

# **NEW WORK-FROM-HOME TAX CLAIM PROCESS WILL PROVIDE MASSIVE SAVINGS FOR EMPLOYERS**

*Fall Economic Statement a Welcome Relief for Payroll Professionals and Employers*

**TORONTO (November 30, 2020)** – The Canadian Payroll Association commends the federal government for today’s announcement, made as part of the fall economic statement, that will help taxpayers working from home during the pandemic access tax deductions they are entitled to while eliminating a significant burden for payroll professionals and employers.

After government-mandated lockdowns and closures became the norm during the pandemic, more than six million Canadians found themselves newly working from home in 2020. With so many new remote workers, employers worried that they would be required to complete T2200<sup>1</sup> forms to enable them to claim work-from-home expenses — a herculean task which would have generated countless hours of work and cost employers more than \$194 million collectively.

The government’s fall economic statement, released today, quells those worries by announcing a streamlined approach for claiming work-from-home expenses that is a win-win for both employees and employers. Employees working from home with “modest expenses” will be able to claim up to \$400 in the 2020 tax year without the need to track detailed expenses. And employers will, generally, no longer be required to confirm the status of employees by completing a T2200 form for each remote worker.

This new approach directly reflects recommendations made by the Canadian Payroll Association to both the Ministers of Finance and National Revenue, and the Canada Revenue Agency.

“Today’s announcement shows that the government is listening to the needs of payroll professionals across Canada,” says Peter Tzanetakis, President of the Canadian Payroll Association. “Since the beginning of the pandemic, there have been more than 300 legislative changes impacting payroll professionals who have been working tirelessly to help deliver essential programs to Canadians. Eliminating the T2200 for new remote workers in 2020 significantly reduces the burden to employers, enabling the focus to remain on essential business needs during this unprecedented time.”

The Association continues to work with the Quebec government toward harmonization with today’s announcement.

## **ABOUT THE CANADIAN PAYROLL ASSOCIATION**

Canada’s 1.5 million employers rely on payroll practitioners to ensure the timely and accurate annual payment of \$1.02 trillion in wages and taxable benefits, and \$345 billion in statutory remittances while complying with more than 200 federal and provincial regulatory requirements. As the source of Canadian payroll compliance knowledge, the Association promotes payroll compliance through advocacy and education. For more information on the Association, visit [payroll.ca](http://payroll.ca).

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<sup>1</sup> The T2200, *Declaration of Conditions of Employment*, is a Canada Revenue Agency form that an employer completes when an employee’s condition of employment requires them to work from home and/or results in them incurring expenses that aren’t covered by the company. The employee may be able to claim these expenses when they file their personal tax return. Québec has a similar form, the TP-64.3-V, *General Employment Conditions*, for the same purpose.

For more information or to schedule an interview with a Canadian Payroll Association representative, please contact:

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