

PANDEMIC FINANCIAL PLANNING – CLAIMING HOME OFFICE EXPENSES THROUGH COVID-19

Working from home has become a regular occurrence through 2020 and the COVID-19 pandemic. Adoption of the home office has been a difficult transition for some companies and seamless for others. Working from home has reached a point for some companies with productivity at highs and more of a focus on work-life balance, that the prospect of moving back to a full-time office may never happen. This introduces some interesting options for employees on the tax planning side of the equation, and the opportunity to claim some home expenses for the employee if they are eligible according to the CRA guidelines.

As outlined by the CRA, one of the following two conditions must be met to claim home office expenses:

- The workspace is where you mainly (more than 50% of the time) do your work.
- You use the workspace only to earn your employment income. You also must use it on a regular and continuous basis for meeting clients, customers, or other people in the course of your employment duties.

Source: <https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-229-other-employment-expenses/salaried-employees/work-space-home-expenses.html>

Through the COVID-19 pandemic, many employees may have satisfied the first condition - their home office has been the main workspace (over 50% of their work time). With many offices shutting down and forcing work from home protocols at the start of the pandemic in March, and some offices not set to open until 2021, much of the work-time of 2020 has been from home.

If you feel you may be eligible to write off home expenses due to your home office, you should talk to your employer ASAP. Form T2200, Declaration of conditions of employment will be needed for your 2020 tax return in order to claim home expenses. Once you secure the T2200 you should also consult your accountant to understand the eligibility and calculation of expenses eligible for your tax return.

Tom Stachiw, CIM
Portfolio Manager



MATCO FINANCIAL INC.

Founded in 2006 to manage and service seven family offices, today Matco offers the benefits of our extensive investment management experience to individual investors, foundations, endowments, condominium corporations, trusts, corporations and not-for-profit organizations.

Our mission is to simplify the investment world for our clients by understanding their needs and providing exceptional investment solutions that preserve and grow capital.

Matco Financial is an independent, privately held discretionary investment counsellor and asset management firm that serves the needs of individual investors, institutions, advisors, trusts, corporations and not-for-profit organizations. Matco provides investment advisory services to investors on a discretionary basis through mutual funds and separately managed accounts. This communication is intended for information purposes only and does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Matco Financial Inc. makes no representations as to the accuracy or any other aspect of information contained in other websites. All statements that look forward in time or include anything other than historical information are subject to risks and uncertainties and are not guarantees of future performance. Investors should not rely on forward looking statements. Actual results, actions or events, could differ materially from those set forth in the forward looking statements.

For more information please visit www.matcofinancialinc.com

MATCO Financial Inc. ©2020 All Rights Reserved.

Our mailing address is:

350, 440 – 2nd Ave SW,
Calgary, Alberta T2P 5E9
Phone: 403.539.5740

www.matcofinancialinc.com