



## **SSC # 86 – HOME BUYER PLAN (HBP) & FIRST HOME SAVINGS ACCOUNT (FHSA) as PART OF THE FINANCIAL PLANNING PROCESS**

### **This course is eligible for:**

**2.5 Life & A&S CE Credits for BC, SK, MB & ON.**

**2.5 Life ONLY CE Credits for AB**

### **Target Audience**

This course is designed for licensed Canadian financial advisors, financial planners, investment representatives, and mutual fund dealing representatives who advise retail clients on savings strategies, registered account planning, and home purchase preparation. It is particularly relevant for professionals whose client base includes individuals and couples in the 25-to-45 age range who are actively planning a first home purchase within a one-to-five-year timeframe.

The course will also be of significant value to advisors who serve clients at the earlier stages of wealth accumulation and who wish to incorporate proactive first-home planning into their onboarding and annual review processes.

### **Why HBP + FHSA Integration *is* Part of Financial, Estate & Holistic Planning**

#### **1. Financial Planning (Core)**

Advisors must evaluate **registered account strategy, tax deductions, withdrawal timing, and repayment obligations.**

- The FHSA provides **tax-deductible contributions** and **tax-free withdrawals** for a qualifying home purchase.
- The HBP allows **up to \$60,000** to be withdrawn from an RRSP tax-free, with a **15-year repayment schedule.**

*Coordinating these two programs determines:*

- Optimal contribution sequencing
- Whether to prioritize FHSA vs. RRSP
- How to structure cash flow for HBP repayments
- How to maximize tax refunds to accelerate savings

This is textbook financial planning.

## 2. Estate Planning (Indirect but Important)

*While neither program is an estate-planning tool per se, they influence estate-related considerations:*

- **Beneficiary designations** on RRSPs and FHSAs affect what happens if the client dies before or after a qualifying withdrawal.
- **Gifting strategies** (e.g., parents funding RRSP contributions so adult children can withdraw under HBP) intersect with intergenerational wealth transfer.
- **Home ownership structure** (joint tenancy, tenants-in-common, spousal rights) becomes relevant once the home is purchased.

Advisors routinely integrate these elements into estate discussions.

## 3. Tax Planning

*Both programs are fundamentally tax-driven:*

- FHSA contributions reduce taxable income and withdrawals are tax-free.
- HBP withdrawals are tax-free, but **repayments must be made**, or the missed amount becomes taxable income.

Advisors must model:

- Marginal tax rate arbitrage
- Optimal timing of contributions
- Whether to use FHSA first, RRSP first, or both
- Combined maximum of **\$100,000 per person** (\$200,000 per couple) toward a down payment.

This is central to tax-efficient planning.

## 4. Holistic First-Home Strategy

The FHSA + HBP combination is now the **standard** first-home planning framework in Canada.

- The FHSA is described as “the most useful registered account Canada has introduced in decades for first-time buyers.”
- Government guidance explicitly confirms that **HBP and FHSA can be used together for the same home.**

Advisors who do not integrate both programs are missing a major planning opportunity.

## Learning Objectives

*Upon successful completion of this course, participants will be able to:*

1. **Identify** the eligibility conditions, contribution limits, carry forward rules, and account lifecycle requirements of the First Home Savings Account (FHSA) as established under the Income Tax Act and administered by the Canada Revenue Agency.
2. **Explain** the current rules, withdrawal limits, repayment obligations, and recent legislative amendments governing the Home Buyers' Plan (HBP), including the 2024 Federal Budget increase of the withdrawal limit to \$60,000 per person.
3. **Compare** the tax treatment, strategic advantages, and planning constraints of the FHSA and HBP to determine the relative suitability of each program for clients with differing income levels, timelines, and financial circumstances.
4. **Apply** an integrated FHSA and HBP strategy to client scenarios — including single individuals and couples — by sequencing contributions, structuring deduction timing, and coordinating withdrawals to maximise total tax savings and available down payment funds.
5. **Calculate** projected tax savings, tax refunds, and cumulative down payment amounts for representative client scenarios using combined FHSA and HBP strategies, incorporating variables such as income, marginal tax rate, contribution timeline, and investment growth.
6. **Evaluate** client files for compliance risks, documentation gaps, and common errors related to FHSA and HBP participation, and apply the applicable regulatory standards of all the Provincial Insurance Regulators, CIRO, FP Canada, and the CSF to ensure that recommendations are suitable, compliant, and properly documented.