

Form T2200 – Declaration of Conditions of Employment

Overview

On occasion, employees will ask their supervisors or managers to fill out and sign Form T2200 *Declaration of Conditions of Employment* [<http://www.cra-arc.gc.ca/E/pbg/tf/t2200/t2200-08e.pdf>] in order to support a claim on their personal income tax return for expenses related to their employment such as motor vehicle, supplies, travel, and work-space-at-home.

In order to claim such expenses, employees' contracts of employment must require that they pay their own expenses while carrying out their duties. According to the Canada Revenue Agency ("CRA"), this is normally but not necessarily set out in written letters of offer, employment policies or collective agreements.

The ability to claim expenses is subject to a number of required conditions, all of which must be met. For example:

Motor Vehicle

- the employee was required to work away from the University or in different places;
- the employee was required under a contract of employment to pay his/her own motor vehicle expenses; and
- the employee did not receive a non-taxable allowance for motor vehicle expenses.

Supplies

- the employee was required to provide and pay for supplies under a contract of employment;
- the employee used the supplies directly in his/her work; and
- the University has not repaid and will not repay the Employee for these expenses.

Travel (food, beverage, and lodging expenses but not motor vehicle expenses)

- the employee was normally required to work away from the University or in different places;
- the employee was required to pay his/her own travelling expenses under his/her contract of employment; and
- the employee did not receive a non-taxable allowance for travelling expenses. Generally, an allowance is non-taxable as long as it is a reasonable amount and is for travelling away from the municipality of the University workplace location where he/she normally works, or to which he/she normally reports.

Work-space-in-the-home

- the employee had to pay for this expense under his/her contract of employment;
- the work space must have been used directly in the employee's work;
- the University has not reimbursed and will not reimburse the employee; and
- the claimed expense meets one of the following conditions: (a) the work space is where the employee mainly (more than 50% of the time) does his/her work; or (b) the employee used the work space only to earn employment income and used it on a regular and continuous basis for meeting clients or customers

Application at University of Toronto

The terms and conditions of employment at the University of Toronto are different for each employee and his/her eligibility to claim expenses will have to be examined on a case-by-case basis. Many employees are provided with work space and classroom space for teaching, meeting with students and maintaining files. While it may be the case that some employees such as sessional lecturers, part-time instructors, faculty, or teaching assistants may mark papers, respond to emails, etc. from an office at home, it is most often not a requirement under their employment contract or collective agreement, and therefore, would not meet the requirements as a deductible expense. It is rare in the University environment for this expense to apply to a University of Toronto employee.

For other expenses such as travel and accommodation, in order to qualify the employee must not have access to other expense reimbursement for these expenses from Professional Expense Reimbursement funds, grant/research accounts, or department funds for reimbursement. An employee who teaches at different University locations is likely not eligible to qualify to claim this expense as this is normally considered regular personal travel to/from work. Again, it is rare in the University environment for this expense to apply to a University of Toronto employee.

Other considerations:

- Collective Agreements may contain language that specifically addresses work/office space and supplies provided by the employer (e.g., – Article 23 of CUPE 3902 Unit 3 Sessional Lecturers and Article 25 of CUPE 3902 Unit 1 Teaching Assistants)
- Employees who are required to perform part of their work from home must have an agreement in place with their manager and must still satisfy the relevant conditions above
- Independent contractors are not employees of the University, and are therefore not eligible to claim expenses under Form T2200

Process

1. The Employee should fill out Part A of Form T2200 and provide the form to the relevant senior department administrator (e.g., Chair, Dean, Director, or designate) with a brief written statement outlining the type of expenses incurred and the basis for requesting the Form T2200.
2. The senior department administrator should review the Form carefully and should inquire into the expenses that are being claimed to determine whether some or all were required under the employee's contract of employment and/or were eligible for reimbursement by the University.
3. The senior department administrator is under no obligation to sign the Form and should contact his/her local Human Resources office for advice.
4. A copy of the completed form should be kept in the employee's personnel file.

Employees and senior department administrators should take the time and effort to understand the exact nature of the expenses being claimed and must ensure that the questions on Form T2200 are answered accurately and truthfully. Failure to do so may be considered an offence under the *Income Tax Act* and persons found guilty of an offence may be subject to fines and imprisonment.

CRA Sources:

IT-352R2 Employee's Expenses, Including Work Space in Home Expenses [<http://www.cra-arc.gc.ca/E/pub/tp/it352r2/it352r2-e.html>]

Guide T4044, Employment Expenses – 2008 [http://www.cra-arc.gc.ca/E/pub/tg/t4044/t4044-e.html#P115_2108]

IT-522R, Vehicle, Travel and Sales Expenses of Employees [<http://www.cra-arc.gc.ca/E/pub/tp/it522r/it522r-e.html>]

Note

The information provided is not intended as legal or financial advice regarding personal income tax returns. Please contact a professional advisor or the CRA directly for more information.