

PRODUCT	TFSA	RRSP	FHSA
FEATURES			
What is it?	A registered plan where your investment earnings and withdrawals are tax-free Explore TFSA's	A registered plan where your contributions are tax-deductible (up to your personal deduction limit) and investment earnings are tax-deferred. (Taxes are withheld when you withdraw funds, usually when you are retired and in a lower tax bracket). Explore RRSP's	A new registered plan designed to help first-time homebuyers. Your contributions are tax-deductible and investment earnings and withdrawals are tax-free if used to purchase your first home. Explore FHSA's
What is it typically used to save for?	Shorter-term goals (new bike, vacation, home reno, etc.) or longer-term (retirement or home ownership)	Retirement	Your first home
Who can open one?	Canadian residents with a Social Insurance Number (SIN) who are at least 18 (age of majority)	Canadian residents with a Social Insurance Number (SIN) who are under age 71, have earned income and file a tax return in Canada	Canadian residents with a Social Insurance Number (SIN) who are at least age 18 (and no less than the age of majority in your province) and under age 71, and you and/or your spouse or common-law partner have not owned a home where you lived in the current calendar year or at any time in the preceding four calendar years
What types of investments can I hold in it?	<ul style="list-style-type: none"> Guaranteed Investment Certificates (GICs) TFSA High Interest Variable account Index-linked GIC Mutual funds 	<ul style="list-style-type: none"> Guaranteed Investment Certificates (GICs) RRSP High Interest Variable account Index-linked GIC Mutual funds 	<ul style="list-style-type: none"> Guaranteed Investment Certificates (GICs) FHSA High Interest Variable account
Can the plan be opened jointly?	No, a TFSA is an individual plan	No, an RRSP is an individual plan, but you can contribute to a spousal RRSP	No—an FHSA is an individual plan
TAX TREATMENT			
Are contributions tax-deductible?	No	Yes, up to your personal limit	Yes (up to the annual and lifetime limits)
Do my savings grow tax-free or tax-deferred?	Tax-free	Tax-deferred (added to taxable income the year you take the money out; a withholding tax will also apply to early withdrawals)	Tax-free as long as you use funds for a qualifying first home
CONTRIBUTING FUNDS			
How much can I contribute each year?	\$6,500 for 2023, (\$7,000 for 2024) plus your unused contribution room and any amounts you've withdrawn from previous years	18% of previous year's earned income, less any pension adjustment, up to maximum annual limit (\$30,780 for 2023) (\$31,560 for 2024)	\$8,000 annually, plus up to \$8,000 of your unused contribution room, up to a maximum lifetime limit of \$40,000
Is there an over-contribution penalty tax?	Yes, 1% per month on excess contributions	Yes, 1% per month on excess contributions (if you exceed your deduction limit by \$2,000)	Yes, 1% per month on excess contributions
Can I carry forward unused contribution room?	Yes, indefinitely	Yes, until December 31, the year you turn 71	Yes, unused contribution room can be carried over to the next year, up to a maximum of \$8,000
Do I have to earn income to get contribution room?	No	Yes	No
Can I contribute after age 71?	Yes	No, you must convert to a RRIF or purchase an annuity, or close the plan by December 31 of the year you turn 71. You can convert your plan to a RRIF or annuity to receive a steady stream of income, or make a taxable withdrawal for the full balance of your plan.	No, the funds in your FHSA must be used by the 15th anniversary of opening the FHSA or December 31 of the year you turn 71, whichever comes earlier.
WITHDRAWING FUNDS			
Can I take my money out for any reason?	Yes. Timing will depend on what investment product you hold in your GIC.	Yes, but taxes are withheld at the time of withdrawal (unless participating in the Home Buyers' Plan or Lifelong Learning Plan)	Yes, although timing depends on what investments you hold in your FHSA. If you use the funds for anything other than a qualifying first home, your withdrawal will be taxable.
If I withdraw money, do I get my contribution room back?	Yes, withdrawal amounts are added to contribution room the following year	No. If you do a withdrawal from an RRSP, you lose the contribution room, meaning you can't recontribute the funds in future years. Home Buyer Plan withdrawals need to be contributed back over a 15-year period.	No
Do withdrawals affect government benefits?	No	Possibly, yes—withdrawals increase your income, which could impact government benefits like Old Age Security (OAS) payment	It depends on the type of withdrawal: <ul style="list-style-type: none"> Withdrawals used to purchase a qualifying home will not affect government benefits Non-qualifying withdrawals increase your income, which could impact government benefits like Old Age Security (OAS) payments