

Claiming WFH Expense Deductions

The Government of Canada has introduced changes to the way that eligible employees can claim expenses related to working from home as deductions from their taxable income.

A **deduction** is an expense that can be subtracted from taxable income in order to reduce the amount of income tax owed (or increase the amount of your income tax return).

There are now two ways employees can claim work from home expenses:

1. The temporary flat rate method, which allows an eligible employee to claim up to \$400 in expenses and **does not require supporting documents or a T2200 or T2200S¹ form** issued by the employee's employer; and
2. The detailed method, which allows eligible employees to claim more than \$400 in expenses but **does require supporting documents and a T2200 or T2200S form** issued by the employee's employer.

The Government of Canada has created a [home office expenses calculator](#) tool to help employees determine which method of claiming work from home expenses (temporary flat rate or detailed) would be best for them. Broadly speaking, the simplified method is best where an employee has less than \$400 in eligible expenses, and the detailed method is best where an employee has more than \$400 in eligible expenses.

The Temporary Flat Rate Method

Eligibility

To be eligible to use the temporary flat rate method for claiming deductible work from home expenses, you must:

- a. Have worked from home during 2020 due to the COVID-19 pandemic
- b. Have worked more than 50% of the time from home for at least four consecutive weeks in 2020

¹ A T2200S form is a simplified version of the T2200 form that your employer will use if you worked from home in 2020 due to the COVID-19 pandemic and choose to use the Detailed Method to calculate your home office expenses. Your employer fills out this form at your request to certify that you worked from home in 2020 due to the COVID-19 pandemic and were required to pay for some or all of your home office expenses used directly in your work while carrying out your duties of employment during that period.

- c. Not claim any other employment expenses as deductions (e.g., motor vehicle expenses, X), and
- d. Not have been reimbursed by your employer for all of your home office expenses.

Calculating Deductible Expenses

Using the temporary flat rate method, you can claim \$2 per day you worked more than 50% of the time from home due to COVID-19, to a maximum of \$400 for the 2020 income tax year.

How to Make a Claim

Make your claim by filling out “Option 1- Temporary Flat Rate Method” on [Form T777S](#) (Statement of Employment Expenses for Working at Home Due to COVID-19). Enter the amount from Line 9939 on Form T777S to Line 22900 "Other employment expenses" on your 2020 income tax return and attach the T777S to your 2020 income tax return.

The Detailed Method

Eligibility

To be eligible to use the detailed method for claiming deductible work from home expenses, you must:

- Have worked from home in 2020 due to the COVID-19 pandemic
- Have been required to pay for expenses related to the workspace in your home
- One of the following applies to you:
 - Your workspace is where you mainly (more than 50% of the time) worked for a period of at least four consecutive weeks, OR
 - You only used your workspace to earn employment income., and used it regularly and continually for meeting clients, customers, or other people while doing your work.
- Have expenses that were used directly in your work, and
- Have a completed and signed copy of either a Form T2200 or Form T2200S from your employer.

Calculating Deductible Expenses

Use the [Government of Canada's calculator](#) to calculate your deductible expenses using the detailed method.

Expenses that may be fully or partially deductible include:

- The cost of home internet access
- Rent, and

- Utilities (electricity, water, heat).

See the Government of Canada's [list of eligible expenses](#) for details.

How to Make a Claim

Make your claim by gathering receipts for eligible expenses, requesting a T2200 or T2200S form from your employer, and filling out "Option 2- Detailed Method" on [Form T777S](#) (Statement of Employment Expenses for Working at Home Due to COVID-19). Enter the amount from Line 9368 on Form T777S to Line 22900 "Other employment expenses" on your 2020 income tax return and attach the T777S to your 2020 income tax return.

You do not have to include your receipts for eligible expenses or your T2200/T2200S form in your income tax return, **but be sure to have them and keep them safe in case the Canada Revenue Agency requests them later.**

Requesting a T2200S Form

You must request a T2200S form from the University **before 5:00 pm on Tuesday, February 16, 2021**. To request a T2200S form, you will need to log into the University's [HR Service Centre](#) with your UTORid or JOINid.

For more information on requesting a T2200S form, see [the Division of HR and Equity's Memo No. 2021-7 regarding 2020 Personal Income Tax & T2200 forms](#).