## SAVING STRATEGY FOR YOUR FIRST HOME

# First Home Savings Account

Annual tax-deductible contribution limit

\$8,000





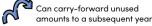
Save up to a maximum down payment \$40,000

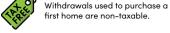


First Home Savings Account can be used together with the Home Buyers' Plan

\$40k + \$35k\*

Combine the two savings plans to purchase the same qualifying home. \*Current Home Buyers' Plan maximum





## Eligibility

Certain conditions must be met in order to be eligible to participate in the First Home Savings Account

## First Time Buyer



You did not occupy a home that you owned, in the last 4 years.

#### Resident of Canada



You must be a resident of Canada and at least 18 years of age.

#### Agreement



You must have a written agreement to buy or build a qualifying home before Oct 1 of the year following the year of withdrawal.

### **Primary Resident**



You must be the primary resident of the home within one year after buying or building it.

#### Location



A qualifying home would be a housing unit located in Canada.

## Qualifying Investments



Savings Account



Mutual **Funds** 



Stocks



**Bonds** 



**GICs** 



**ETFs** 



## First Home Savings Account Considerations



#### **Timeline of Account**

The account can remain open for up to 15 years, until you turn 71.



## **Excess Contributions**

A penalty of 1% per month applies to over-contributions.



#### Transfers

You can transfer funds from an FHSA to another FHSA, an RRSP or a RRIF on a tax-free basis.



## Non-Qualifying Withdrawals

Withdrawals that are not qualifying will be included in your income and taxed as such.

Mark Bull, MFA-P, CLU, CFP, CHS, CEA

President Bull Financial Services Inc. 905-576-0230 mark@bullfinancial.ca



This is a general guide only and is not intended to replace professional financial and tax advice in any form. Please consult a professional financial advisor on how it relates to your situation. The information provided here is accurate as of the date of publication, February 21, 2023. Infographic designed by Ativa Interactive ©Copyright 2023. All Rights Reserved.