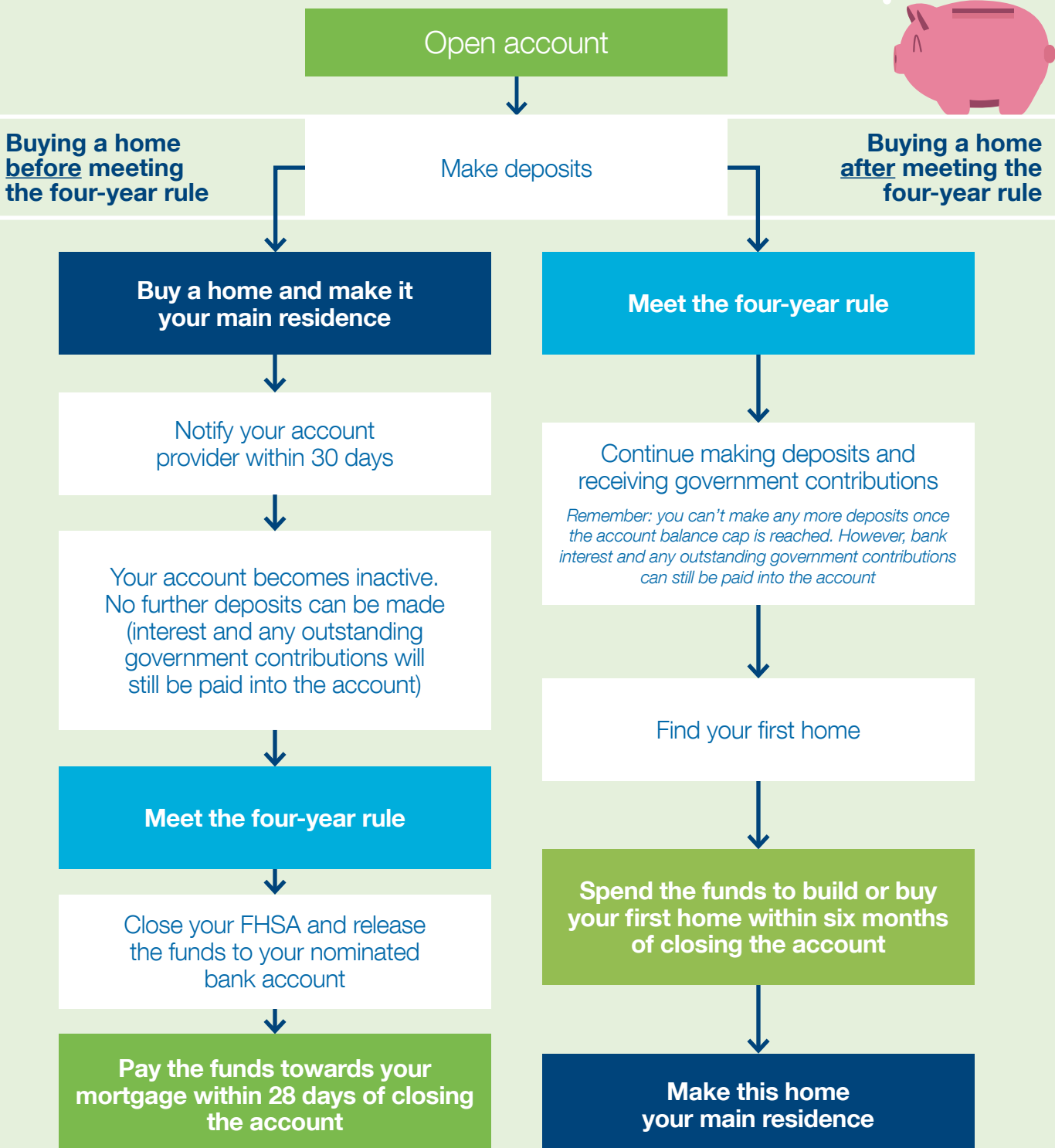




First home saver accounts (FHSA)

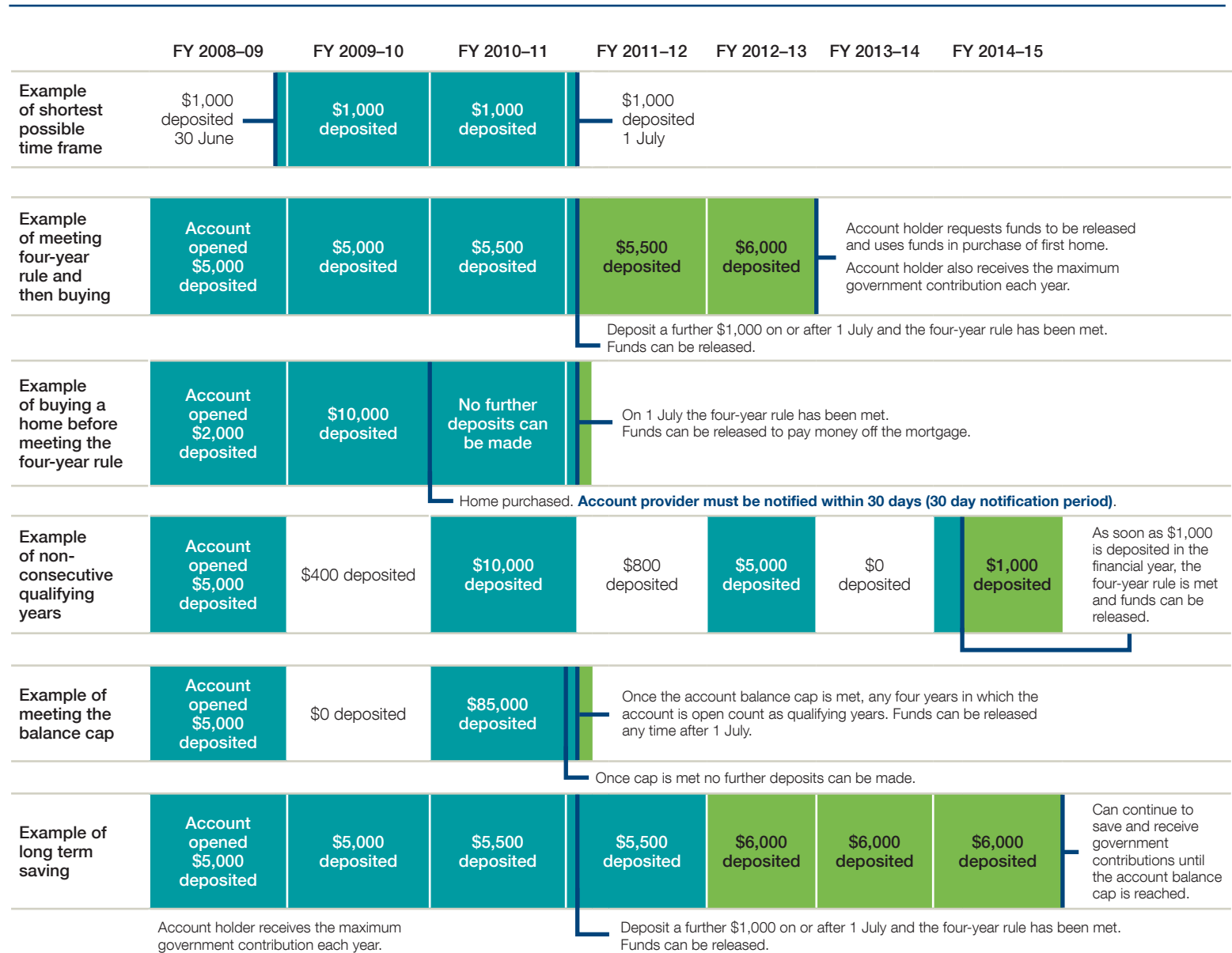
Meeting the minimum qualifying period to access your FHSA funds (the four-year rule)

With a first home saver account, you must meet the four-year rule before you can access your funds. The diagram below shows how the four-year rule will affect the purchase of your first home.



Meeting the minimum qualifying period (four-year rule)

To meet the minimum qualifying period, you must hold your first home saver account for at least four qualifying years. This is known as the four-year rule. The examples below show you different ways you can meet the rule.



Key

- Qualifying year
- Funds can be released
- Non-qualifying year

The minimum qualifying period

To access the funds in your first home saver account you must meet the minimum qualifying period. This is known as ‘the four-year rule’. You must deposit at least \$1,000 in the account in a financial year for that year to count towards the qualifying period. Qualifying years don’t need to be consecutive but there must be at least four qualifying years.

Buying a home before meeting the minimum qualifying period

If you buy a home before meeting the minimum qualifying period you must let your account provider know within 30 days of it becoming your main residence. You won’t be able to make any further deposits into the account but every year you own your home will count as a qualifying year. After four qualifying years you will be able to withdraw the funds to pay towards your mortgage.

Account balance cap

When the sum of your deposits reaches the account balance cap you can’t make any more deposits. For 2012–13 the cap is \$90,000. The cap is indexed from time to time.

30 day notification period

When you build, buy, inherit or win a home you must tell your account provider within 30 days of it becoming your main residence.

Deposit threshold

The deposit threshold is the maximum deposit you can make to receive the 17% government contribution each year. In 2013–14 the deposit threshold is \$6,000 and the maximum government contribution is \$1,020. You can deposit more but the account won’t attract any more government contributions for that year.