



BULLETIN

CANADA REVENUE AGENCY (CRA): DEDUCTING WORK FROM HOME EXPENSES FOR 2021 TAX YEAR

This COTAPSA Bulletin addresses the temporary flat rate method for deducting work from home expenses on 2021 tax returns. This is for employees who were asked or given a choice to work remotely by their employers due to pandemic response.

If you worked from home in 2021 for at least one month, you can choose to deduct home office expenses through one of two methods: the temporary flat rate method and the detailed method. **The temporary flat rate method is what will apply to most City of Toronto employees required to work from home.**

The temporary flat rate method simplifies your claim for home office expenses. To be eligible for this method, you must have worked from home **more than 50 percent of the time in 2021** for at least four consecutive weeks. You can claim \$2.00 CAD for each day you worked at home, regardless of expenses incurred or reimbursed, up to a maximum of \$500.00 CAD (250 working days). If you are using this method, you are not required to keep expense receipts, and the City/employer is not required to provide a form T2200S. **You are still eligible for the temporary flat rate method even if your employer offers working from home as an option/choice, rather than a requirement.**

While you will not need to file supporting documents, the CRA expects that you will be able to demonstrate which days you worked from home in 2021 if an audit was conducted. Here are some guidelines to consider:

- You may count the days in the four-week period and any other day you worked from home.

- You are not permitted to count days off, such as vacation days, sick leave days or other leaves of absence.
- You may still claim the deduction if your employer reimbursed some of your home office expenses.

EXAMPLE: Alex worked from home from January 1 to December 31, 2021 due to pandemic response. She worked only on weekdays, which total 261 days for the year. Subtracting the days she did not work, including statutory holidays in her province (12 days), two weeks of holidays (10 days), and sick days (3 days), Alex worked from home a total of 236 days.

To calculate her claim, Alex multiplied the number of days she worked at home (236 days) by the \$2 temporary flat rate amount, for a total of claim of \$472 CAD.

More information, **including the requirements of the detailed method**, can be [found here](#) on the Government of Canada website.

Should you have any questions or require further clarification, please email at COTAPSA at cotapsa@toronto.ca.