FHSA FAQs

What is a First Home Savings Account?

The FHSA is a registered plan designed to help first-time homebuyers save toward their first home—tax-free. Contributions to an FHSA are tax-deductible (like an RRSP) and qualifying withdrawals are tax-free (like a TFSA).

What are the benefits of the FHSA?

The FHSA has advantages similar to both a TFSA and an RRSP.

- Contributions reduce your taxable income (like an RRSP)
- Tax-free interest (like a TFSA)
- Qualifying withdrawals are tax-free and don't need to be repaid (like a TFSA)

Who's eligible for an FHSA?

You can open an FHSA if you:

- Are a Canadian resident
- Are a first-time homebuyer
- Are aged 18 - 71

How much can I contribute?

You can contribute up to $8,000 annually—with a lifetime contribution limit of $40,000.

Any unused contribution room can carry forward to the following year up to a maximum of $8,000.

Can I open multiple FHSAs?

Multiple FHSAs can be opened across different financial institutions, but the total contribution amount to all FHSAs can't exceed the annual and lifetime contribution limits.

What are the spousal contribution rules?

You and your spouse can each open your own FHSA. As long as you're both first-time homebuyers, you can both use your accounts to buy the same home. As a couple, your annual combined contribution room would be $16,000 ($8,000 x 2), with a lifetime maximum of $80,000 ($40,000 x 2). Spouses cannot contribute to each other's FHSAs.

Can I hold investments in an FHSA?

Yes, you can hold investments such as GICs, mutual funds, bonds, or ETFs in an FHSA. You can also keep cash savings with an FHSA savings account.

When deciding which to choose, consider your personal risk tolerance and your time horizon for purchasing a home.

Do I have to use the funds by a specific date?

Yes.
Once you open your first FHSA, you have 15 years to use the funds for a down payment on a home. When you remove your funds to purchase a home, you'll have to close on the home by Oct. 1 of that year and move into it within a year. Otherwise, you will be subject to taxes.

What if I don't end up purchasing a home?

If you don't use the money in your FHSA within 15 years of opening the account (or by the end of the year you turn 71), you can transfer it—tax-free—to an RRSP or RRIF. You can also withdraw it, but you will be taxed on the amount you withdraw.

Can I transfer funds between an RRSP and an FHSA? Or between two FHSAs?

Funds can be transferred in either direction between an RRSP and an FHSA without tax consequences, as long as they're transferred directly between the financial institutions of the plans involved, and as long as the funds added to the FHSA don't exceed the unused contribution room. Withdrawals from an RRSP are subject to taxes.

Funds may also be transferred between FHSAs without tax consequences, but it also must be a direct transfer.

How does the FHSA differ from the Home Buyers' Plan (HBP)?

The HBP allows you to borrow up to $35,000 from your RRSP tax-free, subject to eligibility and conditions, but it must be paid back within 15 years. With an FHSA, you can contribute a lifetime maximum of $40,000 and qualifying withdrawals are also tax-free—however, they don't need to be repaid.

You can contribute to both an HBP and FHSA.

VS.	2023 Contribution limit	Tax-deductable contributions	Tax-free withdrawal
FHSA	$8,000	Yes	Yes*
TFSA	$6,500	No	Yes
RRSP	$30,780**	Yes	No

*Qualifying withdrawals are tax-free (for use of purchasing first home)

**18% of your previous year's income, up to a max of $30,780