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Home office expenses for employees

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Expenses you can claim

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Temporary flat rate method

If you are using [Temporary flat rate method](#), you do not need to determine your expenses to calculate your claim for home office expenses in 2020.

The temporary flat rate method is used to claim home office expenses that you paid like rent, electricity and home internet access fees, as well as office supplies like pens and paper, and cell phone minutes.

If you use the temporary flat rate method, you cannot claim any other employment expenses (for example motor vehicle expenses).

To determine if you are eligible, refer to: [Eligibility criteria - Temporary flat rate method](#)

Temporary flat rate method

Detailed method

If you are claiming the employment portion of **actual amounts you paid**, you use the [Detailed method](#) to determine the amount of work-space-in-the-home expenses you can claim. You must separate the expenses between your employment use and non-employment (personal) use of your home.

To determine if you are eligible, refer to: [Eligibility criteria - Detailed method](#)

Detailed method

Work-space-in-the-home expenses

If you meet the [eligibility criteria](#), you can claim a portion of certain expenses related to the use of a work space in your home.

Commission employees who sell goods or negotiate contracts (typically have an income amount in box 42 on their T4 slip), can claim some expenses that salaried employees cannot.

Can be claimed

All salaried employees and commission employees can claim

electricity

heat

water

utilities portion (electricity, heat, and water) of your condominium fees ¹

home internet access fees ²

maintenance and minor repair costs ³

rent paid for a house or apartment where you live ⁴

Commission employees can also claim

home insurance

property taxes

lease of a cell phone, computer, laptop, tablet, fax machine, etc. that reasonably relate to earning commission income

Cannot be claimed

Salaried employees and commission employees cannot claim

mortgage interest

principal mortgage payments

home internet connection fees

furniture

capital expenses (replacing windows, flooring, furnace, etc) ⁵

wall decorations

Office supplies and phone expenses

If your employer requires you to pay for office supplies or certain phone expenses, you may be able to claim those expenses.

Although you can claim these expenses, they are not related to the physical work space in your home. They are **claimed on a different section of Form T777S or Form T777**.

Limitations on work-space-in-the-home expenses

The work-space-in-the-home expenses you can claim are limited when:

- you work only a **part of the year** from your home:
 - You can only claim the expenses you paid in the part of the year you worked from home. You cannot claim the expenses you paid for the whole year.
- you have **multiple income sources**:
 - You can claim work-space-in-the-home expenses only from the income the expenses relate to, and not from any other income.
- your **expenses exceed your income**:
 - The amount you can claim for work-space-in-the-home expenses is limited to the amount of employment income that is left after you have deducted all other employment expenses. This means that you cannot use work-space-in-the-home expenses to create or increase a loss from employment. If you cannot claim all your work-space-in-the-home expenses in the year, you can carry forward the expenses. You can claim these expenses in the next year as long as you are reporting income from the same employer. However, you cannot create or increase a loss from employment by carrying forward work-space-in-the-home expenses.

- If you are a **commission employee**, you may not be able to claim your total work-space-in-the-home expenses if they exceed your commission income. To learn more, refer to: [T4404 - Chapter 2 - Employees earning commission income](#)

1 Utilities portion (electricity, heat, and water) of your condominium fees

You can claim a portion of your monthly condominium fees if you can calculate the portion of the fees that relates to the electricity, heat, and water you used within your personal unit using a reasonable basis.

If you paid the electricity, heat, and water consumed within your personal unit directly to service providers, no portion of your condominium fees is deductible.

To calculate the reasonable portion of the condominium fees that you can claim, you may need to contact the condominium administrator to obtain the following information:

- Cost of the eligible services (electricity, heat, water) paid by the condominium administrator for the whole condominium building for the **current or previous year**
- Total condominium fees paid by all co-owners for the same year

Using the total condominium fees you paid for your unit for the period you were working from home, you can calculate the reasonable portion of your condominium fees used to pay for electricity, heat, and water using this formula:

Cost of the electricity, heat, and water paid by the condominium administrator for the condominium building for the year

Total condominium fees paid by all co-owners for the year

100 (to convert it into a percentage)

% of condominium fees corresponding to electricity, heat, and water

Total condominium fees you paid for the period

Reasonable utilities portion of the condominium fees you can claim

2**Home internet access fees**

Can claim monthly home internet access fee (the cost of the plan must be reasonable)

Cannot claim connection fees

Cannot claim the portion of fees related to the lease of a modem/router

3**Maintenance and minor repair costs**

The maintenance and minor repair costs generally fall into one of the following categories:

Expenses you paid that relate to the **work space as well as other areas of the home**. You can claim the percentage of those expenses that relate to the work space.

Example: Minor repairs of the home furnace or air-conditioner or the purchase of household cleaning products.

Expenses related to the **work space only**. You can claim the total amount of the expenses if the amount paid is reasonable.

Example: Purchase of light bulbs, repainting the work space, or repairing walls or ceilings after the installation of phones, fax machines or other office equipment you used in the work space.

Expenses related to a part of the house that you **did not use as a work space**. You cannot claim any part of those expenses.

Example: Repainting a bedroom that is not used for work.

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Rent paid for a house or apartment where you live

If you rent your home, you can claim a reasonable portion of the rent related to the work space.

If you own your home, you cannot claim the rental value of the work space in your home.

Capital expenses

Cannot claim the renovations and expenses that extend the useful life of a property or improve it beyond its original condition.

Example: Changing a furnace, changing a window or improving the flooring of a room.
