



How to participate in the Home Buyers' Plan (HBP)

To participate in the HBP, you must meet **both** the HBP eligibility **and** RRSP withdrawal conditions.

Note

Budget 2019 proposes [to increase the Home Buyers' Plan withdrawal limit to \\$35,000](#). This would be available for withdrawals made after March 19, 2019.

Do you meet the HBP eligibility conditions?

- You must be considered a [first-time home buyer](#) (see #1 below)
- You must have a written agreement to [buy or build a qualifying home](#) (see #2 below)

Or

- You must have a written agreement to buy or build a qualifying home for a related person with a disability, or to help a related person with a disability buy or build a qualifying home (obtaining a pre-approved mortgage does not satisfy this condition).

Note

If you are withdrawing funds from your RRSPs to help a related person with a disability buy or build a qualifying home, it is the related person with a disability who must have entered into such an agreement.

- You must intend to occupy in the qualifying home as your principal place of residence within one year after buying or building it. If you buy or build a qualifying home for a related [person with a disability](#), or help a related person with a disability buy or build a qualifying home, you must intend that that person occupies the qualifying home as his or her principal place of residence.

In all cases, if you have previously participated in the HBP, you may be able to do so again if your [repayable HBP balance](#) on January 1st of the year of the withdrawal is zero and you meet all the other HBP eligibility conditions.

1. Are you a first-time home buyer?

Unless you are a person with a disability or you are helping a related person with a disability buy or build a qualifying home, you have to be a first-time home buyer to withdraw funds from your RRSP(s) to buy or build a qualifying home.

You are considered a first-time home buyer if, in the [four year period](#), you did not occupy a home that you or your current [spouse](#) or [common-law partner](#) owned.

Note

Even if you or your spouse or common-law partner has previously owned a home, you may still be considered a first-time home buyer.

If you have a spouse or common-law partner, it is possible that only one of you is a first-time home buyer.

The four-year period

Begins on January 1st of the fourth year before the year you withdraw funds.

Ends 31 days before the date you withdraw the funds.

For example, if you withdraw funds on March 31, 2019, the four-year period begins on January 1, 2015 and ends on February 28, 2019.

Can you participate in the HBP later?

If you are not considered a first-time buyer now, you may be considered a first-time home buyer later, once the four-year period has passed.

For example, if in 2013 you sold the home you lived in before, you may be able to participate in 2018 or if you sold the home in 2014, you may be able to participate in 2019.

2. Are you building or buying a qualifying home?

You are considered to buy or build a qualifying home if:

- you buy or build it, or you are considered as buying or building it, before October 1st of the year after the year of the withdrawal
- you buy or build it, alone or with one or more individuals

Note

We consider you to have built a qualifying home on the date it becomes habitable.

If you do not buy or build the qualifying home before October 1st of the year after the year you withdrew the funds, you can:

- [cancel your participation in the HBP](#)
- buy or build a different home ([replacement property](#)) before October 1st of the year after the year you withdrew the funds

A replacement property has to meet the same conditions as a qualifying home. To inform us that you are buying or building a replacement property, send a letter to one of the following addresses:

Sudbury Tax Centre
Pension Workflow Section
P.O Box 20000, Station A
Sudbury ON P3A 5C1



Or

Winnipeg Tax Centre
Pension Workflow Section
P.O Box 14000, Station Main
Winnipeg MB R3C 3M2

Give your name, address, and social insurance number, as well as the address of the replacement property. You have to say in the letter that you intend to occupy the replacement property as your principal place of residence within one year after you buy or build it.

Note

If you already withdrew, from your RRSPs, the \$25,000 maximum allowed under the HBP, you cannot make any more HBP withdrawals to buy or build the replacement property.

Extensions for buying or building a qualifying home or replacement property

If you do not buy or build the qualifying home you indicated on Form T1036 (or a replacement property) before October 1st of the year after the year you withdrew the funds, we still consider you to have met the deadline if either of the following situations applies:

- You had a written agreement, in effect on October 1st of the year after the year you withdrew the funds, to buy a qualifying home or replacement property, and you buy the property before October 1st of the second year after the year of the withdrawal. In addition, you were a Canadian resident up to the time of purchase.
- You had paid an amount after the date of the first withdrawal and before October 1st of the year after the year you withdrew the funds to the contractors or suppliers (with whom you deal at [arm's length](#)) for materials for the home being built, or towards its construction, that was at least equal to the total of all withdrawals under the HBP.

Participating in the HBP for a related person with a disability

Under the HBP, the home must better fit the needs of the disabled person than his or her current home. You can withdraw funds from your RRSPs under the HBP to buy or build a home, if:

- you are a [person with a disability](#)
- you are buying or building a home for a related person with a disability
- you are helping a related person with a disability to buy or build a home

Regardless of the situation, you are responsible for making sure that all applicable [HBP conditions](#) are met.

If, at any time during your participation period, a condition is not met, your withdrawal will not be considered eligible and it will have to be included as income on your income tax and benefit return for the year it is received.

Is my Home Buyers' Plan balance up to date?

(If you have never participated in the HBP this section does not apply.)

If you have previously participated in the HBP, you may be able to do so again if:

- your HBP balance is zero on January 1st of the year during which you plan on withdrawing funds under the HBP
- you meet all the other HBP conditions that apply to your situation

Your HBP balance from your last participation is zero when the total of your yearly designated HBP repayments and any amounts included in your income (because no designated HBP repayment was made as required for a given year) equals the total eligible withdrawals you made from your RRSP under your participation in the HBP.

Note

The RRSP, [PRPP](#), or SPP contributions you make in the first 60 days of a year, and designate as HBP repayments for the previous year reduce your HBP balance for purposes of determining whether your balance is zero on January 1st of the current year.

Do you meet the RRSP withdrawal conditions?

- You have to be a [resident of Canada](#) at the time of the withdrawal.
- You have to receive or [be considered to have received](#), all withdrawals in the same calendar year.
- You cannot withdraw more than \$25,000.
- Only the person who is entitled to receive payments from the RRSP can withdraw funds from an RRSP. You can withdraw funds from more than one RRSP as long as you are the owner of each RRSP. Your RRSP issuer will not withhold tax on withdraw amounts of \$25,000 or less.
- Normally, you will not be allowed to withdraw funds from a locked-in RRSP or a group RRSP.
- Your RRSP contributions must stay in the RRSP for at least 90 days before you can withdraw them under the HBP. If this is not the case, the contributions may not be deductible for any year.
- Neither you nor your spouse or common-law partner or the related person with a disability that you buy or build the qualifying home for can own the qualifying home more than 30 days before the withdrawal is made.
- You have to [buy or build a qualifying home](#) for yourself, for a related person with a disability, or to help a related person with a disability buy or build a qualifying home before October 1st of the year after the year of the withdrawal.
- You have to fill out [Form T1036, Home Buyers' Plan \(HBP\) Request to Withdraw Funds from an RRSP](#) for each eligible withdrawal.

Note

You are responsible for making sure that all HBP conditions are met. If you make a RRSP withdrawal under the HBP and a condition is not met, your RRSP withdrawal(s) may not be considered eligible. You will have to include part or all of the withdrawal(s) as income on your income tax and benefit return for the year you received the funds. If we have already assessed your income tax and benefit return for that year, we will reassess it to include the withdrawal(s). If you do not meet the conditions to participate in the HBP in the current year, you may be able to [participate in future years](#).