partner can open their own FHSA.
- This allows you to accumulate up to \$80,000 tax-free.
- Unlike the HBP, FHSA eligibility is determined individually.
- If one of the two of you has previously owned a home, the other may still benefit from the advantages of the FHSA.

You cannot open an FHSA if, during the current year or the previous four years, you lived in a home owned by your spouse or common-law partner.

Key benefits of the FHSA

The FHSA is the only registered plan in Canada that offers both a tax deduction for contributions and tax-free withdrawals for the purchase of a first home. A unique dual advantage for future homeowners.

- Contribute while reducing your taxable income, just like with an RRSP.
- Withdraw funds tax-free to purchase a first home, with no repayment obligation, unlike the HBP.
- Contribute up to \$8,000 per year, to a lifetime maximum of \$40,000.
- Carry forward your unused contribution room to the following year, up to \$8,000.
- Combine the FHSA and the HBP to maximize your down payment.
- Transfer unused funds to your RRSP, with no immediate tax consequences, if you don't purchase an eligible home.
- Invest in guaranteed interest accounts or investment accounts.

Helping you achieve your dream of home ownership

Our financial security advisors are here to help you make the most of the advantages offered by the FHSA and maximize your down payment.

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

For more information, go to beneva.ca.

