

MEMORANDUM

To: All Employees
From: OEHR – Payroll
Date: February 5, 2021
Subject: 2020 Tax Year and Work from Home Expense

With the transition to working from home because of the COVID-19 pandemic, you may have questions about eligibility for home office deductions that you may be able to claim on your 2020 tax return and whether Fleming College will be issuing T2200S forms.

The Canada Revenue Agency (CRA) is giving all employees who were required to work from home two options – a simplified method and a detailed claim method. Option 1 will be the most advantageous option for most people, but Option 2 may be better for some. Some examples are shown later in this document.

Option 1. Simplified method

- a. Worked at home due to COVID-19 more than 50 percent of the time for at least four consecutive weeks
- b. **Claim \$2 per working day** from home**
- c. **Maximum \$400**
- d. **No forms needed** (no T2200S from Employer or T777S completed by Employee required)
- e. **No receipts required**

****Note**

Working days include any day during which an employee performs 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.

Option 2. Detailed Claim

- a. Measure and total the size of your workspace
- b. Obtain the total size of all finished areas in your home including your workspace; (workspace percentage)
- c. Using a common space - determine average weekly working hours; (weekly usage proportion)
- d. Maintain receipts/invoices for all of the expenses you can claim for the period(s) you worked from home
- e. If married/common law and both working the household expenses must be shared
- f. A comprehensive [list](#) of eligible expenses
- g. You will need to complete T777S and submit with your taxes
- h. Need T2200S from your employer
- i. CRA audit, you must be prepared to present valid proof (e.g. receipts, floorplans, rental contracts, etc.) of any deductions you have claimed
- j. CRA also occasionally performs in-person inspections of home office claims looking at, among other details, proof that the space is being used solely or jointly for working purposes.

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The following tools are available from CRA:

- [T777S Statement of Employment Expenses for Working at Home Due to COVID-19 - Canada.ca](#)
- [T2200S Declaration of Conditions of Employment for Working at Home Due to COVID-19 - Canada.ca](#)
- A comprehensive [list](#) of eligible expenses; and
- A [calculator](#) to assist you in determining the eligible claim amount

For those who will be submitting a Detailed Claim - Requests for T2200S forms

Requests for T2200S forms **must** be accompanied by documented confirmation of a claim higher than \$400. With the confirmation of a claim higher than \$400, Fleming College will issue a T2200S form to validate your conditions of employment to allow you to make a detailed expense claim for your work at home space. These requests must be received by **February 19, 2021**. Requests can be sent to the following email address CRArequest@flemingcollege.ca with documented confirmation of a claim higher than \$400, which could take the form of a completed detailed T777S.

Please note a T2200S form only validates the condition of employment requiring you to work from home because of the COVID-19 pandemic. It does not provide the value of your eligible deductions, as that is a personal tax matter.

It is recommended that you review all the information available on the CRA website as you determine which option may pertain to your personal tax scenario.

If you have any inquiries about the process you can email CRArequest@flemingcollege.ca, however we are unable to advise on your personal deductions and taxes and recommend you contact a financial advisor.

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Appendix A – Illustrations of possible deduction scenarios

Illustration for a homeowner:

John is a homeowner who lives in a home 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 five per cent of the total finished area of the home.

John works an average of 35 hours per week, so the common space is further prorated by 20.83 per cent (35 hours divided by 168 hours per week) for a total claim amount of 1.04 per cent.

The eligible expenses John has for a detailed claim are the utilities and the internet access fee which total \$3,250, 1.04 percent of this is \$33.80.

John also has receipts for office supplies specifically for use while working from home he paid for, totaling \$125 which he can claim 100%.

Using a T2200S, John would only be able to claim \$158.80.

If John worked from home for 276 days (weekends, statutory holidays and 3 weeks' vacation have been excluded) a non-accountable deduction (using the simplified method described above) of \$400 (the maximum) would provide a greater deduction.

Illustration for those who rent their home:

Sandra and her spouse rent an apartment for \$2,000 per month. They have both been working from home continuously from March 15 to November 1, 2020.

Sandra 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.

Sandra's space represents 11.25 per cent of the total finished area of the home and she normally works 44 hours per week, allowing her to claim 2.95 per cent of her share of the rent and home internet access.

Total rent and internet access fees are \$18,600. Using the T2200S method, each spouse may only allocate 50 per cent or \$9,300 to their claim and, at 2.95 per cent, this would limit each of their claims to \$274.35.

If Sandra has worked from home for 191 days (weekends, statutory holidays and 2 months' vacation have been excluded) a non-accountable deduction (using the simplified method described above) of \$382 would provide a greater deduction.

If Sandra and her spouse are eligible for similar claims that would be a household claim of \$764 using the simplified claim as compared to a detailed claim of approximately \$550.

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Illustration for a renter using a common workspace:

Jim rents a one bedroom with a small den that was used for his personal computer use and to store household items. From March 15 through December 31, 2020, he also used this space for work. The den is considered a common space and, based on Jim's working hours of 37.5 per week, he would be able to allocate 1.98 per cent of his rent and internet access fee as working from home expenses.

Jim's total expenses for a detailed claim requiring a T2200S are \$21,262. Being able to allocate 1.98 per cent of that total, Jim is able to claim \$420.98.

If Jim worked from home for 276 days the simplified calculation would result in a \$400.00 claim.

The additional tax savings, based on Jim's net taxable income, is only \$21 greater than the simplified method which requires no measurements or documented evidence of expenses.

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