
BRITISH COLUMBIA COUNCIL OF FILM UNIONS

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March 10, 2017

To: Employers adhered to the BCCFU Master Agreement.
Re: T2200s

The T2200 bulletin contained within the BCCFU Master Agreement states, in part:

It is part of the payroll obligations of an employer to complete the T2200 form when requested to do so.

The BCCFU has obtained the attached guidance letter from Debbi-Jo Matias, CPA, to assist production companies in filling-out T2200s.

Employees who use their own vehicles, tools & supplies, and cell phones during the course of business may be eligible to claim deductions from their income taxes, if other requirements of the *Income Tax Act* are satisfied. Other employment related expenses may also be eligible. In order to claim these expenses, a T2200 form must be completed and signed by a person authorized by the Employer.

In discussion directly with the CRA, they note that they do not have anything in writing regarding who should sign the T2200, as the definition of an "authorized person" as it pertains to the T2200 is not prescribed in the *Income Tax Act*. However, the CRA verbally stated that the person signing the T2200 should be someone who knows what the conditions of employment are.

In addition, the CRA stated that the person signing the T2200 is not subject to penalties for an incorrectly prepared T2200, excluding situations of intentional fraud or wilful misconduct where gross negligence penalties might apply.

We hope you find this guidance useful.

Sincerely, on behalf of the BC Council of Film Unions



Paul Klassen, Assistant Executive Director

Attachments

Mr. Paul Klassen
B.C. Council of Film Unions
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North Vancouver, BC V7J 3S5

January 20, 2017

Guidance for Preparation of CRA Form T2200 to Employers

Dear Paul:

I have been requested to provide guidance to employers to assist with the completion of the Form T2200, Declaration of Conditions of Employment prescribed by the Canada Revenue Agency ("CRA") which is for the purpose of supporting the employee's claim for the deduction of eligible employment related expenses from his or her income.

Purpose of this guidance

The purpose of this guidance is to provide an understanding to the employers how the questions on the Form T2200 are to be interpreted and answered.

Nature of the T2200

A T2200 is only required to be provided by the employer when the employee's contract requires him or her to pay his or her own expenses while carrying out the duties of employment. If the employee is not required to pay his or her own expenses, the employer is not required to provide a T2200 to the employee. In completing this form, the employer is not authorizing or attesting to the employee's deduction for employment expenses.

This form does not apply to self-employed persons or corporations.

Limitations of the T2200

A signed T2200 does not provide an employee with any assurance that expenses incurred are deductible. The eligibility to deduct employment expenses is specifically governed by the CRA. Employees wishing to deduct employment expenses are advised to review the CRA's publications regarding employment expenses and seek advice from a qualified income tax professional.

Definitions

Reimbursement is a payment made to repay an amount an employee spent on specific expenses and for which detailed receipts are provided.

Allowance is any periodic or lump-sum payment that an employee receives without having to account for its use. i.e. kit rental or per km mileage allowance.

Company Vehicle is the employer's vehicle that is driven by the employee

Year is calendar year

Specific Guidance

Part A: Employee information

Tax year – Should be calendar year in which employment was performed. If the employment was performed over two years, two T2200 forms should be provided.

Business address – Use production office address.

Part B: Conditions of employment

1. This form is only for employees who are **required to pay his or her own employment related expenses**. Answer “yes” *even if the employee received a reimbursement or allowance*. If the answer to this question is “no”, no other questions on this form will be answered.
2. This refers to employees who are expected to **travel between locations during the day and incur motor vehicle expenses**. If the answer to this question is “yes”, the “area of travel” should specifically identify both the “from” and “to” location addresses. For simplicity, it would be sufficient for the “area of travel” to refer to the general region i.e. “Greater Vancouver” or “Fraser Valley”. It is also recommended that the employee attach a mileage log and in this case the “area of travel” could be completed with “see attached mileage log”.

Note: Employees cannot deduct the cost of travel between an employee’s home and a regular place of employment as it is generally considered to be personal travel and not employment-related travel.

3. This refers to employees who perform employment duties outside the employers’ location for more than 12 consecutive hours who **incur food, beverage and lodging expenses**.
4. Only complete the break in employment for the periods that fall within the calendar year of the T2200.
5. This refers to employees who receive a **motor vehicle allowance**, i.e. car allowance or per km mileage allowance.
 - a. Indicate total amount of:
 - 1st bullet) car allowance and/or
 - 2nd bullet) per km allowance
 - 3rd bullet) Indicate same amount of car allowance in 1st bullet only as only car allowances are included on the employee’s T4 slip, *do not include per km mileage allowance as mileage allowances are not included in T4*

(the following items relate to a company vehicle and do generally not apply)
 - b. If the employee had the use of a company vehicle, indicate “yes”
 - c. If the employee was not fully reimbursed for company vehicle expenses, indicate “yes” (i.e. if less than 100% of company vehicle expenses were reimbursed, “no” if 100% of company vehicle expenses were reimbursed)

- d. Indicate expenses that were incurred by the employee but not reimbursed (i.e. the % of company vehicle expenses that were not reimbursed)
6. This refers to employees who receive **reimbursements** for any expenses incurred on behalf of the company (motor vehicle, cell phone, supplies or tools)
 - a. Indicate amount of expenses that were reimbursed to employee (i.e. The % of expenses reimbursed or any other reimbursements). *Indicate “no” for included on T4 slips if the reimbursement was with receipt, typically paid out of petty cash as these reimbursements are not included on T4 slips. Indicate “yes” for included on T4 slips if the reimbursement was not with receipt.*
7. This refers to employees who pay their own employment related expenses **without allowance or reimbursement** i.e. cell phone, supplies or tools.
8. Not applicable – the answer to the question will be “no”
9. The answers to renting an office and paying for assistant are generally “no”. The answer to paying for “supplies” and “use of cell phone” are applicable if employee was required to pay for supplies used directly in his or her employment or pay for the use of a cell phone.
 - a. Indicate if the employee will receive a reimbursement
 - b. Indicate the expenses reimbursed. *Indicate “no” for included on T4 slips if the reimbursement was with receipt, typically paid out of petty cash as these reimbursements are not included on T4 slips. Indicate “yes” for included on T4 slips if the reimbursement was not with receipt.*
10. Not applicable - the answer to the question will likely be “no”
11. Broadly defined – an employee who is engaged in an occupation that demands a certain level of skill and uses tools in his or her employment would qualify. Employees should provide a list of tools used directly in his or her employment for the employer to sign.
12. Not applicable - the answer to the question will be “no”
13. Not applicable - the answer to the question will be “no”

Employer declaration

Name of employer: Indicate production company and payroll company in order to reconcile to T4 income.

i.e. “ABC Productions Inc. (EP Canada)”

Authorized person

The form will likely be completed with input and can be signed by the employer or by someone authorized by the employer to sign on their behalf such as:

- Producer
- Production Manager
- Accountant
- Assistant Accountant
- Head of Department

Yours truly,

Debbi-Jo Matias Inc.

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