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WORK FROM HOME AND OTHER EMPLOYMENT EXPENSES

If you are working from home, a commission paid salesperson, or a tradesperson, the below handout will help you ensure that all applicable deductions and tax credits have been claimed.

Simplified Method: (work from home expenses only): calculate the total number of days you worked from home (WFH). You must have been WFH for at least 50% of your time and four consecutive weeks to qualify in 2020.

Detailed Method:

1. Obtain a T2200 Declaration of Condition of Employment

- a. Have your employer complete and sign a T2200 Declaration of Conditions of Employment for you. The form is available here: <https://www.canada.ca/en/revenue-agency/services/forms-publications/forms/t2200.html>. Only individuals with a signed T200 can claim expenses.
- b. Keep your receipts! Bank or credit card statements are not sufficient evidence in an audit.

2. Driving for work

- a. If your vehicle is used less than 100% for work purposes, you will need a mileage logbook.
- b. In your mileage logbook, record every work trip you make. You can try an app (MileIQ), use a paper logbook, or compile an excel spreadsheet (we have a template on our website). At the start and end of every year record the odometer reading. For each work trip record:
 - i. At the start and end of every year record the odometer reading
 - ii. The date and purpose of the work trip
 - iii. Where you went (the address) and the total kilometers that you drove for work purposes
- c. Travel between your home and 'normal place of business' is considered a personal expense
- d. Keep all (both personal and work) gas, repair & maintenance, and insurance receipts
- e. Consider signing up for the 'pay by phone' parking app which will let you obtain receipts for parking

3. Working from home

- a. You can claim home office expenses if you work from your home more than 50% of your time
- b. You use the space exclusively for business and use it to meet clients
- c. Please keep all expenses: utility bills, home insurance, mortgage interest, property taxes, rent receipts, and home repair bills (that relate to the home office space).
- d. Measure the square footage of your home office and the total square footage of your house. A percentage is used to deduct the home office costs from your income.

4. Salesperson or other employment expenses

- a. Keep receipts for expenses your employer has authorized as deductible that you paid for personally: travel costs, office supplies, cell phone costs, office rent, or an assistant's wages.
- b. Are you a commission-paid employee? Then you can also claim: accounting fees, advertising or promotion costs, entertainment expenses (with your client), licenses, and training costs.
- c. If you are tradesperson: keep receipts for all tool purchases, you paid for personally. Compile a list of the tools and have your employer sign the list along with the T2200 form.