



IMPROVE LIFE.

Date: January 14, 2020
TO: All Employees
FROM: Human Resources
SUBJECT: 2020 T2200S (Declaration of Conditions of Employment) Process¹

During the 2020 calendar year, many University of Guelph faculty and staff have moved to working-from-home because of the COVID-19 pandemic, following guidelines from Public Health. This has raised many questions regarding an employee's ability to deduct home-based work expenses when filing their 2020 income tax returns and whether the University will be issuing T2200/T2200S forms. The Canada Revenue Agency (CRA) recently announced two methods available to individuals claiming home-based work expenses relating to the 2020 tax year:

Temporary simplified method

Under this method, employees who worked at home due to COVID-19 more than 50% of the time for at least four consecutive weeks during the pandemic, can claim an amount of \$2 per working day (up to a maximum deduction of \$400).

- Working days include any day during which an employee performed work, at their home, for the employer. There are no minimum hours attached to this, both full-time and part-time employees may count any day on which they performed work for the employer. Non-working days such as weekends, statutory holidays, vacation, or sick days are not counted.

This simplified method does not require you to obtain a T2200/T2200S form or maintain documented receipts to validate your claim.

Detailed claim method

Depending on your circumstances, you may be eligible for deductions greater than what the simplified method offers. This method will require you to:

- Measure and total the size of your workspace.
- Obtain the total size of all finished areas in your home (including your workspace);
- If using a common space in the home determine average weekly working hours; most people required to work from home because of COVID-19 will be considered to be using a common or shared area in their home for work purposes
- Collect and maintain supporting documents for all the expenses you can claim for the period(s) you worked from home

To make a detailed claim, an individual will require a confirmation of employment form. Upon request, the University of Guelph will issue a T2200S form for individuals required to work from home due to COVID-19, to validate the conditions of employment.

¹Nothing in the memo should be considered income tax advice. We encourage employees who are looking to claim remote work expenses to work with an income tax professional.

An online request form will be made available on February 8, 2021 for those employees wishing to request a T2200S. Authorized forms will be returned to employees by February 18th, 2021. Please note this form only validates the condition of employment requiring an individual to work from home because of the COVID-19 pandemic. It does not provide the value of their eligible deductions, as that is a personal tax matter. In the event of a CRA audit, individuals must prepare and present valid proof of any deductions they have claimed. Before requesting a T2200S form we ask that individuals use the tools that the CRA has created to assist them in estimate the value of a detailed work from home expense claim.

The following tools are available from CRA:

- A comprehensive [list](#) of eligible expenses; and
- A [calculator](#) to assist you in determining the eligible claim amount

Using either the detailed or simplified methods, individuals will be able to claim the appropriate amount on line 22900, Other Employment Expenses, of their 2020 tax return. The following examples are for illustrative purposes only:

Here is an illustration for a homeowner:

Sam is a homeowner who lives in a three-bedroom townhome with other family members. He has worked from home continuously from March 15 to December 31, 2020.

The only space available to set up a work area was at the dining table and this space represents 8% per cent of the total finished area of the home. Sam works an average of 50 hours per week, so the common space is further prorated by 29.76% (50 working hours divided by 168 hours per week) for a total claim amount of 2.38%.

The eligible expenses Sam has for a detailed claim are the utilities and the internet access fee which total \$3,250, 2.38% of this is \$77.35. Sam also has invoices for office supplies he paid for, totaling \$125 which he can claim 100%.

Using a T2200/T2200S, Sam would only be able to claim \$202.35. If Sam worked from home for 190 days (weekends, statutory holidays and vacation have been excluded) a non-accountable deduction (using the simplified method described above) of \$380 would provide a greater deduction.

The next illustration provides an example for those who rent their home:

Alexandra and her spouse rent a two-bedroom apartment for \$2,000 per month. They have both been working from home continuously from April 1 to December 31, 2020. Alexandra has set up her workspace in the couple's bedroom while her spouse is working from the second bedroom that is usually used as the TV room. Alexandra's space represents 11.25% of the total finished area of the home and she normally works 40 hours per week, allowing her to claim 2.68% her share of the rent and home internet access.

Total rent and internet access fees are \$18,600. Using the T2200/T2200S method, each spouse may only allocate 50% or \$9,300 to their claim and, at 2.68%, this would limit each of their claims to \$249.24.

If Alexandra has worked from home for 180 days (weekends, statutory holidays and vacation have been excluded) a non-accountable deduction (using the simplified method described above) of \$360 would provide a greater deduction. If Alexandra and her spouse are eligible for similar claims that would be a household claim of \$720 using the simplified claim as compared to a detailed claim of approximately \$500.

Employees are encouraged to consult with the Canada Revenue Agency, or income tax professionals on any questions regarding their ability to claim home office expenses.

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