Save for a first home with the tax-free First Home Savings Account (FHSA)

The new First Home Savings Account (FHSA) can help you save for a first home, while enjoying important tax advantages. Even if you, personally, already have a home, the FHSA may still benefit your younger family members.

Why should you open a FHSA?

- Receive tax deductions for your contributions.
- Room accumulates at $8,000 per year once the account is opened.
- Lifetime maximum contribution of $40,000 is possible.
- Carry forward up to $8,000 unused contribution room to future years.
- Earn tax-free investment income on your contributions.
- Make tax-free withdrawals to purchase a first home in Canada.
- Alternatively, transfer FHSA funds tax free to your RRSP (or RRIF) without reducing your available RRSP contribution room (effectively gaining more RRSP contribution room).

Quick tip: Carry forward contribution room only starts accumulating after you open a FHSA – so considering opening one this year, even if you don't make a contribution right away.

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Who can open a FHSA?

- First-time home buyers (defined as not owning a home lived in as a principal residence at any time during the part of the calendar year before opening the account or the preceding four calendar years)
- Current spouse (including common-law partner) must also be a first-time home buyer
- Canadian residents over the age of majority, who will not be older than age 71 on December 31 of the year the account is opened.

Quick tip: Have family members who don't have a first home yet? You can give funds to your family members, like your children and grandchildren, to open their own FHSAs.