

April 1, 2009

BULLETIN

Re: Employment Expenses – Completion of T2200 form

Introduction

This Bulletin discusses the circumstances under which an employee may request the completion of a T2200 form. It is hoped that this Bulletin will facilitate the completion of those forms in a timely and efficient manner.

Purpose of the T2200 Form

The *Income Tax Act* of Canada permits employees to deduct certain expenses from their income where those expenses have been incurred as a result of their employment. Examples of such deductions include expenses incurred as a result of having used a motor vehicle or having paid the costs of travel.

In order to claim these expenses an employee must obtain from his or her employer a prescribed form certifying that certain conditions have been met. That form is known as a Form T2200 and can be found at www.cra-arc.gc.ca/E/pbg/tf/t2200/t2200-05e.pdf, A copy of the current version is attached.

Timing

Because the Form requires an employer to certify certain conditions of employment it is important that employees request to have the form completed while they are still actively employed and the production is still underway. Where requests are not made during this time frame it may be extremely difficult for an employer to make the necessary declarations contained in the form.

Summary

It is part of the payroll obligations of an employer to complete the T2200 form when requested to do so. The form may be completed before or after the production wraps. At the same time such requests must be made before a production wraps in order that an employer's representative who is knowledgeable about the declarations contained in the form be available.



DECLARATION OF CONDITIONS OF EMPLOYMENT

The employer must complete this form for the employee to deduct employment expenses from his or her income.

The employee does not have to file this form with his or her return, but must keep it in case we ask to see it. For details about claiming employment expenses, see Guide T4044, Employment Expenses, or Interpretation Bulletins IT-352, Employee's Expenses, Including Work Space in Home Expenses, and IT-522, Vehicle, Travel and Sales Expenses of Employees.

Part A - Employee information (please print)

Form with fields for Last name, First name, Tax year, Social insurance number, Home address, Business address, and Job title and brief description of duties.

Part B - Conditions of employment

Form with 7 numbered questions regarding employment conditions, including contract requirements, travel, employment period, motor vehicle allowance, repayment of expenses, other expenses, and commission.

8. 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? Yes No
If yes, how frequently? _____

9. Did you require this employee under a contract of employment to:

- rent an office away from your place of business? Yes No
- pay for a substitute or assistant? (do not complete for employees earning commission income) Yes No
- pay for supplies that the employee used directly in his or her work? Yes No
- pay for the use of a cell phone? Yes No

Did you or will you repay this employee for any of these expenses? Yes No
If yes, indicate the type of expense and amount you did or will repay: _____

10. Did you require this employee under a contract of employment to use a portion of his or her home for work?
The work space **must** be where the employee mainly (more than 50% of the time) does his or her work **OR** used only to earn the employment income and also used on a regular and continuous basis for meeting clients or customers. Yes No
Did you or will you repay this employee for any of the expenses? Yes No
If yes, indicate the type of expense and amount you did or will repay _____

11. Did you require this tradesperson, as a condition of employment, to purchase and provide tools after May 1, 2006, that were used directly in his or her work? Yes No
If yes, do all of the tools itemized on the list provided to you by the employee satisfy this condition? Yes No
Please sign and date the list.

12. Did this employee work for you as an apprentice mechanic? Yes No
If yes, was this employee registered in a program established under the laws of Canada or of a province or territory that leads to a designation under those laws as a mechanic licensed to repair self-propelled motorized vehicles? Yes No

13. Did you require this apprentice mechanic, as a condition of employment, to purchase and provide tools that were used directly in his or her work? Yes No
If yes, do all of the tools itemized on the list provided to you by the employee satisfy the condition described in Question 12? Yes No
Please sign and date the list.

14. Did this employee work for you as a forestry worker? Yes No
Did this employee, as a condition of employment, have to provide a power saw (including a chain saw or tree trimmer)? Yes No

Employer declaration

I certify that the information provided on this form is, to the best of my knowledge, correct and complete.

Name of employer (print)

Name and title of authorized person (print)

Date

Telephone Number

Signature of employer or authorized person

Note
Please make sure that the name and telephone number of the authorized person are clearly printed in case we need to call to verify information.