

Information Sheet
Home Buyers' Plan (HBP)

WITHDRAWAL

- You (and your spouse) can "borrow" up to \$25,000 from your RRSP to use toward the purchase of a home
- To qualify, you or your spouse must not have owned a home during the last five years
- You must file form *T1036* (provided by your financial institution)
- You are given until October 1 of the year following the RRSP withdrawal to purchase a home
- If you fail to purchase a home by the October 1 deadline, you can return your funds to the RRSP by December 31 of that year without penalty
- You cannot withdraw money from an RRSP that has been contributed within 90 days, otherwise it will be taxed to you

REPAYMENT

- The money you borrow must be repaid in annual instalments over a 15-year period or sooner
- Each year the Canada Revenue Agency will send you a *Home Buyers' Plan Statement of Account*, which will indicate the repayment you have to make for the next year
- Repayment begins no later than 60 days after the second year following the withdrawal
- For example, for a withdrawal during 2012, the 1st repayment is due by March 1, 2015 (60 days following 2014 year-end)
- Amounts designated as repayments are not deductible from income, and have no effect on your RRSP contribution limits since they represent repayment of money borrowed from the plan
- If you do not make the required payment for any particular year, the shortfall for that year will be added to your income

OTHER

- Complications can arise where there are special circumstances such as;
- Overpayments or underpayments in a particular year
- Spousal plans
- Age (over 71)
- Non-residential US
- Death

For more information click [HERE](#)

Please call us at 905-898-4900 before making a final decision or if you have any questions regarding the above.