

First Home Savings Account

SAVING STRATEGY FOR YOUR FIRST HOME

Annual tax-deductible contribution limit

\$8,000

Can carry-forward unused amounts to a subsequent year.

Save up to a maximum down payment

\$40,000*

Withdrawals used to purchase a first home are non-taxable.

**Contribution limits may apply*

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.

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.

Resident of Canada

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

Location

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

Qualifying Investments

- ✓ Savings Account
- ✓ Mutual Funds
- ✓ Stocks
- ✓ Bonds
- ✓ GICs
- ✓ ETFs
- ✓ Segregated Funds

First Home Savings Account Considerations

Timeline of Account

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

Transfers

Any savings not used to purchase a qualifying home can be transferred tax-free to an RRSP or an RRIF.

Excess Contributions

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

Non-Qualifying Withdrawals

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

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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. (v1 07/23)