



INFO SHEET 3

GUIDE TO THE COMPLETION OF THE T2200

The following is a step-by-step guide completing a form T2200. For the 2022 taxation year, employees may use the simplified Form T2200S.¹

Employee Information

Fill in as indicated: last name, first name, taxation year, employer address, job title, and a brief description of duties.

Conditions of Employment

1. Did this employee's contract require them to pay their own expenses while carrying out the duties of employment?

When filling out this part of the T2200, the employer should keep in mind it is not whether an employee chooses or decides or is permitted to incur expenses. The question is whether the employee is **REQUIRED** by the terms of his employment contract (including a Collective Agreement or Deal Memo) to incur expenses as part of his or her employment.

The requirement can be set out in writing in the Collective Agreement or Deal Memo, but it can also result from the standard practices, oral agreements, or simply because the employee had to incur those expenses in order to fulfil the duties of their employment.

Before signing a T2200 that says an employee has incurred expenses, the signor should be reasonably certain that the employee meets the required conditions for the deductions set out in the provisions of the Income Tax Act (the "ITA")

If the employer and employee differ about the employment expense requirement, the employer can provide a **negative T2200**:

1. Complete the **Employee Information**
2. Complete **Question 1** (answer NO)
3. Complete and sign the **Employer Declaration**

This will allow the employee to argue for a deduction with the Canada Revenue Agency (CRA).

Your signature in the Employer Declaration is **not** a statement or guarantee that the employee is entitled to deduct any expenses, rather it simply certifies that the information provided on the form is, to the best of your knowledge, correct and complete.

¹ For the 2022 taxation year, taxpayers may use the simplified Form T2200S, which, in addition to the employer certification, only requires the employer to answer three questions:

1. Did this employee work from home due to COVID-19?
2. Did you or will you reimburse this employee for any of their home office expenses?
3. Was the amount included on this employee's T4 slip?

2. Did you normally require this employee to travel to locations that were not your place of business or between different locations of your places of business during the course of performing their employment duties?

This question will help to determine if an employee can deduct incurred travel expenses. It may apply where the employee is expected to travel to different locations other than the production office during the course of a production.

3. Did you require this employee to be away for at least 12 consecutive hours from the municipality and metropolitan area (if there is one) of your business where the employee normally reported for work?

This question will help to determine if the employee can deduct incurred food and beverage expenses under as part of their travel expense deductions. This may apply where the employee is expected to travel to a location that is different than the site or set where the work is normally performed.

4. Indicate the periods of employment during the year?

The employee can only deduct expenses that were incurred due to employment, and this question allows CRA to cross check the dates of employment with the dates of the incurred expenses.

5. Did this employee receive or were they entitled to receive a motor vehicle allowance?

This question will help to determine if the employee is entitled to deduct motor vehicle expenses.

Generally speaking, an employee who receives a non-taxable reimbursement based on a reasonable rate per kilometer will not be able to claim a motor vehicle expense.

While motor vehicle expense claims can be complicated; the employer does not have to understand the details of the expense calculations, but merely needs to answer the questions as set out.

6. Did you require this employee to pay for expenses for which they did or will receive reimbursement?

An employee can deduct those expenses that the employer reimbursed if the amount was a taxable benefit, i.e., included as income on the employees T4 slip.

7. Did you require this employee to pay other expenses for which they did not receive any allowance or reimbursement?

The categories of expenses are not limited to the specific expenses listed in the form. Other expenses may be eligible for deductions provided they were not reimbursed tax free, and were required to be incurred as a condition of employment (a term of the contract of employment, whether written or verbal, and includes implied terms).

8. Did you pay this employee wholly or partly by commission according to the volume of sales made or contracts negotiated?

Not applicable to IATSE members.

9. Did this employee's contract of employment require them to pay (to rent offices, to hire people, for supplies, for a cell phone); was he reimbursed?

This set of questions is directed toward deductions for any payments made by the employee for office rent, assistants and substitutes, and supplies consumed during employment.

As this relates to the hiring of assistants or substitutes, it is not likely to be applicable to most IATSE members. The supply category is broad and includes any type of item consumed in the duties of employment including cell phone time, cameras, hair and make-up kits and other expenses that an IATSE member may have to purchase on their own. It does not include special work clothing or any type of 'equipment', including the cost to purchase or lease a computer.

Note: The employee will not be able to deduct the monthly basic service charge for a telephone line or amounts paid to connect or licence a cellular telephone.

10. Did this employee's contract of employment require them to use a portion of their home for work?

This question will help determine if the expenses associated with a home office can be deducted as supply for a salaried employee. A home office is different from the deduction for renting an office.

Home office expenses are generally a pro-rata portion of the home expenses. e.g., 15% of the house expenses could be claimed for a home office area that was 30% of the house floor space but used 50% of the time for personal use.

Home office expenses may be fully deductible for the pro rata share of the expenses related to the home office if it is used exclusively on a regular and continuous basis for meeting clients/customers and others person for work.

Employer Declaration

By signing the form the employer is certifying the information contained in the T2200 is correct and complete to the best of their knowledge.

It is not a statement or guarantee that the employee is entitled to deduct his expenses.

CRA will review the conditions of employment set out in the T2200 and make their determination as to the deductibility of the expenses. The Employee can generally object to the decision of the CRA through the internal appeals process and then to the Tax Court of Canada in the event of a dispute.