

ESSENTIAL TAX FACT SHEET FOR EMPLOYEES

CATEGORY	ELIGIBLE CLAIM	DOCUMENTATION
<p>Options 1 and 2 are applicable only to employees who work from home in 2020 due to the pandemic.</p> <p>Options 3 and 4 apply to employees who are required to provide their own workspace per their employment agreement.</p>		
<p>OPTION 1¹ - SIMPLIFIED METHOD</p> <p>Temporary flat rate</p> <p>Claim for home office only</p>	<p>Eligible Home Workspace Expenses:</p> <p>*\$2 a day to a maximum of \$400¹</p>	<p>Required Forms:</p> <p>No T2200 required</p> <p>File T777S with T1</p> <p>No receipts</p>
<p>OPTION 2 - DETAILED METHOD</p> <p>Non-eligible Expenses:</p> <p>*Capital improvements like flooring or Capital Cost Allowance</p> <p>*no capital assets like cost of TV, computer equipment, or accessories, printer, fax machine, briefcase, laptop case, calculator; office furniture or equipment</p> <p>*no mortgage interest, principal payments, property taxes or insurance</p> <p>*no monthly basic rate rental of landline, cell phone connection or license fees</p>	<p>Eligible Home Workspace Expenses:</p> <p>Home workspace expenses claimable in full:</p> <p>*Office expenses: stationary, pens, folders, postage, ink cartridges, toner, sticky notes</p> <p>Expenses that are restricted to employment use:</p> <p>*Use of cell phone basic plan, home internet access, long distance charges</p> <p>*Home workspace costs: portion of rent, utilities, maintenance (light bulbs, paint) based on:</p> <p>1. Designated Space Calculations:</p> <p>*Measure office space as % of total square footage in the home</p> <p>2. NEW: Common area Calculations: determine employment use based on hours: example - 40/168 hours a week (24%)</p> <p>*Prorate total expenses by both ratios.</p>	<p>*T2200S employer signed</p> <p>*File T777S in T1</p> <p>*Keep receipts</p> <p>*No reimbursed expenses</p> <p>If home workspace expenses are greater than employment income, carry balance forward to next year.</p>

¹ Sample calculation: Initial period: 4 weeks x 5 days = 20 days x \$2 = \$40; plus up to 36 weeks more x 5 days = 180 days x \$2 = \$360 for a total of \$400 maximum claim. Days in second period do not have to be consecutive.

<p>OPTION 3²:</p> <p>OTHER SALARIED EMPLOYEES</p>	<p>Eligible Home Workspace as above plus</p> <p>*New: internet access costs but not the lease of router or modem</p> <p>NEW: Must calculate common area use as well as designated space use²</p>	<p>*T777</p> <p>*T2200</p>
<p>OPTION 4 :</p> <p>COMMISSIONED EMPLOYEES</p>	<p>Eligible Home workspace:</p> <p>* As above plus property taxes, home insurance</p> <p>*NEW: Must calculate common area use as well as designated space use</p> <p>*Other: Sales & promotion, training costs, lease of cell phone, computer, laptop, tablet, fax, etc.</p> <p>*Cost of assistant: for employer-employee relationships only</p> <p>*Bonding, liability insurance</p>	<p>*T777</p> <p>*T2200</p> <p>If sales expenses are claimed, the claim for employment expenses is limited to commission plus interest and CCA on vehicle.</p> <p>When home workspace expenses exceed employment income, the claim may be carried forward.</p>

² This is not actually detailed in the new CRA Guide T4044, likely because the requirements for main workspace or regular client meetings mean that the use of a shared workspace is unlikely. Same applies to Option 4.