

WORKING FROM HOME – OVERVIEW COMPARISON

	Temporary Flat Rate Method (T777S Option 1)	Detailed Method – Only Working from Home Expenses (T777S Option 2)	Detailed Method – Any Other Employment Expenses (T777)
Employer certification required?	No	Yes – T2200S	Yes – T2200
Receipts required?	No	Yes	
Eligible employees	Worked from home due to COVID-19 and worked more than 50% of the time from home for at least four consecutive weeks in the year. ¹		Worked from home due to COVID-19 or employer requirement and a) worked more than 50% of the time from home for at least four consecutive weeks in the year ^{1, 2} or b) the home work space was used only to earn employment income, and was used on a regular and continuous basis for meeting clients, customers, or other people in the course of their employment duties.
Computation	\$2/day worked from home; max \$500 (in 2021)	Claim the actual amounts paid, supported by documents/receipts.	
Can you also claim other employment expenses, if eligible?	No		Yes
Can the work space also be used for personal purposes?	Yes – no change to the claim ³	Yes – as in the past, expenses prorated for space and hours used for employment purposes ^{3, 4}	
Impact of employer reimbursement	Full claim permitted unless all expenses are reimbursed.	Reimbursements will reduce expenses eligible for deduction.	

Notes:

1: Working from home for less than four consecutive weeks

CRA provided the [example](#) of an individual (Isaac) that worked **from home full-time for three weeks** and then **returned** to his employer's office for the **rest of the year**. While he worked from home for 75% of a four-week period, CRA would view this as working from home 100% for three consecutive weeks. This means that he did **not** meet the requisite **four consecutive weeks** and would **not be eligible for a claim**.

However, in another [example](#), the individual (Emma) worked an **alternating schedule of three weeks on and one week off** for **seven months**. CRA stated that the requisite 50% over a period of four consecutive week test **would be met**. This position was likely taken as the three weeks worked from home was **part of a larger arrangement** that lasted more than four weeks.

2: Applicability of the four-week test

While the legislation (Subsection 8(13)) uses the phrase “the **place where the individual principally performs** the duties of the office or employment,” it appears that CRA has chosen to administratively interpret this **to mean working more than 50% of the time from home for a period of at least four weeks**. It also appears that this interpretation applies to both those required to work from home due to COVID-19 and those required to work from home by their employer for other reasons.

3: Alternating working from home and the office

CRA provided the [example](#) of an individual (Kumi) that worked from home **more than 50% of the time for two months** due to COVID-19 but then worked from home **less than 50% of the time** for the **remainder of the year**.

Under the **detailed method**, Kumi would **only** be able to claim **expenses** for the **two-month period** that Kumi **primarily worked from home** due to COVID-19; **no home office expenses** would be available for the portion of the year **outside this period**. While the example was given in the context of someone required to work from home due to COVID-19, it appears that CRA is also using this test to determine whether the employee's duties are principally performed at home (Subparagraph 8(13)(a)(ii)) to permit a deduction under the existing legislation.

Under the **temporary flat rate method**, \$2/day would be **available for all days in the year** that the individual worked from home, regardless of whether those days were in a period during which the employee worked from home more than 50% of the time.

4: More than one spouse working from home – detailed method

Where **more than one spouse** is working from home and making a claim under the **detailed method**, in an [FAQ](#), CRA stated that they will permit the taxpayers to **choose the proportion** of the **total eligible expenses** that each spouse claims.