

## How to Complete a Declaration of Conditions of Employment (T2200) Form - Job Aid

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**Purpose:** This job aid describes the activities required to complete a Declaration of Conditions of Employment (T2200) Form for the purpose of an employee claiming expenses on their personal annual tax return. This document does not address whether an employee's claim for the deduction of work-related expenses from personal employment income will be ultimately successful as that determination is made by the CRA. Eligibility to claim expenses and further guidance on doing so can be found on the CRA website [and in the T4044 Employment Expenses Guide](#).

### Definitions:

- **Allowance** – any periodic payment of a predetermined amount, the amount can be fixed or determined by a formula, in addition to salary or wages and provided to an employee for which the employee does not have to account for its use.
  - **Break in Employment** – this requires a cessation of employment followed by a rehire. It can be due to an expiry of contract, termination, dismissal, resignation, or retirement. A break in employment does not include a period of layoff, research leave, sabbatical, or any approved leave of absence, including maternity leave and sick leave.
  - **Contract** – the agreement between the employee and McMaster setting out the employee's terms and conditions of employment. This could be an individualized employment agreement, appointment letter, a collective agreement, an employee handbook, an email confirming the terms and conditions, a McMaster policy that dictates certain terms and conditions, or any similar document. Contracts can be written or orally agreed. It is also a well-accepted position of the CRA that the requirement for an employee to pay their own expenses can be an implied term if not expressly provided in the Contract.
  - **Duties of Employment** – a task or event required by the supervisor, whether explicitly in writing or as assigned.
  - **CRA Eligibility Criteria:** [Who Can Claim Home Office Expenses \(as per CRA Guide\)](#)
  - An employee can claim home office expenses for 2023 and on if all of the following conditions are met:
    - The employer required the employee to work from home. (This does not have to be part of the employee's employment contract, but there should be a written or verbal agreement with the employee regarding this requirement.)
    - The employee was required to pay for expenses related to the workspace in their home, and the expenses were used directly in their work.
    - The workspace is where the employee worked more than 50% of the time for a period of at least four consecutive weeks in the year.
    - The employee has a completed and signed Form T2200 from their employer.
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- **Normally** – defined for the purposes of this form as occurring on a regular or habitual basis and may or may not be scheduled.
  - **Reimbursement** – a payment to repay costs incurred by an employee directly. Reimbursements are governed by McMaster’s “Reimbursements to Individuals for University Business” policy.
  - **Required** – this term does not necessarily imply that the employee is ordered to do so. The CRA has confirmed that the requirement for an employee to pay for their own expenses can be either expressly provided for under a written contract, or implied. Absent an express requirement in a written contract, if it is tacitly understood by the employer and employee that such payment was to be made an necessary to fulfill the duties, that would suffice. An implied mutual understanding may constitute the requirement for an employee to pay their own expenses while carrying out the employment duties.
  - **Impacted Roles:** all University staff and faculty
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**Task 1: Completion of Part A – Employee Information**

Step	Action
1.	Populate all personal information in Part A which including: <ul style="list-style-type: none"><li>• Last Name</li><li>• First Name</li><li>• Tax Year (this is not the year the form is completed but the tax year the form applies to)</li><li>• Employer Address</li></ul>
2.	Populate the job title and brief description of duties.  This should be completed by referencing the employee’s job description, if one exists, and needn’t be detailed or exhaustive. <ul style="list-style-type: none"><li>• Example: <b>Sessional Faculty:</b> Part-time instructor employed to teach an undergraduate level class. Job duties include preparation of course curriculum, lecturing, grading/marking, and convening office hours for students.</li></ul>

**Task 2: Completion of Part B - Conditions of Employment**

Step	Action
1.	Complete Question #1: Did this employee’s contract require them to pay their own expenses while carrying out the duties of employment? <ul style="list-style-type: none"><li>• In most cases the answer will be <b>YES</b> even if an allowance or reimbursement was given</li></ul>

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	<ul style="list-style-type: none"><li>• See Definition of “Required” above for further explanation. If answering <b>NO</b>, this form will not apply and no other questions need to be completed.</li></ul>
2.	<p>Complete Question #2: Enter the period(s) of employment during the year:</p> <ul style="list-style-type: none"><li>• Specify the dates during the year the employee was employed.</li><li>• If the employee was employed with McMaster for the full year, enter 2023-01-01 to 2023-12-31</li><li>• If the employee was with McMaster for a partial year, enter the dates in the year the employee was with McMaster, example: 2023-05-15 to 2023-12-31 or 2023-01-01 to 2023-08-10.</li></ul>
3.	<p>Complete Question #3: Did you pay this employee wholly or partly by commission according to the volume of sales made or contracts negotiated?</p> <ul style="list-style-type: none"><li>• In all cases the answer will be <b>NO</b>, as McMaster does not pay by commission.</li></ul>
4.	<p>Complete Question #4: Did you require this employee to pay for expenses for which they <b>did</b> or <b>will</b> receive a reimbursement?</p> <ul style="list-style-type: none"><li>• Answer <b>YES</b>, if an employee was reimbursed for any expenses as per related McMaster policies, i.e. Reimbursements to Individuals for University Business policy, MPDA</li><li>• If <b>YES</b>, the eligible employee should pull a query of their reimbursements and submit it along with this form, for the Authorized Certifier’s review. Enter the total amount of the expenses and type of expenses reimbursed. To access the report in Mosaic, go to: &lt;Employee Self Service – Travel &amp; Expenses – My Expense Report Details &gt;<ul style="list-style-type: none"><li>○ The finance query should be reviewed with managers regardless of whether or not those managers are approved delegates.</li></ul></li><li>• Reimbursed expenses are not included on T4 slips - Answer <b>NO</b></li></ul>
5.	<p>Complete Question #5: Did this employee’s contract of employment require them to: rent an office, employ an assistant, pay for supplies, pay for cell phone?</p> <ul style="list-style-type: none"><li>• This question contemplates costs incurred by the employee directly out of their own funds, not out of research funds. Expenses paid from a research grant should not be considered in answering this question.</li></ul> <p>Complete additional question: did you or will you reimburse this employee for any of these expenses?</p> <ul style="list-style-type: none"><li>• If <b>YES</b> is answered to this question, enter the total amount of the expenses and type of expenses reimbursed. A finance expense report can be generated from Mosaic to assist with listing expenses and can be attached to the form for reference. To access the report in Mosaic, go to: &lt;Employee Self Service – Travel &amp; Expenses – My Expense Report Details &gt;</li><li>•</li><li>• Reimbursed expenses are not included on T4 slips - Answer <b>NO</b></li></ul>

6.	<p>Complete Question #6: Did you require the employee to use a part of their home for work?</p> <ul style="list-style-type: none"> <li>• Answer <b>YES</b>, if an employee has a hybrid work arrangement or any other work-from-home agreement whether the agreement is in writing or verbal.</li> <li>• If <b>YES</b>, indicate the percentage of time worked from home for majority of the year. Based on a 5-day work week, 1 day working from home equals 20% of time.</li> </ul> <p>Complete additional question: Did you or will you reimburse this employee for any of their work-space-in-the-home expenses?</p> <ul style="list-style-type: none"> <li>• Answer <b>YES</b>, if an employee was reimbursed for any expenses as per related McMaster policies.</li> <li>• If <b>YES</b>, enter the total amount of the expenses and type of expenses reimbursed. A finance expense report can be generated from Mosaic to assist with listing expenses and can be attached to the form for reference. To access the report in Mosaic, go to: &lt;Employee Self Service – Travel &amp; Expenses – My Expense Report Details &gt;</li> <li>• Reimbursed expenses are not included on T4 slips - Answer <b>NO</b></li> </ul> <p>If the employee only had home office expenses, skip to "Employer Declaration" section.</p> <ul style="list-style-type: none"> <li>• <b>Questions 7 to 13 of the T2200 form do not need to be completed</b></li> </ul>
7.	<p>Complete Question #7: Did you normally require this employee to travel to locations that were not your place of business or between different locations of your places of business, during the course of performing their employment duties?</p> <ul style="list-style-type: none"> <li>• To answer <b>YES</b>, the travel must be necessary to the satisfactory performance of the employee's duties and be an expectation of the position as per the employee's terms and conditions or job description.</li> </ul> <p>Complete additional question: If <b>YES</b>, what was the employee's area of travel?</p> <ul style="list-style-type: none"> <li>• The travel contemplated by this question requires sufficient distance to necessitate the use of a motor vehicle. The travel can be either between McMaster locations or to non-McMaster locations.</li> <li>• The area of travel should specially identify both the "to" and "from" location addresses.</li> </ul>
8.	<p>Complete Question #8: Did you require this employee to be away for at least 12 consecutive hours from the municipality and metropolitan area (if there is one) of your business where the employee normally reported for work?</p> <ul style="list-style-type: none"> <li>• The period of 12 consecutive hours includes travel time to and from the employee's normal place of work.</li> <li>• The municipality is considered the City of Hamilton, which includes Hamilton, Stoney Creek, Ancaster, Flamborough, Dundas and Glanbrook.</li> </ul>
9.	<p>Complete Question #9: Did this employee receive or were they entitled to receive a motor vehicle allowance?</p>

	<ul style="list-style-type: none"> <li>• Most employees are not entitled to receive, and do not receive, a motor vehicle allowance, so the answer would usually be <b>NO</b>.</li> <li>• If the answer is <b>YES</b>, fill in the appropriate amount based on either their fixed allowance or per kilometre (km) rate</li> <li>• Reimbursement for mileage and gas when using a personal vehicle, pursuant to the University's Reimbursements to Individuals for University Business" policy, is not relevant to this question.</li> </ul> <p>Complete additional question: Did this employee have the use of a company vehicle?</p> <ul style="list-style-type: none"> <li>• The answer to this question will usually be <b>NO</b> as only a small number of employees have use of a company vehicle.</li> </ul>
10.	<p>Complete Question #10: Did you require this employee to pay other expenses for which they did not receive any allowance or reimbursement?</p> <ul style="list-style-type: none"> <li>• In most cases, the answer will be <b>NO</b>. Employees are generally reimbursed for all required expenses.</li> </ul>
11.	<p>Complete Question #11: Did this employee work for you as a tradesperson?</p> <ul style="list-style-type: none"> <li>• There is a small group of unionized tradespersons at McMaster, otherwise, the answer to this question will be <b>NO</b>.</li> <li>• If <b>YES</b>, complete the additional questions regarding the purchasing of tools and provide a list of tools purchased.</li> </ul>
12.	<p>Complete Question #12: Did this employee work for you as an apprentice mechanic?</p> <ul style="list-style-type: none"> <li>• The answer will be <b>NO</b> as there are no apprentice mechanics at McMaster.</li> </ul>
13.	<p>Complete Question #13: Did this employee work for you in forestry operations?</p> <ul style="list-style-type: none"> <li>• The answer will be <b>NO</b> as there are no employees working in forestry operations at McMaster.</li> </ul>

**Task 3: Completion of Employer Declaration**

Step	Action
1.	<p>Review of all information completed in this form</p> <ul style="list-style-type: none"> <li>• The signatory to the Employer declaration must be comfortable that the information provided on the form is, to the best of their knowledge, correct and complete. This includes all expenses listed on the form and/or the expense report that may be attached.</li> <li>• Further information or confirmation of information can be asked of the employee prior to signing.</li> </ul>
2.	<p>Sign and date the completed form</p>

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	<ul style="list-style-type: none"><li>• The Authorized Certifier as specified in the Declaration of Conditions of Employment (T2200) Form Administration Policy should sign the completed form.</li><li>• Electronic signatures will be accepted for T2200 forms for 2023 and later taxation years.</li></ul>
3.	Return a signed copy of the completed form to the employee and retain a copy (which should include all pages and attachments) for McMaster's records. The form can be signed and retained electronically.

### Reference Links:

- [Updated T2200 Form for 2023: Declaration of Conditions of Employment](#)
- [T4044 Employment Expenses 2023 – Includes forms T777, TL2, T2200 and GST370](#)
- [CRA Guide: Home Office for Employees](#)
- [McMaster's Declaration of Conditions of Employment T2200 Form Policy](#)
- [FAQs](#)