

CASE 5: SCOTT & TRACEY NICHOLSON – TYPICAL FAMILY

The Scott's are a close knit family. Tracey and Scott have been married for about 8 years. They were both previously married and divorced. Scott has two children from his previous marriage, now adults, who live with him full-time and attending college and university.

Tracey & Scott also have twins who are 5 years old. The following is Scott & Tracey's personal information for the return:

Address:

185 Castle Park Drive, Halifax, Nova Scotia, B4T 3R5

Scott Nicholson

SIN: 525 615 789

Date of birth: June 1, 1973

Tracey Nicholson

SIN: 508 165 478

Date of birth: March 18, 1976

Scott is self-employed and runs a financial advisory business through a corporation (100% owned and managed). As part of Scott's corporate compensation planning, he pays himself a dividend of \$8,000 per month as per his corporate accountant (we do not do the corporate returns for Scott's corporation). The T5 prepared by the accountant is attached.

Scott made a personal tax instalment of \$20,000 on December 20, 2022.

Tracey is an HR professional. Unfortunately, in 2022 she had lost her job at the contracting company she worked at for a number of years due to the company's financial struggles. The company provided her with a severance package.

However, Tracey was unhappy and thought she was entitled to a larger severance. Her lawyer was able to negotiate an additional amount of \$ 3,800 over and above the severance she received in 2022. The payout of this additional severance was put through the contracting company's payroll in January of 2023. All of the paperwork for the case, including the negotiated settlement are in the package. She paid her lawyer \$ 550 to help her with this severance dispute.

Luckily, Tracey was able to find a job soon after her dismissal at a local law firm. She did not receive any employment insurance benefits as she wasn't unemployed for very long.

Tracey also provided us with a couple of receipts for her annual HR dues and a certification course she needed to take (at her own expense):

HR Professional Dues:	\$ 585.75
HR certification exam	\$ 230.00

The following is the personal information for the four children. Their information slips were included in the tax package:

CHILDREN'S INFORMATION

Melissa Nicholson

SIN: 498 674 565

Date of Birth: December 9, 2004

Melissa has been working at a pub since she graduated from high school but decided to go back to school and study commerce. Attached is her T2202 and the tuition receipts paid by Tracey and Scott in the amount of \$ 11,252 for the entire 2022/2023 school year. She started attending Acadia university in September of 2022.

David Nicholson

SIN: 487 565 147

Date of Birth: April 14, 2002

David is taking a carpentry program at his local college and the T2202 is provided in the package. He did not work in 2022 as he focused on his program. Scott & Tracey also paid for David's tuition.

Erin & Ariel

Date of birth: July 14, 2017

In the tax package there is a child care expense receipt for the twins in the amount of \$ 5,580 for each of the twins (total of \$11,160) from the Step Above Childcare Centre. There were also a couple of receipts for a 2-week lacrosse summer camp program for Erin & Ariel in the amount of \$ 1,018 each (total of \$2,036).

Tracey and Scott rented for a number of years, but in 2022 they decided to purchase their own home. Neither of them owned any properties prior to this purchase. They would like us to prepare their 2022 taxes and transfer all the tuition to their returns for the maximum credit.