



Northern Residents Deductions for 2019

This instruction sheet will help you complete Form T2222 Northern Residents Deductions for 2019.

Do you qualify for the northern residents deductions?

You qualify if you lived on a permanent basis, in a prescribed **northern zone (Zone A)** or in a prescribed **intermediate zone (Zone B)** for a **continuous period of at least 6 consecutive months**. This period can begin or end in the tax year specified in Step 1 of the attached Form T2222.

If you lived in a prescribed **northern zone (Zone A)**, you can claim the **full** amount of the deductions. If you lived in a prescribed **intermediate zone (Zone B)**, you can claim **one-half** of the deductions.

To find out the places located in the prescribed northern and prescribed intermediate zones, go to canada.ca/taxes-northern-residents, or call **1-800-959-8281**.

There are 2 northern residents deductions:

- a **residency deduction** (Step 2) for having lived in a prescribed zone
- a **deduction for travel benefits** (Step 3) you received from employment in a prescribed zone that was included in your income

Deceased individuals – A person who died in the year qualifies if they lived in a prescribed zone for 6 months or more before the date of death.

Moving – Your period of residency is not affected if you moved from one place in a prescribed zone directly to another place in a prescribed zone.

Absences from a prescribed zone – If you lived in a prescribed zone on a **permanent** basis, absences from a prescribed zone do not usually affect your period of residency.

To determine if you lived in the prescribed zone on a permanent basis, we consider the number of your absences from the prescribed zone **and** the purpose and length of your absences.

If you have not lived in a prescribed zone for a **continuous period of at least 6 consecutive months** at the time you file your return, you do not yet qualify. File your return without making the claim. When you qualify, you can ask us to adjust your return. To do so, follow the instructions in the Federal Income Tax and Benefit Guide under the heading "After sending your return".

Step 1 – List your places of residence

Enter "**Zone A**" if you lived in a prescribed **northern** zone or "**Zone B**" if you lived in a prescribed **intermediate** zone. Also enter your address, your province or territory, and your period of residence.

Step 2 – Calculate your residency deduction (lines 1 to 14)

Complete the calculation in Step 2 for the prescribed zone(s) you entered in Step 1.

There are 2 parts to the residency deduction:

- a **basic residency amount** – Claim this amount for the number of days in the year that you lived in a prescribed zone.
- an **additional residency amount** – Claim this amount for the days you used to calculate your basic residency amount if you maintained and lived in a dwelling in the prescribed zone during that time **and** you are the **only** person claiming the basic residency amount for living in that same dwelling for that period.

If you are the only person in the household claiming the basic residency amount for a particular period and dwelling, you can also claim the additional residency amount.

To claim the deduction that most benefits your household, you should consider the taxable income of all the members of your household when deciding which one of you will claim the residency deduction.

A **dwelling** is a self-contained domestic establishment. Generally, this is a complete and separate living unit with a kitchen, bathroom, sleeping facilities, and its own private access. **It includes** a house, apartment, mobile home, or other similar place of residence in which a person usually sleeps and eats. **It does not include** a bunkhouse, dormitory, hotel room, or room in a boarding house.

We consider you to have maintained and lived in a dwelling, even if your employer let you live there rent-free and paid all the utility, maintenance, and other costs related to the dwelling. Each person living in the dwelling can claim the basic residency amount as a deduction on their return. However, if more than one person claims the basic residency amount for a particular period and dwelling, no one in that household can claim the additional residency amount for that period and dwelling.

Special work site (lines 4 and 10)

If your principal place of residence is not in a prescribed zone, you may still qualify for all or a portion of the basic residency amount for living at a **special work site** provided that the site is located in a prescribed zone and you resided at the site for **at least 6 consecutive months**.

If you received non-taxable benefits for board and lodging at a special work site (shown in either box 31 of your T4 slip or box 124 of your T4A slip), your residency amounts will be reduced. Enter the amount of non-taxable benefits on line 4 or line 9 **unless** the special work site is 30 kilometres or more from the nearest point on the boundary of any population centre that has a population of at least 40,000 individuals.

For more information about special work sites, see Interpretation Bulletin IT-91, Employment at Special Work Sites or Remote Work Locations.

Step 3 – Calculate your deduction for travel benefits (lines 15 to 17)

Enter the names and addresses of **all individuals who lived with you** in your residence during the period(s) indicated in Step 1 for the tax year and complete the chart to calculate the deduction for travel benefits.

The maximum deduction you can claim for each eligible trip is the **lowest of** any of the following 3 amounts:

- the taxable travel benefits you received from your employer for the trip (Step 3 – Column 3)
- the total travel expenses paid for the trip (Step 3 – Column 4)
- the cost of the lowest return airfare available at the time of the trip between the airport closest to your residence and the **nearest designated city to that airport** as listed in Note 3 on the next page (Step 3 – Column 5)

Use the amounts from lines **(A)** and **(B)** in the table to complete the calculation at lines 15 to 17.

You can claim the **deduction for travel benefits** for expenses you incurred to travel or the value of travel provided by your employer if you meet **all** of the following conditions:

- you qualify to claim northern residents deductions. See "Do you qualify for the northern residents deductions?"
- you are an employee dealing at arm's length with your employer
- you **must have** included in your income (in the same year you have the travel expenses) the **taxable** travel benefits that you received from your employment in a prescribed zone

If you take a trip that begins and ends in one year and you are reimbursed the following year, you cannot claim the deduction for travel benefits for that trip.

You can claim a deduction for travel benefits if you leave on a trip in one year and return the next year. For example, you may leave on a trip in December and come back in January. If you receive non-refundable tickets or travel vouchers, the taxable travel benefit should be included in your T4 or T4A slip for the year the trip begins.

Taxable travel benefits include:

- travel assistance provided by your employer such as airline tickets or a trip on the company owned airplane
- a travel allowance or a lump-sum payment you received from your employer for **travel expenses** you incurred

Any travel expenses, excluding those for employment purposes, which are paid for by your employer, are generally considered taxable benefits.

Travel expenses include air, train, and bus fare, vehicle expenses, meals, hotel or motel accommodations, camping fees, and other incidental expenses such as taxis and road/ferry tolls.

You can **only** claim a deduction for travel benefits for a trip that you or your household members (who lived with you at the time of the trip) actually took for vacation, family or medical reasons and that started from a prescribed zone.

You can claim a deduction for **other travel** (vacation or family reasons) if you have an amount in box 32 of your T4 slip or box 028 of your T4A slip showing any taxable travel benefits you received in the year. You can claim a **maximum of 2 trips per year for other travel** for each member of your household.

You can claim a deduction for **medical travel** if you have an amount in box 33 of your T4 slip or box 116 of your T4A slip showing any taxable travel benefits you received in the year. The medical services had to be for you or a member of your household and must not have been available where you lived. **There is no limit on the number of trips for medical travel you can claim for each member of your household.**

If you are claiming a deduction for medical travel on this form, no one can claim it as a medical expense on their return.

You **can claim** a deduction for travel benefits even if you are not claiming a residency deduction. For example, if your spouse or common-law partner claims both the basic and the additional residency amounts, you can still claim a deduction for any **taxable** travel benefits you received.

You **cannot claim** a deduction for travel benefits if **one** of the following applies:

- you or any member of your household received or was entitled to receive **non-taxable amounts** as travel assistance, a travel allowance, or as a reimbursement for travel expenses
- someone else has already claimed the deduction for travel benefits for this trip on their return

Note 1

If you received a benefit that was not for any particular trip, you have to split it reasonably between the trips you are claiming.

The taxable travel benefits you received for **other travel** (vacation or family reasons) is your total taxable travel benefits from box 32 of your T4 slip or box 028 of your T4A slip, **minus** any amount received for **medical travel** from box 33 of your T4 slip or box 116 of your T4A slip.

Note 2

To calculate meal and vehicle expenses, you may choose the **detailed** or **simplified** method. Your **total travel expenses** equal the total of the value of travel assistance provided by your employer and the travel expenses incurred by you. Include any travel expenses paid by your employer.

Detailed method – This method allows you to claim the actual amount that you spent. Keep your receipts in case we ask to see them at a later date.

Simplified method – This method uses a flat rate for meals and vehicle expenses (as described below). Although you do not need to keep detailed receipts for actual expenses if you choose to use this method, we may still ask you to provide some documentation to support your claim.

- **Meals** – Claim in Canadian or US funds a **flat rate of \$17/meal**, to a **maximum of \$51/day** (sales tax included) per person, without receipts.
- **Vehicle expenses** – Keep track of the number of kilometres driven during the tax year for the trip. To determine the amount you can claim for vehicle expenses, multiply the number of kilometres by the cents/km rate for the province or territory in which the travel begins.

For more information about the detailed or simplified methods including the different rates, go to canada.ca/taxes-travel-costs, or call 1-800-267-6999.

Note 3

The **lowest return airfare** available at the time of the trip means the lowest return airfare ordinarily available for regularly scheduled commercial flights, excluding promotions or discounts that are not ordinarily available, on the date that the travel began. It also includes any GST/PST/HST and airport taxes. Additional charges, such as flight cancellation insurance, meals, and baggage surcharges are not considered part of the lowest return airfare.

The lowest return airfare to be used to complete **column 5** is the cost quoted for a flight from the airport closest to your residence to the **nearest designated city to that airport** (even if you did not actually travel by air or to that city).

The nearest designated cities are:

Vancouver, BC; Calgary, AB; Edmonton, AB; Saskatoon, SK; Winnipeg, MB; North Bay, ON; Toronto, ON; Ottawa, ON; Montréal, QC; Québec, QC; Moncton, NB; Halifax, NS; St. John's, NL.

Note 4

In cases of medical travel, if the patient needs an attendant while travelling, the attendant's travel expenses are included as part of the patient's total travel expenses, even if they are in the form of travel assistance your employer provided or actual expenses you incurred.

If you or a member of your household was the attendant:

In column 5, include the cost of the attendant's lowest return airfare as part of the patient's expense for airfare. In Column 4, include the cost of the attendant's travel expenses (excluding airfare) as part of the patient's travel expenses.

If you or a member of your household was not the attendant:

In column 5, **do not include** the cost of the attendant's lowest return airfare as part of the patient's expense for airfare. In column 4, include the cost of the attendant's travel expenses (including airfare) as part of the patient's travel expenses.

Step 4 – Calculate your northern residents deductions (lines 18 to 20)

Add line 18 (**residency deduction**) and line 19 (**deduction for travel benefits**). Enter the amount from **line 20** of Form T2222 on **line 25500** of your return.



Northern Residents Deductions for 2019

Before you complete this form, read the attached instruction sheet. If this claim is for a year before 2019, go to canada.ca/cra-forms to get a previous version of this form.

Attach your completed Form T2222 to your return, but do not send your other documents. Keep them in case we ask to see them later.

Step 1 – List your places of residence (Attach a separate sheet of paper if you need more space)

Enter Zone A or Zone B	Enter your street address or a description of the location of the property such as a lot and plan number. This may be different from your mailing address.	Enter the province or territory.	Period of residence							
			Enter the date that you started to live in a prescribed zone for a continuous period of at least 6 consecutive months. This period can begin or end in 2019.							
			From	Year	Month	Day	To	Year	Month	Day

Step 2 – Calculate your residency deduction (if you lived in a prescribed zone for a continuous period of at least 6 consecutive months)

Zone A – Residents of prescribed northern zones

Basic residency amount

Enter the number of days you lived in a prescribed northern zone between **January 1 and December 31** in 2019

_____ × \$11.00 = _____ | 1

Additional residency amount

Enter the number of days you qualify for the additional residency amount between **January 1 and December 31** in 2019.

_____ × \$11.00 = _____ + _____ | 2

Add lines 1 and 2.

67490 = _____ | 3

If you worked at a special work site, enter the amount from box 31 of your T4 slip, or from box 124 of your T4A slip, that represents the non-taxable benefits for board and lodging at the special work site **unless** the special work site is located 30 kilometres or more from the nearest point on the boundary of any population centre that has a population of at least 40,000 individuals.

67507 – _____ | 4

Line 3 **minus** line 4 (if negative, enter "0")

= _____ | ► _____ | 5

Zone B – Residents of prescribed intermediate zones

Basic residency amount

Enter the number of days you lived in an intermediate zone between **January 1 and December 31** in 2019

_____ × \$5.50 = _____ | 6

Additional residency amount

Enter the number of days you qualify for the additional residency amount between **January 1 and December 31** in 2019

_____ × \$5.50 = _____ + _____ | 7

Add lines 6 and 7.

67520 = _____ | 8

If you worked at a special work site, enter the amount from box 31 of your T4 slip, or from box 124 of your T4A slip, that represents the non-taxable benefits for board and lodging at the special work site **unless** the special work site is located 30 kilometres or more from the nearest point on the boundary of any population centre that has a population of at least 40,000 individuals.

67529 – _____ | 9

Line 8 **minus** line 9 (if negative, enter "0")

= _____ | ► + _____ | 10

Add lines 5 and 10.

= _____ | 11

Enter your net income from line 23600 of your return.

_____ × 20% = _____ | 12

Enter the amount from line 11 or line 12, **whichever is less.**

Residency deduction = _____ | 13

Step 3 – Calculate your deduction for travel benefits (Attach a separate sheet of paper if you need more space)

If you qualify for this deduction, enter the names and addresses of all individuals who lived in your residence during the period(s) entered in Step 1 for the tax year and complete the chart below to calculate your deduction for travel benefits.

Name:	Address:
Name:	Address:
Name:	Address:

		Column 1	Column 2	Column 3	Column 4	Column 5	Enter the lowest amount from Column 3, 4, or 5 for the prescribed zone(s) you resided in.		
Instructions		Enter the name of the person who took the trip. (See Step 3 of the instruction sheet.)	Enter the purpose of the trip. Other travel (vacation, family reasons) or medical travel	Enter the amount of taxable travel benefits. Other travel: T4 slip – box 32 and T4A slip – box 028 Medical travel: T4 slip – box 33 and T4A slip – box 116 (See Note 1 on the instruction sheet.)	Enter the amount of travel expenses for each trip taken. (See Notes 2 and 4 on the instruction sheet.)	Enter the cost of the lowest return airfare available at the time of the trip between the airport closest to your residence and the nearest designated city to that airport. (See Notes 3 and 4 on the instruction sheet.)	Zone A	Zone B	
							(Prescribed northern zones)	(Prescribed intermediate zones)	
Other travel	Trip 1						+	+	
							+	+	
							+	+	
	Trip 2						+	+	
							+	+	
							+	+	
Medical travel							+	+	
							+	+	
							+	+	
							+	+	
							+	+	
							+	+	
							+	+	
							+	+	
Total							=	(A) =	(B)

Enter the amount from line (A) above.	67540		14
Enter the amount from line (B) above.	67560	× 50% =	15
Add lines 14 and 15.	Deduction for travel benefits		16

Step 4 – Calculate your northern residents deductions

Enter the amount from line 13 in Step 2.	Residency deduction	17
Enter the amount from line 16 in Step 3.	Deduction for travel benefits	18
Add lines 17 and 18.		
Enter this amount on line 25500 of your return.	Northern residents deductions	19