



THE INVESTMENT
FUNDS INSTITUTE
OF CANADA

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D'INVESTISSEMENT
DU CANADA

2022 IFIC OPERATIONS DAY

Tax-Free First Home Savings Account (FHSA)

IFIC Operations Day

What we know about this new plan:

- Contributions will be deductible
- Income earned will not be subject to tax
- Qualifying withdrawals will be non-taxable (non-qualifying withdrawals will be taxable)
- Must be a resident of Canada
- At least 18 years of age
- Must not have lived in a home that they owned either:
 - At any time in the year the account is opened, or
 - During the preceding four calendar years
- Will be limited to making non-taxable withdrawals in respect of a single property in their lifetime
- Required to close the FHSA within a year from the first non-taxable withdrawal and will not be eligible to open another FHSA
- Lifetime limit contribution of \$40,000, annual contribution limit of \$8,000
- No carry forward of unused annual contribution room
- Allowed more than one FHSA account
- Transfer from FHSA to RRSP or RRIF will be allowed – will not be taxable at time of transfer & will not impact RRSP contribution room
- Transfer from an RRSP to an FHSA on a tax-free basis will be allowed
- Account must be closed within 15 years of first opening an FHSA
- Will not be permitted to do a HBP and FHSA withdrawal for the same qualified home