TAX-SHELTERED WEALTH BUILDING

Canadian Registered Accounts Explained

How to Maximize Your Wealth Using the FHSA, TFSA, and RRSP

1. FHSA (First Home Savings Account)

The FHSA is Canada's most powerful home-buying account. It combines the tax-deduction benefits of an RRSP with the tax-free withdrawal benefits of a TFSA.

- **Annual Contribution Limit:** $8,000 per year up to a lifetime maximum of $40,000.
- **Tax Deductible:** Every dollar deposited reduces your taxable income for that calendar year.
- **100% Tax-Free Home Purchase:** When withdrawing to buy your first qualifying home in Canada, you pay zero income tax on the principal or investment gains.

2. TFSA (Tax-Free Savings Account)

Available to any Canadian resident age 18+ with a valid SIN. All capital gains, dividends, and interest grow 100% tax-free for life.

- **Withdrawal Flexibility:** You can withdraw money at any time with zero tax penalty. Any withdrawn amount is re-added to your contribution room on January 1st of the following year.
- **Lifetime Room Accumulation:** Contribution room accumulates every year you are a Canadian resident age 18+, even if you did not open an account that year.

3. RRSP (Registered Retirement Savings Plan)

Designed to help Canadians defer income taxes during high-earning years and fund retirement.

- **Contribution Limit:** 18% of your previous year earned income (up to the annual CRA cap).
- **Home Buyers' Plan (HBP):** First-time buyers can withdraw up to $60,000 tax-free from their RRSP to buy a home, repayable over 15 years.

> **Strategic Priority Recommendation**
> If buying a home within 15 years: Maximize FHSA first ($8,000/yr) -> then TFSA ($7,000/yr) -> then RRSP for tax refunds.