

Your RRSP can help you buy a home - or get an education



It can be challenging to find the cash to put a down payment on a home, or return to school for another degree. Fortunately, there are a number of programs offered through the federal government that let you turn RRSP savings into cash for just those purposes, at no tax penalty.

Home Buyers' Plan

- The Home Buyers' Plan allows you to withdraw available funds from your RRSP to purchase or build your first home. You can only participate in the program once.

Quick Facts

- Your contributions must have been deposited at least 90 days before you can withdraw them under the Home Buyers' Plan.
- You and your spouse can withdraw up to \$25,000 from your individual RRSP plans.
- You must repay all withdrawals within 15 years.
- Repayment amounts are generally 1/15 for each year of the 15-year period, starting two years after funds were withdrawn. You do not have to pay interest on the amount you withdrew.
- A written agreement to buy or build a home is required.
- You must be a first-time homebuyer. If your spouse or common-law partner has previously owned a home, you may still be considered a first-time homebuyer.

Lifelong Learning Plan

The Lifelong Learning Plan (LLP) allows you to withdraw amounts from your RRSP plan to finance training or education.

Quick Facts:

- The LLP can be used to finance training or education for you, your spouse or common-law partner.
- The student must be enrolled full-time in a qualifying educational program at a designated educational institution.
- You can withdraw up to \$10,000 per calendar year, with a total plan limit of \$20,000.
- As long as you qualify, you can keep withdrawing amounts from your RRSPs until January of the fourth year after the year you made your first withdrawal.
- Repayment amounts are generally 1/10 of the total amount you withdrew over a 10-year period until the full amount is repaid. You do not have to pay any interest on the amount you withdrew.
- The LLP cannot be used to finance your children's training/education, or training/education of your spouse or common-law partner's children. RESPs are recommended in this case.
- You can participate in the program as many times as you wish over your lifetime.
- You and your spouse or common-law partner can participate in the LLP at the same time.
- You can participate in the LLP even if you have withdrawn amounts from your RRSP under the Home Buyers' Plan that have not been fully repaid.

A credit union professional can help with a retirement savings plan that is right for you.