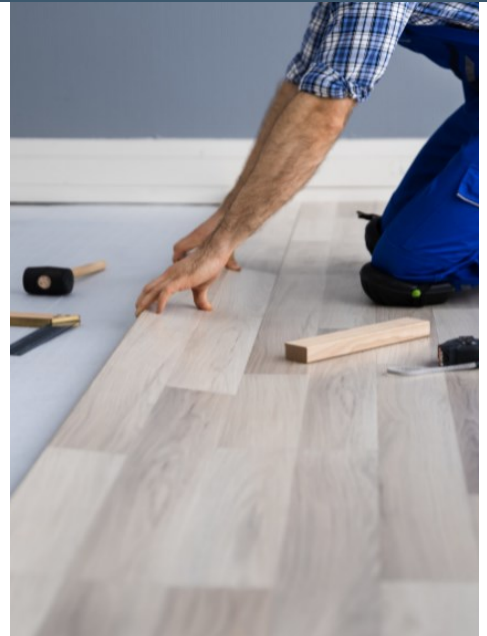


First Home Savings Accounts (FHSA), Registered Retirement Savings Plans (RRSP) and Tax Free Savings Accounts (TFSA) are three different types of savings accounts available in Canada, each with its own unique features and tax implications. Here's an overview of the key differences between them:

	FHSA <sup>1</sup>	RRSP <sup>2</sup>	TFSA <sup>3</sup>
What kind of savings account is it?	<ul style="list-style-type: none"> <li>Home savings account</li> </ul>	<ul style="list-style-type: none"> <li>Retirement savings account</li> </ul>	<ul style="list-style-type: none"> <li>Savings account</li> </ul>
Do I qualify to open an account?	<ul style="list-style-type: none"> <li>Have not owned a home in the preceding four calendar years</li> <li>Be 18 years or older</li> <li>Canadian resident</li> </ul>	<ul style="list-style-type: none"> <li>Have an income</li> <li>Be 71 years old or younger</li> <li>Canadian resident</li> </ul>	<ul style="list-style-type: none"> <li>Have a valid SIN</li> <li>Be 18 years or older</li> </ul>
What types of investments can I hold in this account?	<ul style="list-style-type: none"> <li>GICs</li> <li>Mutual Funds</li> <li>Savings deposits</li> <li>Stocks, bonds, ETFs, alternative assets such as real estate and mortgages (as part of Alitis Investment Funds)</li> <li>Cash</li> </ul>	<ul style="list-style-type: none"> <li>GICs</li> <li>Mutual Funds</li> <li>Savings deposits</li> <li>Stocks, bonds, ETFs, alternative assets such as real estate and mortgages (as part of Alitis Investment Funds)</li> <li>Cash</li> </ul>	<ul style="list-style-type: none"> <li>GICs</li> <li>Mutual Funds</li> <li>Savings deposits</li> <li>Stocks, bonds, ETFs, alternative assets such as real estate and mortgages (as part of Alitis Investment Funds)</li> <li>Cash</li> </ul>
How does tax affect contributions?	<ul style="list-style-type: none"> <li>Tax deductible amount</li> </ul>	<ul style="list-style-type: none"> <li>Tax deductible to a certain limit</li> </ul>	<ul style="list-style-type: none"> <li>Does not provide a tax deduction</li> </ul>
How does tax affect withdrawals?	<ul style="list-style-type: none"> <li>Money won't be taxed if withdrawn to purchase a qualifying home</li> <li>Tax-free income</li> </ul>	<ul style="list-style-type: none"> <li>Money won't be taxed until it is withdrawn</li> <li>Tax-deferred income</li> </ul>	<ul style="list-style-type: none"> <li>Money won't be taxed when withdrawn</li> <li>Tax-free income</li> </ul>
When can I withdrawal my money?	<ul style="list-style-type: none"> <li>You are qualified to make a tax free withdrawal if you've already signed a contract to purchase a house</li> <li>Residing in the house you made a withdrawal for within a year of purchasing or constructing the house</li> </ul>	<ul style="list-style-type: none"> <li>You can make withdrawals anytime but they are taxable and withdraw rules vary depending on type of account and legislation</li> <li>As part of the Home Buyers Plan (HBP), you can withdraw up to \$35,000 from your RRSP to use towards the purchase of a qualifying home</li> </ul>	<ul style="list-style-type: none"> <li>You can withdraw funds from your TFSA at any time without incurring taxes or penalties</li> <li>The withdrawn amount is also added back to your contribution room the following year</li> </ul>
How much can I contribute?	<ul style="list-style-type: none"> <li>Can make contributions of \$8,000 annually up to a lifetime total of \$40,000</li> </ul>	<ul style="list-style-type: none"> <li>2024 RRSP limit is 18% of your 2023 "Earned Income" to a maximum of \$31,560 (plus unused amounts from prior years)</li> </ul>	<ul style="list-style-type: none"> <li>Contribution amount changes yearly and your TFSA contribution room grows each year</li> <li>2024 contribution limit was \$7,000 with the total limit of \$95,000</li> </ul>
How long can I keep the account open?	<ul style="list-style-type: none"> <li>Ends on the earliest of these events: the 15th anniversary of having the account opened, the year you turn 71 or the year after you make your first qualifying withdrawal from the account</li> </ul>	<ul style="list-style-type: none"> <li>You must convert a RRSP to a RRIF by December 31 of the year that you turn 71</li> </ul>	<ul style="list-style-type: none"> <li>You may keep your TFSA open as long as you live</li> </ul>



## We can help!

Whether your financial goals involve purchasing your first home, securing a comfortable retirement, or constructing a tax-efficient investment portfolio, our dedicated team of Portfolio Managers can provide you with expert guidance and personalized solutions. Our Portfolio Managers are knowledgeable in differences of these accounts and the constantly evolving tax laws while taking the time to understand your unique financial situation. We are committed to delivering innovative solutions, thought-provoking advice and exception service.

### **Disclaimers and Disclosures - Alitis Investment Counsel Inc. ("Alitis")**

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1. Government of Canada. (2023, May 24). First Home Savings Account (FHSA). <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/first-home-savings-account.html>
2. Government of Canada. (2023c, July 28). Registered Retirement Savings Plan (RRSP). <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/rrsps-related-plans/registered-retirement-savings-plan-rrsp.html>
3. Government of Canada. (2023a, January 6). Tax-Free Savings Account (TFSA), Guide for Individuals. [https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4466/tax-free-savings-account-tfsa-guide-individuals.html#P44\\_1111](https://www.canada.ca/en/revenue-agency/services/forms-publications/publications/rc4466/tax-free-savings-account-tfsa-guide-individuals.html#P44_1111)