



Designate an Excess FHSA Amount as a Withdrawal from your FHSA or as a Transfer to your RRSP or RRIF

Use this form to make a designated withdrawal from your first home savings account (FHSA) or a designated transfer from your FHSA to your registered retirement savings plan (RRSP) or registered retirement income fund (RRIF).

If you are making more than one designated withdrawal or transfer, fill out a separate form for each designated withdrawal or transfer.

For instructions on how to fill out this form, go to page 3.

Part 1 – FHSA holder information		
Last name	First name and initials	Social insurance number (SIN)
Address		Telephone number

Part 2 – Source of property for the designated withdrawal or designated transfer		
I am the holder of the FHSA which the property is being withdrawn from, as a designated withdrawal, or transferred from, as a designated transfer.	Name of issuer	FHSA contract or account number

Part 3 – Excess FHSA amount	
Enter your excess FHSA amount immediately before the designated withdrawal or designated transfer: \$ _____	
Tick only one box and enter the amount to be designated.	
Your designated withdrawal cannot exceed your excess FHSA amount immediately before the withdrawal. Also, the amount of your designated withdrawal cannot exceed the total amount of contributions to your FHSAs immediately before the designation minus the total amount of any previously designated withdrawals.	
<input type="checkbox"/>	Amount to be designated as a withdrawal: \$ _____ (Complete Part 4 and Part 5 of this form. Do not complete Part 6 to Part 9.)
Your designated transfer cannot exceed your excess FHSA amount immediately before the transfer. Also, the amount of your designated transfer cannot exceed the total amount of transfers from your RRSPs to your FHSAs immediately before the designation minus the total amount of any previously designated transfers.	
<input type="checkbox"/>	Amount to be designated as a transfer: \$ _____ (Complete Part 6 to Part 9 of this form. Do not complete Part 4 and Part 5.)
For more information, go to canada.ca/contribute-transfer-too-much-fhsa .	

Part 4 – FHSA holder (for designated withdrawal)		
Withdraw the amount shown in Part 3 as a designated withdrawal from the FHSA shown in Part 2.		
I understand that if I designate a withdrawal that exceeds the total amount of contributions to my FHSAs immediately before the withdrawal minus the total amount of any previously designated withdrawals, the additional amount will be treated as a taxable withdrawal from my FHSA, which must be included as income on my income tax and benefit return for the year of the withdrawal. For more information, go to canada.ca/contribute-transfer-too-much-fhsa .		
_____	_____	_____
FHSA holder's name	FHSA holder's signature	YYYY / MM / DD

Part 5 – FHSA issuer		
We have withdrawn \$ _____ from the FHSA shown in Part 2 as a designated withdrawal.		
_____	_____	_____
Issuer's or carrier's name	Authorized person's signature	YYYY / MM / DD

Part 6 – FHSA holder (For designated transfer)

Transfer the amount shown in Part 3 as a designated transfer from the FHSA shown in Part 2 to the (tick only **one** box) RRSP RRIF shown in Part 7.

I understand that if I designate a transfer that exceeds the total amount of transfers from my RRSPs to my FHSAs immediately before this transfer **minus** the total amount of any previously designated transfers, the additional amount will be treated as a regular transfer from my FHSA to my RRSP or RRIF, which will not reduce my excess FHSA amount.

Any additional amount transferred from my FHSA to my RRSPs or RRIFs is subject to the following rules:

Any portion of the additional amount transferred that exceeds the total fair market value of all the property held in all of my FHSAs at the time of the transfer **minus** any remaining excess FHSA amount at the time of the transfer, will be treated as both:

- a taxable withdrawal from my FHSA, which must be included as income on my income tax and benefit return for the year of the transfer
- a new RRSP contribution at the time of the transfer to my RRSP or RRIF

For more information, go to canada.ca/contribute-transfer-too-much-fhsa.

Holder's name

Holder's signature

YYYY / MM / DD

Part 7 – Issuer or carrier

We will accept the direct transfer of \$ _____ to the (tick only **one** box):

RRSP – Plan number: _____

RRIF – Fund number: _____

Issuer's or carrier's name

Authorized person's signature

YYYY / MM / DD

Part 8 – Transferor

We have transferred \$ _____ from the FHSA shown in Part 2 to the (tick only **one** box) RRSP RRIF shown in Part 7.

Transferor's name

Authorized person's signature

YYYY / MM / DD

Part 9 – Receipt by issuer or carrier

We have received \$ _____ from the FHSA shown in Part 2. This property has been transferred to the (tick only **one** box) RRSP RRIF shown in Part 7.

Issuer's or carrier's name

Authorized person's signature

YYYY / MM / DD

Instructions

When to use this form

If you are the holder of an FHSA, use this form to designate an excess FHSA amount as a withdrawal or to designate an excess FHSA amount as a transfer to your RRSPs or RRIFs.

If you are making more than one designated withdrawal or designated transfer, fill out a separate form for each designated withdrawal or designated transfer.

How to fill out this form

The FHSA holder will fill out Part 1, Part 2 and Part 3. If the FHSA holder is designating an excess FHSA amount as a withdrawal, they will also fill out and sign Part 4 and give the form to their FHSA issuer. If the FHSA holder is designating an excess FHSA amount as a transfer, they will also fill out and sign Part 6 and give the form to their RRSP issuer or RRIF carrier that will be receiving the property.

If the FHSA holder has designated an excess FHSA amount as a withdrawal, the **FHSA issuer** will fill out and sign Part 5.

If the FHSA holder has designated an excess FHSA amount as a transfer, the **RRSP issuer or RRIF carrier** will fill out and sign Part 7 and send the form to the transferor. Once the FHSA or RRSP issuer or RRIF carrier receives the property from the FHSA and the form from the transferor, they will fill out and sign Part 9.

The transferor transferring the property from the FHSA will fill out and sign Part 8. Once completed, the transferor will transfer the property from the FHSA and return the form to the FHSA or RRSP issuer or RRIF carrier for completion.

The FHSA holder, FHSA or RRSP issuer or RRIF carrier and transferor should keep a copy of the form for their records at each step outlined above.

Do **not** send a copy of this form to the Canada Revenue Agency (CRA) unless the CRA asks to see it.

How to determine your excess FHSA amount

Your FHSA participation room in the year that you open your first FHSA is \$8,000. You will have an excess FHSA amount if the total of your contributions to your FHSAs and transfers from your RRSPs to your FHSAs in the year are more than your FHSA participation room for that year. Generally, you have to pay a tax of 1% each month on the highest excess FHSA amount in that month.

You can reduce your excess FHSA amount by making taxable withdrawals from your FHSAs, or by making designated withdrawals or designated transfers from your FHSAs.

Refer to the example below on how to calculate your excess FHSA amount and how to designate an amount.

Example:

On May 4, 2023, Bailey goes to her financial institution and opens her first FHSA. Bailey has \$8,000 in FHSA participation room for 2023. Bailey transfers \$8,000 from her RRSP with Bank A to her FHSA on May 8, 2023, and transfers another \$5,000 from her RRSP with Bank B to her FHSA on July 7, 2023. On August 18, 2023, Bailey realizes that she made a mistake and transferred too much to her FHSA. On the same day, she goes to her financial institution to tell her financial advisor that she needs to remove her excess FHSA amount of \$5,000.

$$\begin{aligned} & \$8,000 \text{ (FHSA participation room for 2023)} \\ & - \$8,000 \text{ (transfer from Bank A on May 8, 2023)} \\ & - \$5,000 \text{ (transfer from Bank B on July 7, 2023)} \\ & = - \$5,000 \text{ (a negative amount means you have an excess FHSA amount)} \end{aligned}$$

Since Bailey only made transfers to her FHSA, if she wants to remove the excess FHSA amount without having to include the amount as income on her income tax and benefit return, she needs to make a designated transfer from her FHSA. Bailey asks whether she is required to transfer \$5,000 back to her RRSP with Bank B. The financial institution informs her that she can make the designated transfer to any of her RRSPs. Bailey chooses to transfer \$5,000 as a designated transfer from her FHSA to her RRSP with Bank A. She fills out Form RC727 and her financial institution completes the direct transfer from her FHSA to her RRSP with Bank A.

Bailey is aware that she will have to pay a 1% tax on the highest excess FHSA amount for each of the months of July and August 2023. She must also file a return to report and pay the tax on her excess FHSA amount.

Reporting requirements

Designated withdrawal

A designated withdrawal has to be reported on the T4FHSA slip by the FHSA issuer. FHSA contributions that were withdrawn as a designated amount cannot be deducted on the FHSA holder's income tax and benefit return for any year. A designated withdrawal is not required to be included in the FHSA holder's income. Instructions on how to report a designated withdrawal will be provided on the FHSA holder's T4FHSA slip.

If the designated withdrawal exceeds the total amount of contributions to the holder's FHSAs immediately before the withdrawal **minus** the total amount of any previously designated withdrawals, the additional amount will be treated as a taxable withdrawal from the holder's FHSA. For more information, go to canada.ca/contribute-transfer-too-much-fhsa.

Designated transfer

A designated transfer has to be reported on the T4FHSA slip by the FHSA issuer. A designated transfer is not required to be included in the FHSA holder's income. Instructions on how to report a designated transfer will be provided on the FHSA holder's T4FHSA slip.

If the designated transfer exceeds the total amount of transfers to the holder's FHSAs immediately before the transfer **minus** the total amount of any previously designated transfers, the additional amount will be treated as a regular transfer from the holder's FHSA to their RRSP or RRIF.

Any additional amount transferred from the holder's FHSA to their RRSPs or RRIFs is subject to the following rules:

Any portion of the additional amount transferred that exceeds the total fair market value of all the property held in all of the holder's FHSAs at the time of the transfer **minus** any remaining excess FHSA amount at the time of the transfer, will be treated as both:

- a taxable withdrawal from the holder's FHSA, which must be included as income on their income tax and benefit return for the year of the transfer
- a new RRSP contribution at the time of the transfer to the holder's RRSP or RRIF

For more information, go to canada.ca/contribute-transfer-too-much-fhsa.