

# Guidelines for Personal Use of CVA Vehicles

**Public Service Commission**  
Human Resource Service Centre  
Payroll Services  
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## Preface: What's New

This preface has been added to identify the changes between the last version of the document and the current one. You can quickly find what has changed by referring here first, then going directly to the changes to become familiar with them.

### Rates for 2023

- Operating Cost Benefit set by the CRA for 2023 is \$0.33 per personal kilometre.
- For most situations where Take Home Privilege has been granted for a motor vehicle not considered an automobile, the “reasonable rate” specified by the CRA to be used for calculating the taxable benefit: \$0.68 per kilometre for the first 5000 kilometres and \$0.62 per kilometre for those over 5000 kilometres. Employees may be eligible for a reduced benefit rate if certain conditions apply (refer to section 3.3.2 “Employee Has Take Home Privilege for a Motor Vehicle” for more information).

The *Personal Use/Take Home Privilege Reporting Form* is now to be submitted by **email only**. The form is available on Taskroon.

## 1. Vehicle Policy (Based On the Central Vehicle Agency (CVA) "Government of Saskatchewan Vehicle Policy")

This Vehicle Policy and the contents of this document apply to employees of the Government of Saskatchewan, and individuals in an employee/employer relationship with the Government of Saskatchewan (ie. Judges, personal service contracts) who drive CVA fleet vehicles assigned to them. **"Assigned to them,"** means that the vehicle is formally assigned to the individual, driven virtually all the time by the assigned individual, and the assigned individual has control over the availability of the vehicle when used by someone else.

Ministers of the Crown, Members of the Legislative Assembly with assigned vehicles and Employees covered under the Executive Vehicle Policy (i.e. Deputy Ministers) are not covered by this policy.

Employees driving CVA Pool Vehicles or Departmental Pool Vehicles have no taxable benefits from driving the CVA vehicle and are exempt from this policy.

CVA vehicles that are assigned to an individual fall into one of three categories:

- The vehicle is driven solely for Government business;
- An employee has been asked and has agreed to *Take Home Privileges* for the vehicle; or
- An employee, who has an assigned vehicle, has requested to use the vehicle for *Personal Use*.

If an employee is driving personal kilometres in a government vehicle and has not been granted *Take Home Privileges*, then he/she falls into the *Personal Use* category. The vehicle must be assigned to the employee; must be registered for *Personal Use* with CVA; and the employee must reimburse the Ministry according to the *Personal Use* policy described in 1.3.

## 1.1 Vehicle Driven Solely for Government Business

Vehicles driven according to this policy are not available for personal use, have no personal kilometres driven, and thus, no taxable benefit is assessed to the driver. (See Section 3.1 for a description of what is considered a personal kilometre).

The vehicle remains at the Government office outside of business hours. The employee can retain the keys for the vehicle outside of business hours but must not drive the vehicle. The vehicle may be taken home for the purpose of leaving the next morning from the employee's home to a work site other than his/her regular place of business, but no personal kilometres are to be driven while the vehicle is at the employee's residence. The trip home in these circumstances is not considered personal driving.

## 1.2 Take Home Privileges

The rules for granting *Take Home Privileges* are covered in the CVA Vehicle Policy Document provided to each Ministry Vehicle Coordinator.

The Employer (ministry) must request the employee to agree to *Take Home Privileges*. The employee must sign a Take Home Privileges Agreement identifying the period(s) of time the privilege is in effect. The ministry should consider the distance the employee would be driving the vehicle when making the Take Home Privilege request.

If employees have been granted *Take Home Privileges*, they are allowed to drive the CVA vehicle from their residence to work and back. There are to be no other personal kilometres driven by the employee. If the employee wishes to use the vehicle for personal use in addition to driving back and forth to work, he or she must register under the *Personal Use* policy in section 1.3.

Employees with *Take Home Privileges* are not required to reimburse their ministry for the kilometres driven to and from their regular place of work. These kilometres, however, are considered personal kilometres by Canada Revenue Agency and the employees are subject to a Taxable Benefit, which will be reported on their T4.

Employees who have been asked to agree to the *Take Home Privilege Option* are encouraged to study section 3 closely in order to understand what effect the percentage of personal kilometres to the total kilometres driven has on the calculation of the taxable benefit. Once this is understood, employees can then decide if they wish to agree to this option. The examples in Section 3.2.3 or 3.3.3, whichever are applicable, will help them to decide.

Employees registering for the *Personal Use Option* cannot receive *Take Home Privileges* under this section.

## 1.3 Personal Use of Government Vehicles

A Permanent or Permanent Labour Service employee with individual assigned use of a Government vehicle is, subject to Permanent Head approval, eligible for personal use of the vehicle. The employee must register according to Section 2.

An employee will not be eligible to elect the personal use option if the same employee has requested termination of the personal use option within the past 12 months. The personal use option may be canceled by the employee at the end of any month.

The personal use of individually assigned vehicles is associated with the position; therefore, the option is terminated when the employee leaves the position. Should the employee assume another position, he/she must re-apply for the *Personal Use Option*.

Employees registering for the *Personal Use Option* will be charged for using the vehicle. The charge consists of a flat monthly fee (currently \$50 plus GST) plus a per kilometre rate equal to the rate specified by Canada Revenue agency for operating costs (\$0.33 per kilometre for 2023). The personal kilometres must be reported each month and the charges will be deducted from the employee's next salary payment.

Personal use of an employer automobile is subject to a Taxable Benefit under the Canada Revenue Agency rules. The amounts reimbursed to the ministry for driving the vehicle are applied against the taxable benefit, but in certain circumstances, the re-imbusement may not cover the taxable benefit. Any remaining taxable benefit will be added to the employee's T4 and tax must be paid on the amount.

Employees interested in the *Personal Use Option* are encouraged to study section 3 closely in order to understand what effect the percentage of personal kilometres to the total kilometres driven has on the calculation of the taxable benefit. Once this is understood, employees can then decide how they wish to use the vehicle. The examples in Section 3.2.3 and 3.3.3, whichever is applicable, will help them to decide.

## 2. Procedures for Requesting Personal Use; And Recording and Reporting Personal Kilometres (Based On CVA Government of Saskatchewan Vehicle Policy)

### 2.1 Requesting Personal Use

Employees wishing to apply for personal use privileges must complete a "Request for Personal Use of Government Vehicles Form (CVA 5)", which can be obtained from the Ministry Vehicle Coordinators and have it approved by the Permanent Head or designate.

A copy of the form must be filed with CVA by the Ministry Vehicle Coordinator.

## 2.2 Agreement for Take Home Privileges

A signed agreement must be kept on file in the ministry outlining the start and end dates of the Take Home Privilege agreement. Ministries are free to design a form for this purpose or a simple memo to file signed by the employee and the Vehicle Coordinator is sufficient. The agreement should include statements to the effect that:

- The ministry is requesting the employee to take the vehicle home;
- The employee will not be charged for the kilometres driven between work and home;
- The vehicle cannot be used for any other personal use;
- The employee understands that a taxable benefit will be reported to the CRA in respect of all kilometres incurred traveling to and from the employee's residence and regular place of work, and the employee agrees to take the vehicle home notwithstanding the tax consequences; and
- The employee may cancel the agreement at any time.

## 2.3 Recording and Reporting Personal Kilometres Driven

### 2.3.1 Employee Procedures for Reporting Assigned Vehicle Use

Employees must keep detailed records of personal kilometres driven and they must be reported monthly to the Central Vehicle Agency (CVA) through ministry vehicle coordinators. Processes to collect the personal kilometres driven under the *Personal Use Option* may differ by ministry but this information must be reported to CVA. The personal kilometres driven under the *Take Home Privilege Option* are to be tracked but are not to be reported to CVA as personal kilometres.

### 2.3.2 Responsibilities of Supervisors of Employees with Assigned CVA Vehicles

The supervisor of employees driving assigned CVA vehicles must review and authorize the monthly vehicle usage. Supervisors are responsible for ensuring vehicle usage is reasonable. For example, if the supervisor is aware that the CVA vehicle is being driven home each day by the employee, then it is reasonable to expect personal kilometres to be reported on the monthly usage report. It is possible that the employee drives every day from home to a work site other than his/her regular place of work which would result in no personal kilometres, however, the supervisor should still be satisfied that the monthly usage report is filled out properly before authorizing it.

### 2.3.3 Responsibilities of Ministry Vehicle Coordinators

The ministry vehicle coordinators are responsible for the following tasks:

- Educating new drivers about the rules for driving CVA vehicles including recording and reporting procedures and the taxable benefit implications.
- Receiving distance information from drivers and forwarding the information to CVA in the specified format and in a timely manner.
- Assisting employees with assigned CVA vehicles in the completion of the request for Personal Use of a CVA Vehicle (CVA5), and the Take Home Privilege option.

- Keeping accurate records of personal use kilometres driven (for the Personal Use option and the Take Home Privilege option), for annual reporting on employees' T4's.
- At the beginning of January each year, completing the information request issued by Saskatchewan Public Service Commission to provide information necessary to calculate the personal use taxable benefit.

### 2.3.4 Responsibilities of Saskatchewan Public Service Commission

Public Service Commission through Payroll Services in the Human Resource Service Centre is responsible for:

- Maintaining the rules and procedures that are documented in this guide. If you have any changes you feel are required or if you have questions about the contents, please contact:

Payroll Services  
 Public Service Commission  
 3<sup>rd</sup> Floor 2100 Broad Street  
 Regina, SK S4P 1Y5  
 Email: PSC Payroll Operations ([PayrollOperations@gov.sk.ca](mailto:PayrollOperations@gov.sk.ca))

- Requesting from the ministry vehicle coordinators, the required T4 reporting information in January of each year.
- Calculating the taxable benefits from the information received and reporting the taxable benefit on the employees' T4's.

Saskatchewan Finance, through the Internal Audit Branch, will periodically ensure that the policies contained in this document are being followed by ministries and drivers of CVA vehicles by doing ministry field audits.

## 3. Canada Revenue Agency (CRA) Taxable Benefit Implications

**A taxable benefit occurs if personal kilometres are driven by an employee in a Government vehicle.**

If personal kilometres are driven, then the length of time the vehicle was available for personal use to the employee and the number of kilometres driven are both considered in determining the taxable benefit. The vehicle is considered to be "available for personal use" for the period(s) during the calendar year that the employee was approved for Take Home Privilege or Personal Use.

If the employee does not use the vehicle for personal driving, there is no taxable benefit, even if the vehicle was assigned to the employee for the entire year.

If it has been determined that the employee has driven personal kilometres, then the type of vehicle assigned must be determined in order to calculate the taxable benefit. If the vehicle is an automobile according to the definition in section 3.2.1 then section 3.2 is used to determine the taxable benefit. If the vehicle is not an automobile according to the definition, then section 3.3 is used to determine the taxable benefit.



### 3.1 What Is a Personal Kilometre?

**Personal kilometres** are all kilometres driven by employees using Government vehicles on weekends, holidays, and off-duty hours, including travel between home and the work place.

If employees drive directly from their residence to a project or work site other than their regular place of business, **then the kilometres are not considered personal**. As well, if the employees return directly home from a project or work site without reporting to their regular place of business, **then the kilometres are not considered personal**.

If employees do not have Take Home Privileges or the Personal Use Option, it is not considered a benefit to take a vehicle home at the end of the day in order to leave the next morning from home to a project or work site. In most instances, it is an inconvenience to employees since they must be dropped off or makes special arrangements to take the vehicle.

For employees with Take Home Privileges or the Personal Use Option who drive home from their regular place of business and leave from home to a work site in the morning, the trip home would be personal; the trip to the work site the next morning would not.

It is very important that exact records are kept of the business places visited as well as the personal kilometres driven. If a Canada Revenue Agency Audit is done on the personal use of the vehicle, it is the employee's responsibility to justify the personal kilometres reported. If they cannot be justified, Canada Revenue Agency may assess the employee according to their findings.

**Employees driving personal kilometres in Government vehicles are encouraged to:**

- Study the examples in section 3.2.3 or 3.3.3 whichever is applicable;
- Obtain information about the vehicle they are driving and work through the calculations in either section 3.2 or 3.3; and
- Monitor their percentage of personal kilometres to the total kilometres driven during the period that the vehicle was available for personal use.

## 3.2 CRA Taxable Benefit Calculations for Vehicles Considered to Be Automobiles

**3.2.1** An **automobile** is a motor vehicle designed or adapted primarily to carry not more than a driver and eight passengers on highways and streets. The following table describes whether or not the vehicle is considered an automobile by CRA:

Type Of Vehicle	Seating (incl driver)	Business Use In Year	Vehicle Definition
Coupe, sedan, station wagon, sports or luxury car	1 to 9	1% to 100%	Automobile (use 3.2 for tax benefit)
Pickup truck used to transport goods or equipment	1 to 3	more than 50%	Motor vehicle (use 3.3 for tax benefit)
Pickup truck other than above	1 to 3	1% to 100%	Automobile (use 3.2 for tax benefit)
Pickup truck with extended cab used to transport goods, equipment or passengers	4 to 9	90% or more	Motor vehicle (use 3.3 for tax benefit)
Pickup truck with extended cab (other than above)	4 to 9	1% to 100%	Automobile (use 3.2 for tax benefit)
Sport utility used to transport goods, equipment, or passengers	4 to 9	90% or more	Motor Vehicle (use 3.3 for tax benefit)
Sport utility (other than above)	4 to 9	1% to 100%	Automobile (use 3.2 for tax benefit)
Van or Minivan used to transport goods or equipment	1 to 3	more than 50%	Motor vehicle (use 3.3 for tax benefit)
Van or Minivan (other than above)	1 to 3	1% to 100%	Automobile (use 3.2 for tax benefit)
Van or Minivan used to transport goods, equipment or passengers	4 to 9	more than 90%	Motor vehicle (use 3.3 for tax benefit)
Van or Minivan (other than above)	4 to 9	1% to 100%	Automobile (use 3.2 for tax benefit)
Bus, Cargo Van, One and Two Ton Trucks	any number	1% to 100%	Motor vehicle (use 3.3 for tax benefit)

Vehicle Coordinators should take note that if pick-ups, sport utility vehicles, or vans that are used to haul goods, equipment and/or passengers (that is: not classed as automobiles) are taken home under the Take Home Privilege or Personal Use Agreement, the use of the vehicle is subject to a taxable benefit calculation that may result in a taxable benefit to the driver.

**3.2.2 The automobile taxable benefit is the sum of two values: The Standby Benefit, and the Operating Cost Benefit.** Any reimbursements paid by employees for the personal use of the automobile are applied against both the Standby Benefit and the Operating Cost Benefit.

#### **A. Standby Benefit:**

The Standby Benefit is the value placed on the automobile for being available for personal use. CRA specifies this value to be 2% of the capital cost of the vehicle for each 30-day unit available. The Capital Cost is the original cost of the vehicle including PST and GST if applicable.

$$\text{Standby Benefit} = \text{Vehicle Cost} \times 2\% \times (\text{number of 30 day units vehicle available})$$

Employees can qualify for *Reduced Standby* if all the following conditions are met:

- The employer requires the employee to use the vehicle to perform his/her duties;
- The employee's personal kilometres do not exceed 50% of the total vehicle kilometres during the period the vehicle is assigned to the employee; and
- The number of personal kilometres in the taxation year is less than 1667 kilometres times the number of 30 day units the vehicle was available for personal use to the employee.

If employees qualify for *Reduced Standby*, then the Standby Benefit is reduced by a percentage determined by dividing the personal kilometres driven by the number of 30 day units times 1667.

$$\text{Reduced Standby Benefit} = \text{Standby Benefit (above)} \times \frac{\text{Personal Kilometres Driven}}{1667 \times \# \text{ of 30 day units}}$$

## B. Operating Cost Benefit:

The Operating Cost Benefit rate is set by CRA. For 2023, the rate is \$0.33 per personal kilometre driven.

$$\text{Operating Cost Benefit} = \text{Personal Kilometres Driven} \times \$0.33$$

## C. Total Canada Revenue Agency Taxable Benefit

$$= (A) + (B)$$

## D. The Total Employee Taxable Benefit to Be Reported

$$= (A) + (B) - \text{Employee Reimbursement Amount}$$

### 3.2.3 Taxable Benefit Examples for Automobiles

Calculation Example

#### Personal Use Option - \$15,000 -high (55%) personal kilometres

Vehicle cost: \$15,000 including PST & GST (GST must be included even though Government is GST exempt)

Employee Reimbursement Amount:	\$4755.00
Vehicle available for personal use for the full year:	12 30 day units
Personal Kilometres driven in the year:	16,500
Total kilometres driven in the year:	30,000
Percentage of personal kilometres to total kilometres: (Employee is not eligible for reduced standby)	16,500 / 30,000 = 55%

#### A. The Taxable Benefit for the standby would be:

$$\text{Standby} = \$15,000 \times 0.02 \times 12 = \$3,600.00$$

#### B. Operating Cost Benefit

$$\text{Operating Cost Benefit} = 16,500 \times \$0.33 = \$4,785$$

**Total Employee Taxable Benefit upon Which Income Tax Must Be Paid = \$3,600 + \$4,785 - \$4,755 = \$3,630**

### 3.3 Taxable Benefit Calculations for Vehicles Not Considered Automobiles (Motor Vehicles)

According to the table in 3.2.1, if the vehicle is not an automobile then the rules on how to determine the taxable benefit are not as clearly defined as they are for automobiles. This section describes how the Government of Saskatchewan will calculate taxable benefits for motor vehicles.

CRA requires that the employer must reasonably estimate the fair market value to the employee for the personal use of a motor vehicle. The fair market value can be determined by any of the following methods:

1. the amount the employee would have had to pay, in an arm's length transaction, for the use of comparable transportation;
2. the cost of leasing a comparable vehicle, plus operating costs; or
3. An apportionment of the Capital Cost Allowance of the motor vehicle to personal use, plus operating costs.

CRA also states that if the only personal use is driving the vehicle between the employee's residence and regular work place, then it is appropriate to calculate the benefit to the employee on a cents per kilometre basis for equivalent automobile transportation. A reasonable rate should be used and the "reasonable" rate specified in the CRA Regulations is currently \$0.68 per kilometre for the first 5000 kilometres and \$0.62 per kilometre for those over 5000 (increased 2 cents from 2021).

Exception:

Where TAKE HOME PRIVILEGE has been granted for a motor vehicle not considered an automobile, CRA allows employers to use the operating cost benefit rate (\$0.33 per kilometre for 2023) to calculate the taxable benefit if all the following conditions apply:

1. The vehicle does not fall within the definition of an automobile; and
2. No other personal use is permitted - vehicle is to be used to commute between home and work; and
3. The employer must have bona fide reasons for requiring the employee to take the vehicle home at night; this would include security concerns, need for the employee to respond to emergencies (re health and safety of the general population or a "significant disruption" to the employer's business); and
4. The motor vehicle must be specifically designed or suited for the employer's business and be essential for the employee to perform his/her job duties (clearly marked emergency-response vehicle specially equipped for emergencies, a vehicle used to carry noxious material)

NOTE: ALL FOUR (4) CONDITIONS MUST BE PRESENT TO QUALIFY TO USE THE REDUCED BENEFIT RATE.

### 3.3.1 Employee Has Personal Use Agreement for a Motor Vehicle

Given the rules indicated in section 3.3 above, the taxable benefit for personal use of a motor vehicle by employees working for the Government of Saskatchewan will be calculated in accordance with the calculations specified in this section.

If the employee has a Personal Use Agreement for the use of a motor vehicle, the taxable benefit will be the sum of two values: the apportionment of the depreciated cost of the vehicle (using the Capital Cost Allowance) to the percentage of personal kilometres driven; and the operating cost for the personal kilometres driven. The other alternatives for determining the fair market value are not easily quantifiable, would be difficult to defend, and are too time consuming to obtain.

Any reimbursements paid by employees for the personal use of the vehicle will be applied against the taxable benefit and any difference will be reported on the employee's T4.

#### A. Apportionment of Depreciated Cost to Personal Use

The Capital Cost Allowance (CCA) schedules for vehicles for a 15% CCA in the year the vehicle is purchased and 30% each year after that. The purchase cost of the vehicle will be increased by GST if it was purchased after 1991. We will consider the vehicle's value to never drop below \$3,000. Once the depreciated value drops below \$3,000; \$3,000 will be used for the depreciated value of the vehicle for all subsequent years.

$\text{Apportionment to Personal} = \frac{\text{Depreciated Vehicle Cost} \times \text{Personal kms}}{(\$3,000 \text{ minimum}) \times \text{Total kms}} \times \frac{\text{Availability}}{12}$
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#### B. Operating Cost Benefit

Each year CVA publishes operating rates for the classes of vehicles for the fiscal year. These class average-operating rates will be used to determine the operating cost taxable benefit rather than the actual operating costs for the specific vehicle driven by the employee. If the rates change during the calendar year, the rates in effect at the end of the year will be used.

$\text{Operating Cost Benefit} = \text{Personal Kilometres Driven} \times \text{Vehicle Class Operating Rate}$
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#### C. Total Revenue Canada Taxable Benefit

$$= (A) + (B)$$

#### D. Total Employee Taxable Benefit to Be Reported

$$= (C) \text{ minus Employee Reimbursements for Personal Use}$$

### 3.3.2 Employee Has Take Home Privilege for a Motor Vehicle

The CRA taxable benefit will be the reasonable rate for equivalent automobile transportation times the number of personal kilometres driven to and from the employee's residence and regular place of business. The "reasonable rate" is currently \$0.68 per kilometre for the first 5,000 kilometres and \$0.62 per kilometre after that (increased 7 cent from 2022).

**Note:** Since employees with Take Home Privilege do not reimburse the province for personal use, the entire amount calculated will be reported on the employee's T4.

### 3.3.3 Taxable Benefit Example for Motor Vehicles

The examples in this section are for motor vehicles assigned to employees through the Personal Use Agreement. No examples are given for Motor Vehicles assigned through Take Home Privilege since to determine the taxable benefit to be reported you simply multiply the first 5,000 personal kilometres by \$0.68 and the number above 5,000 by \$0.62 and add the two numbers together.

A detailed example is given below. Other examples are given in table format in Exhibit 3.3.3 following the detailed example (based upon a full calendar year).

Detailed Example:                      Personal Use Agreement for a 2014  
Pick-up – (35%) personal kilometres

Vehicle cost: \$19,500 including PST and GST (GST must be included even though Government is GST exempt)

Employee Reimbursement Amount:	\$1,050
CVA operating cost for the vehicle:	18.8 cents/km
Vehicle available for personal use for the full year:	12 30 day units
Personal kilometres driven in the year:	4,200
Total kilometres driven in the year:	12,000
Percentage of personal kilometres to total kilometres:	4,200/12,000 = 35%

Determine the 2018 depreciated value by applying the capital cost allowance to the original purchase price:

Year	Depreciation Factor	Depreciated Cost
2014	0.15	$\$19,500 - (19,500 \times 0.15) = \$16,575$
2015	0.30	$\$16,575 - (16,575 \times 0.30) = \$11,603$
2016	0.30	$\$11,603 - (11,603 \times 0.30) = \$ 8,122$
2017	0.30	$\$ 8,122 - (8,122 \times 0.30) = \$ 5,685$
2018	0.30	$\$ 5,685 - (5,685 \times 0.30) = \$ 3,980$
2019	0.30	$\$3,980 - (3,980 \times 0.30) = \$ 2,786$
2020	0.30	$\$2,786 - (2,786 \times 0.30) = \$ 836$

## The 2020 depreciated value is \$836

- A. Determine the amount apportioned to personal use by multiplying the 2020 value of the vehicle by the percentage of personal kilometres (35%) to total:  
 $\$836 \times 0.35 = \$292.60$
- B. Determine operating benefit at the CVA average operating rate for the class:  
 $4,200 \text{ kilometres} \times 0.188 = \$789.60$
- C. **The Total Taxable Benefit = A + B – Employee Reimbursement = \$292.60 + \$789.60 - \$1,050 = \$32.20**

## Appendix A: How the Employee Reimbursement Is Applied to the Taxable Benefit

This appendix applies to employees who have been approved to use their **assigned "automobile" for personal use** and describes how the employee's reimbursement is allocated to the taxable benefit. This appendix does not apply to employees who have **"motor vehicles" assigned** through the personal use option. The allocation of their re-imburement is described in section 3.3.

Employees with the *Personal Use Option* pay a flat fee (currently \$50 plus GST) per month and a per kilometre rate equal to the standard operating cost specified by Canada Revenue Agency (\$0.33 for 2023).

The employee reimbursement directly reduces the total amount of the taxable benefit to be reported on the T4 up to an amount of \$0.00 (no taxable benefit).

## Appendix B: Commonly Asked Questions and Answers

It is recommended that every driver of an assigned vehicle be provided a copy of Appendix B. The questions and answers are intended to cover the concerns drivers are having and they can get an answer quickly without having to study the *Guide to Employees Driving CVA Vehicles for Personal Use*.

**Question 1. Under what circumstances can I drive a government vehicle home from my office and not accrue a taxable benefit?**

**Answer:** A) You will not incur a taxable benefit if the vehicle is not assigned to you. If you are picking up a vehicle from the CVA Pool Depot or a ministry pool to be used for a trip the next day, you may take the vehicle home the night before, to load supplies or personal things for the trip, and leave the next morning. The trip home in the evening and back to work in the morning, if that occurs, are not considered personal kilometres.



B) You will not incur a taxable benefit if you have an assigned vehicle which remains at your regular place of work after work hours, and, on occasion, you take the vehicle home to load supplies and personal things for a trip leaving the next morning from home. The trip home the night before would not be a taxable benefit.

Because the vehicle is assigned to you, you must be careful to not abuse this. “On occasion” in the above paragraph must not be more than once every two weeks. As well, the trip must leave from home the next morning to a work site other than your regular place of work; otherwise, it will appear as if you are loading things in your car to avoid a taxable benefit for the personal kilometres driven to and from your home and regular place of work. If you must take your assigned vehicle home more frequently than once every two weeks to load supplies or personal items, you should arrange for Take Home Privilege and leave on your trips from your home to the work site to avoid the personal kilometres in the morning. However, under the Take Home Privilege option, the trip home the night before would be considered personal kilometres and would be a taxable benefit.

C) If the vehicle is assigned to you and you have take-home Privilege or Personal Use of the vehicle, and you drive directly from your regular place of work to your home or directly from your home to your regular place of work, then the kilometres are personal and are a taxable benefit.

**Question 2. What is my regular place of work?**

**Answer:** Your regular place of work is your building, which contains your office. If you are a field employee, and do not have an office, your regular place of work is your headquarters where you report from time to time or receive directions.

**Question 3. I have an assigned vehicle. Can I take the vehicle home if I want?**

**Answer:** No. You can only take the vehicle home if you have a Take Home Privilege Agreement with your ministry or you have applied for and been approved for Personal Use of a CVA Vehicle. You should understand that a taxable benefit for personal kilometres driven may be added to your T4. You should fully understand the taxable benefit calculations in the **Guidelines for Employees Driving CVA Vehicles for Personal Use** before deciding to drive the vehicle for personal use.

**Question 4: I have an assigned vehicle and have take-home privilege because I am on call. I was called out in the evening to perform government business, are my kilometres from work to home at the end of the day and from home to work the next day considered personal?**

**Answer:** Yes, regardless of whether or not you are called out to work, the kilometres from your regular place of work to home at the end of the work day and back to work the next morning are personal kilometres. However, the kilometres you drive to respond to the call are not personal kilometres, even if you drive to your regular place of work to respond to the call.

**Question 5. I have an assigned vehicle and have take-home Privilege. I am a field employee and leave directly from my home to my work site each morning and return directly home from the work site. I check in to headquarters once a week, sometimes once every two weeks. Do I have personal kilometres to report?**

**Answer:** The trips from your home to a work site other than your regular place of work (headquarters) and back are not personal kilometres.

Depending on when you go to headquarters, those kilometres may be personal. If you go to the work site in the morning, to headquarters at noon, back to the work site and then home, there are no personal kilometres to report. However, if you go directly from home to headquarters or from headquarters to your home, those kilometres are personal.

**Question 6: I am a field employee with an assigned vehicle. On Monday morning I drive my own vehicle to headquarters and leave it there for the week. Each night I drive my assigned vehicle to my home from the work site and return to the work site the next morning from my home. On Friday, I return my assigned vehicle to headquarters and drive my own vehicle home. Do I have personal kilometres to report?**

**Answer:** You have no personal kilometres to report.

**Question 7. I have an assigned vehicle and have take-home Privilege of the vehicle. Can I use the vehicle for shopping or other personal travel in the evenings or on weekends?**

**Answer:** No. Under the Take Home Privilege option, you are only allowed to drive the vehicle to and from work. The employee is responsible for the vehicle and it must be parked off the street and plugged in when necessary.

If you wish to drive the vehicle for personal use other than to and from work, then you should apply for Personal Use of The CVA Vehicle. Ask your ministry vehicle coordinator if your department allows personal use of assigned vehicles, and if so, obtain the appropriate form that needs to be completed.

**Question 8. I drive a Ford Taurus which was assigned to me all year and my total kilometres driven were 40,000. I had take-home Privileges from January 1, 2018 to March 31, 2018 and drove 4,700 personal kilometres. I had a low percentage of personal kilometres and expected my taxable benefit to be low but it was much higher than expected. Please explain.**

**Answer:** To keep your taxable benefit low you must drive less than 50% personal kilometres in your automobile to qualify for the "Reduced Standby" calculation. However, to determine the percentage of personal kilometres to total kilometres to see if you qualify for a reduced standby value, you can only use the total kilometres driven in the period assigned. In your case, the period assigned is January 1, to March 31. In that period the total kilometres driven were only 8,000 and as a result the personal exceeded 50% of the total and thus no reduced standby could be calculated. Remember that only the kilometres driven during the period of the agreement can be used to determine the percentage of personal use.

**Question 9. My ministry has asked me to take my assigned vehicle home after work because it will be vandalized if it is left at the office. Under these circumstances are the kilometres driven to and from work considered personal and taxable?**

**Answer:** Yes, in most cases. Effective 2009, CRA does provide for an exception to the rule (reduction in the taxable benefit). See section 3.3.2 for specific conditions that must be met. Regardless of the circumstances, the kilometres to and from work are considered personal and will result in a taxable benefit. Because you will be charged with a taxable benefit, you must agree to take the vehicle home and if you do agree, a Take Home Privilege Agreement must be set up between you and your ministry.

**Question 10. The vehicle assigned to me is a pickup truck. Is there a taxable benefit if I drive my pickup for personal use?**

**Answer:** Yes, there is. The taxable benefit will depend on whether you have a Personal Use Agreement or Take Home Privilege; and whether or not your pickup is considered an automobile or a motor vehicle. You should check the *Guidelines for Employees Driving CVA Vehicles for Personal Use* to determine if your pickup is classed as an automobile or a motor vehicle (page 13). The Guidelines will also describe the taxable benefit calculations.

**Question 11. I have a Dodge Caravan assigned to me and I have a Personal Use Agreement. Is the Caravan an automobile according to CRA or not??**

**Answer:** The minivans, vans, sport utility vehicles, and pickup trucks are types of vehicles that, depending on their use at work, may be classed as automobiles or motor vehicles. If your minivan is used 90% of the time at work to haul goods, equipment or passengers, then it is **not** an automobile according to CRA.

Regardless of whether or not your minivan is classed as an automobile, if you drive personal kilometres, a taxable benefit calculation must be done.

**Question 12. In the CRA definition of an automobile, what is meant by Goods or Equipment?**

**Answer:** There is no actual description but you must be able to justify that the “goods or equipment” you are hauling are specific to your job. Carrying a shovel in the back of your pickup because you are a Highways worker is not equipment. Carrying education material in a van to schools around the province would be carrying “goods”. Specialized instruments necessary for work, carried in the back of a sport utility vehicle or an extended cab pickup, would be considered “equipment”.

An exhaustive list is not possible to produce. Just keep in mind, the driver, and to some degree the ministry, must be able to explain the rationale to CRA in the event of an audit.

**Question 13. What are the major differences between the taxable benefit of an automobile and a motor vehicle?**

**Answer:** There are three major differences:

- 1) Automobile Standby charges are based on original purchase cost and period of use in the calendar year. The corresponding calculation for motor vehicles is based on the portion of the depreciated cost of the vehicle that results from calculating the percentage of personal kilometres driven, regardless of the length of period assigned.
- 2) For employees with Take Home Privileges, the automobile taxable benefit includes both standby and operating cost benefit, whereas, the motor vehicle taxable benefit is simply personal kilometres driven times a reasonable per kilometre rate (for 2023, \$0.68 per kilometre for the first 5000 kilometres and \$0.62 for each additional kilometre).
- 3) The operating cost part of the taxable benefit is different. For automobiles, CRA sets the rate (\$0.33 per kilometre for 2023) for each personal kilometre driven. For motor vehicles being used under the Personal Use Agreement, the portion of the actual operating costs applicable to personal use is added to the taxable benefit. The Government of Saskatchewan uses the average cost for the class of vehicle (pickup, van, etc.) rather than the actual vehicle cost.

**Question 14. Can my supervisor insist that I take my assigned vehicle home because I am on call?**

**Answer:** No. The taxable benefit is charged to you, the employee, and hence you must agree to take the vehicle home. You should consider the advantages of traveling to and from work for no cost (to you) except the tax that you would pay on the taxable benefit. You should also go through the examples in the *Guidelines for Employees Driving CVA Vehicles for Personal Use* and approximate your tax costs, then decide.

**Question 15. I have an assigned vehicle and have a personal use agreement. I have paid \$50 plus GST a month and \$0.33 per kilometre to drive the car. When my T4 came there was a taxable benefit for using the car even though I had paid to drive it. How come??**

**Answer:** The taxable benefit is based on the cost of your vehicle, which varies based on the type and year of vehicle you drive. The amount that you have reimbursed the Ministry is used to reduce the taxable benefit, but if the benefit is greater than the amount you have paid, the excess must be reported on your T4.

## Appendix C: Canada Revenue Agency Taxable Benefit Calculation Tools and Information

CRA Calculating Automobile Benefits for 2018 Worksheet - This worksheet is intended for use by Employers to determine the value of the taxable benefit. Located on CRA's website – Form RC18

Link: [RC18 Calculating Automobile Benefits](#)

CRA Automobile Benefits Online Calculator

Link: [Automobile Benefits Online Calculator - Disclaimer](#)

More information can be found in CRA's Employers' Guide - Taxable Benefits – Chapter 2 Publication T4130)

Link: [T4130 - Employers' Guide - Taxable Benefits and Allowances](#)