



Law Society
of Ontario

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A Guide for Law Practice Transitions to Part-Time and Alternative Practice Arrangements

CHAIR

Jeffrey Davies, retired co-founder of
Davies Howe LLP

November 14, 2023





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Law Society of Ontario

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A Guide for Law Practice Transitions to Part-Time and Alternative Practice Arrangements

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CHAIR: **Jeffrey Davies**, retired co-founder of *Davies Howe LLP*

November 14, 2023

10:30 a.m. to 12:30 p.m.

Total CPD Hours = 2 h Professionalism

Webcast

Law Society of Ontario

Toronto, ON

CLE23-01106

Agenda

10:30 a.m. – 10:35 a.m.

Welcome

Jeffrey Davies, retired co-founder of *Davies Howe LLP*

10:35 a.m. – 11:30 a.m.

Panel: Stories and Tips for Transitioning to Part-Time or Alternative Practice

Moderator: Jeffrey Davies, retired co-founder of *Davies Howe LLP*

Speakers:

Erin Durant, *Durant Barristers*

Karen Goncalves, *KMG Law*

Vanessa Lam, *Lam Family Law*

Raquel Quenneville, *Confident Direction*

11:30 a.m. – 11:40 a.m.

Question and Answer Session

11:40 a.m. – 11:50 a.m.

Financial Planning for Part-Time Practice

Doug Carroll, Tax & Estate Specialist, *Aviso Wealth Inc.*

11:50 a.m. – 12:00 p.m.

Going Solo? Some Tax Considerations

Jamie Golombek, Managing Director, Tax and Estate Planning, *CIBC*

12:00 p.m. – 12:20 p.m.

Business Strategies for a Shift to Part-Time or Alternative Practice

Erin C. Cowling, Founder & CEO, *Flex Legal Network Inc.*

12:20 p.m. – 12:30 p.m.

Question and Answer Session

12:30 p.m.

Program Ends



This program qualifies for the 2025 LAWPRO Risk Management Credit

What is the LAWPRO Risk Management credit program?

The LAWPRO Risk Management Credit program pays you to participate in certain CPD programs. For every LAWPRO-approved program you take between September 16, 2023 and September 15, 2024, you will be entitled to a \$50 premium reduction on your **2025 insurance premium** (to a maximum of \$100 per lawyer). Completing any Homewood Health Member Assistance Plan e-learning course available at homeweb.ca/map also qualifies you for a \$50 credit.

Why has LAWPRO created the Risk Management Credit?

LAWPRO believes it is critical for lawyers to incorporate risk management strategies into their practices, and that the use of risk management tools and strategies will help reduce claims. Programs that include a risk management component and have been approved by LAWPRO are eligible for the credit.

How do I qualify for the LAWPRO Risk Management Credit?

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STEP 1:	STEP 2:
<ul style="list-style-type: none">• Attend an approved program in person or online; and/or• View a past approved program• Completing a Homewood Health e-course*	Complete the online declaration form in the Risk Management Credit section of my.lawpro.ca by September 15, 2024. The credit will automatically appear on your 2025 invoice.

You are eligible for the Risk Management Credit if you chair or speak at a qualifying program provided you attend the entire program.

Where can I access a list of qualifying programs?

See a list of current approved programs at lawpro.ca/RMcreditlist. Past approved programs are usually indicated as such in the program materials or download page. Free CPD programs offered by LAWPRO can be found at www.practicepro.ca/cpd

Whom do I contact for more information?

Contact practicePRO by e-mail: practicepro@lawpro.ca or call 416-598-5899 or 1-800-410-1013.

*One Homewood Health e-learning course is eligible for the credit on a yearly basis.



A Guide for Law Practice Transitions to Part-Time and Alternative Practice Arrangements

November 14, 2023

SKU CLE23-01106

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Erin C. Cowling, Founder & CEO, *Flex Legal Network Inc.*

Going solo: Tax matters for legal practitioners



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TAB 1A

A Guide for Law Practice Transitions to Part-Time and Alternative Practice Arrangements

Tips for Transitioning to Part-Time or Alternative
Practice

Erin Durant
Durant Barristers

Karen Goncalves
KMG Law

November 14, 2023



A Guide to Law Practice Transitions to Part-Time and Alternative Practice Arrangements

Tips for Transitioning to Part-Time or Alternative Practice

Erin Durant, *Durant Barristers*

Karen Goncalves, *KMG Law*

General Tips

1. As you start to lessen your workload, consider redirecting new clients to other colleagues rather than starting the retainer. It can be stressful for clients to change Counsel during the course of their matter. Explain to clients that since it is unlikely you will be able to complete their matter, you would like to refer them to alternate Counsel for the sake of continuity. Rather than simply provide the client with a list of suitable Counsel, reach out to Counsel before referring the client to discuss the matter to see if they are willing to accept the referral.
2. Make sure that any referrals you make comply with the *Rules of Professional Conduct* and *Paralegal Rules of Conduct* regarding referral fees and choice of counsel.¹ With respect to referral fees and fee splitting, it is generally fine for licensees in the same firm to share fees, but when fees are split with licensees in other firms or referral fees are being paid to such licensees, there are strict regulatory requirements (e.g. mandatory referral fee agreements, provision of the “What Clients Need to Know document” to clients, caps on the amount of the fee, etc.). Note that client consent (not just notice) is generally required. Division of fees and referral fees with non-licensees is generally prohibited.
3. The choice of who to retain is ultimately up to the client. When transferring files to other licensees or having licensees from other firms assist with a file, clients should be consulted and agree to it. Licensees should make it very clear to the client that any licensees they recommend the file be transferred to or who may assist with the file are recommendations only – the client’s interests are paramount. The client should be free to decline or choose other licensees to take over or assist with their matter.²
4. If you have to transfer existing matters to new Counsel, consider participating in a meeting or phone call with the client and the new Counsel to discuss the status of the matter and answer questions your client has. This will go a long way to making your client feel better about the change in representation.
5. Ensure that you can work flexible hours. While you may have chosen to work less hours per week, know that there may be times during the course of a file, particularly litigation, where you may have to work weekends or evenings. Know that the ability to choose not to work a particular day is well worth it.

¹ *Rules of Professional Conduct*, Rules 3.6-5 to 3.6-8; *Paralegal Rules of Conduct*, Rules 5.01(11) to 5.01(21); By Law 9, s. 19.1; [Referral Fees](#).

² *Rules of Professional Conduct*, Rule 4.1-2, Commentary [2] and [3] to Rule 3.7-7A(1); *Paralegal Rules of Conduct*, Rule 8.02(2)(d); *Paralegal Professional Conduct Guidelines*, Guideline 11, ss. 19-20.

6. Only certain tasks can be delegated to non-licensees and retainers should be with licensees (and explained to the client by licensees) and not staff such as a law clerk. Licensees are to assume complete professional responsibility for their practice of law/provision of legal services at all times.³

Financial Considerations

7. Switching to a home office only is a great way to keep overhead expenses to a minimum. Your stress is significantly reduced when you remove as much overhead expense as possible. It provides you with freedom to work less hours or more flexible hours.
8. Reduced work hours results in less steady income flow. Make sure you are prepared for lulls in income coming. If you don't already do so, ensure your Statements of Account are sent out regularly.
9. Be aware of the Law Society of Ontario's financial management regulatory requirements. Consider how you will meet these requirements and whether you require assistance from a financial professional.⁴

Contingency Planning

10. Before transitioning to an alternative practice structure, ensure you have a group of colleagues you trust who are willing to take on some of your existing files or who you can refer new clients to. Speak to those colleagues before you refer a client to ensure they can assume a file for you. This eliminates a client's disappointment if you refer someone to them and they are turned down.⁵ (See also Tip #2 for regulatory considerations).

Mental Health

11. Do not feel guilty about taking on less work. Give yourself license to enjoy more time off for personal time.
12. Utilize resources available to licensees to take care of your mental health, including the Members Assistance Program (the "MAP"). The MAP includes various services including: (a) counselling for a wide range of challenges including stress, anxiety, substance abuse, burnout, marital and family issues, depression, anger, career, grief and more, (b) LifeSmart Coaching to assist with a variety of personal and professional topics including work-life balance, parenting, elder care, grief, finances, nutrition, retirement, career planning and more, (c) a peer support program and, (d) various online resources.⁶

³ *Rules of Professional Conduct*, Rule 6.1-1; *Paralegal Rules of Conduct*, Rule 8.01; Part I of By Law 7.1.

⁴ [Financial Management Guideline - Lawyer | Law Society of Ontario \(lso.ca\)](#)

⁵ [The Contingency Planning Guide for Lawyers - Lawyer | Law Society of Ontario \(lso.ca\)](#)

⁶ [Member Assistance Program - Lawyer | Law Society of Ontario \(lso.ca\)](#)

Additional Resources/Links

- [Guide to Opening Your Law Practice - Lawyer | Law Society of Ontario \(lso.ca\)](#)
- [Associates versus Association - Lawyer | Law Society of Ontario \(lso.ca\)](#)
- [Sharing Office Space - Lawyer | Law Society of Ontario \(lso.ca\)](#)



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TAB 1B

A Guide for Law Practice Transitions to Part-Time and Alternative Practice Arrangements

Stories and Tips for Transitioning to Part-Time or Alternative Practice

A healthier you while transitioning (PPT)

Raquel Quenneville
Confident Direction

November 14, 2023



Stories and Tips for Transitioning to Part-Time or Alternative Practice

Prepared by: Raquel Quenneville, Confident Direction

Theme 1:

I always had the long-term goal of opening my own firm, but this happened a lot sooner than anticipated or expected.

I was an associate at another legal firm in my city, and that firm dissolved abruptly and that led to the quick decision of registering a business name, finding an office space and hang up an “open sign”.

I officially opened my practice January 08th, 2022 and this was still in the COVID period. With such an abrupt move and pooling my financial resources, I was feeling several various effects.

A great job opportunity was presented to me, and to this day, I never looked back.

I think the ideation of finding a second job is to attempt securing a complementary job. The alternative job is teaching the Paralegal course at a local private college in my city. This allows me to keep educating myself and keep my practice open.

Initially, having two jobs was stressful, but with self care, a strong support team around me, available resources, time management and determination, it can be done and be done successfully.

In the beginning of the transition, I found myself working long hours and inadvertently lost the once familiar “family-work-life” balance. I realized I was missing out on important family functions, lost time with my children and I did feel the proverbial midnight oil slowing burning out.

I now realized things needed to change.

I did not quit either job.

I had to learn some strategies to remain positive, healthy and maintain my paralegal-client relationship and my instructor-student commitment.

In my opinion and experience, the top concerns were:

- time management
- identifying and dealing with burn out
- learning to say no
- unplug
- self care
- accepting help

Theme 2: Contingency Planning

With two jobs, I will need a dual contingency plan.

My paralegal firm has a set contingency plan, as does my teaching position.

In my firm, I do have two other associates with me, and I have entrusted one associate with the financial aspects, the client file retainment, and the total upkeep and control of my firm. This is a mutual agreement we have, and to enhance this responsibility, any licensee working on a client's file is outlined in all retainers.

If the Replacement Paralegal has any problems or concerns in carrying out the duties under this Agreement and accessing the Paralegal Practice bank accounts, she is urged to contact Trustee Services of the Law Society of Upper Canada for help and support.

If a disagreement arises between the Replacement Paralegal and the Authorized Person as to the handling by the Replacement Paralegal of the Paralegal Practice and such disagreement cannot be resolved in a timely way, the parties are urged to seek help to resolve the matter by mediation or binding arbitration.

Depending on the reason of her taking control (whether it is short term or long term, in the event of death), this will ascertain whether she winds up the practice or preserves and sell it.

Discussions have been had with my financial institution with access to the firm account in the event of my death, disability, or unexpected absence from the firm. This includes any access to the safety deposit box.

I am currently in the process of drafting and finalizing my Power of Attorney for property of the firm. Please do not combine your personal Power of attorney designations with your business Power of Attorney designation.

With respect to financial management, you should consider how the replacement paralegal will cover the office overhead and expenses for a period of time. It is recommended that the planning paralegal purchase disability and life insurance for the purpose of paying the replacement paralegal and funding the expenses of the practice-even if only for a short period of time. The replacement paralegal will be named the beneficiary of such policies.

In preparing for a takeover, the replacement paralegal must have all access to client files, review the written system for opening, closing and destruction of client files and ensure this system is followed. All rules, by-laws and guidelines governed by the LSO must be adhered to.

The replacement paralegal is to advise the court and opposing counsel that the planning paralegal has become incapacitated or died; take into consideration any deadline extensions that may be required or even adjournment of certain matters.

Procedural steps include access given to the replacement paralegal for all emails accounts, computer passwords for the legal accounting software systems and back up procedures.

With our rental office, she is already on the lease, but will be responsible for deleting my name in the event of circumstances.

The replacement paralegal will also be responsible for notifying the law society of the change in status and contact the planning paralegal's professional liability insurance company.

For my second contingency plan with respect to my teaching-the school is fully aware and supports my firm. Therefore, if I have a court date scheduled, I can either take my students with me, or submit to them any prepared assignments to work on.

Theme 3: Mental Health

(This is covered in the PowerPoint that follows this document.)

A healthier you while transitioning...

Raquel Quenneville

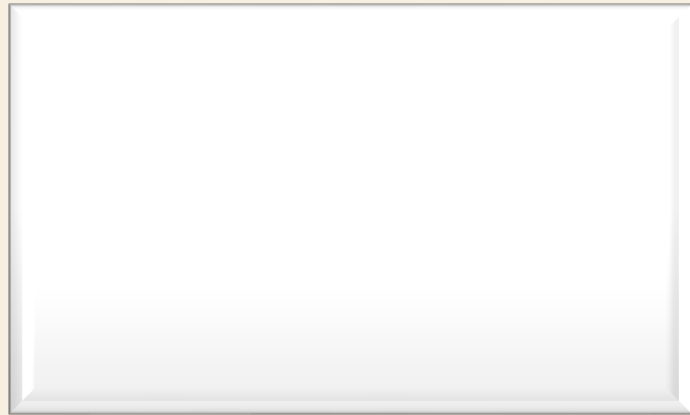
Licensed Paralegal

Paralegal Instructor

LSO Coach

invest
in your
health

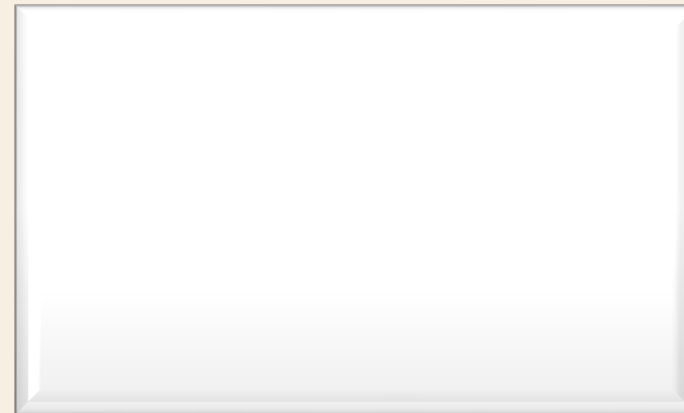
Areas to Highlight



Unplug

Burn Out

Say No



Time Management

Defined: how you plan, organize and do your tasks and activities in a smart and effective way



Key Benefits to Time Management



Help you achieve your goals (long term and short term)



Helps you become more organized



Helps you achieve that work-life balance



Makes you feel better overall



Helps with lifestyle improvement

Importance of Time Management



Avoid missing deadlines



Help you procrastinate less



Helps to avoid unwanted stress



Helps to maintain your professional reputation



Helps to avoid financial penalties

Why do we waste our time?

Lack of skills

Lack of feedback (no guidance to correct errors)

Lack of clarity (no action plans)

Lack of motivation (absence of a purpose)

Lack of discipline (no willpower)

10 Tips For Successful Time Management

Set your goals

Keep your goals
to yourself

Create a plan

Make decisions

Prioritize
important tasks
first

Minimize
distractions

Rest

Find an
organization
technique that
works for you

Track your time

Work on your
weaknesses and
ask for help

Set a goal



Set both short term goals and long-term goals



Unless you're aware of what you want to achieve, you won't be able to plan the steps that will lead you to your final goals



“People with goals succeed because they know where they're going.” — Earl Nightingale

Keep your goals to yourself



According to entrepreneur and author Derek Sivers and several studies, people who declare their goals to the world are statistically less likely to reach said goals.



It is said that people pursue goals because of the satisfaction they feel when they reach them, and people who announce what their goals are, already feel this satisfaction. That renders actually reaching their goals unnecessary.

Create a Plan



Allocate a time for each task-this will avoid spending time on unnecessary tasks



Use a journal or diary



When you make a plan, you are less likely to fail



To set a proper plan, you may need to assess our goals time to time. Change what is not working.

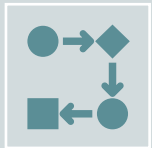


Treat your time like money-allocate your time on tasks as you would allocate your money on different expenses

Make Decisions



When you manage your time effectively, you will ultimately feel less stressed, and your work will show improvement



When making decisions about your future, start small and achieve each step one at a time



CEO Coach Sabina Nawaz believes big goals are achieved through micro-decisions we make on a daily basis.

Minimize Distractions



This is the best time management tool as it avoids wasting time on unnecessary tasks



Keep your phone away from you when working (shut off any notifications from emails, phones, computers)



Invest in earplugs



Shut the door



Location-location-location-ensure your office or working space is not facing distractions

Organization technique



Ex: Schedule invoicing on a certain day of the month (and stick to it)



Do not let papers pile up, put in the client's file as soon as you are completed with it



Use a time block technique

Track Your Time



Use your tracking options on your legal software program



Use a desk calendar (remember to keep your phones away)



Remember to use your tickler system



A great time management program is Clockify
(<https://clockify.me/windows-time-tracking>)

Work on your weaknesses and ask for help



You cannot be the best at everything



Once you determine your weakness, you can: work on strengthening those skills, delegate tasks and rely on available tools to make your daily tasks easier



Let people in. This includes friends, family and even your fellow colleagues

Unplug Statistics

84% OF CELL PHONE USERS

claim they could not go a single day without their device

.5 MINUTES

Studies indicate some mobile device owners check their devices every 6.5 minutes

Unplug

- * Unplug from your social media (even on a temporary basis)
- * Technology addiction is powerful, but it does have a power-off button
- * Important reasons to unplug:
 - * Powering-down helps remove unhealthy feelings of jealousy, envy, and loneliness
 - * Powering-down combats the fear of missing out
 - * Solitude is harder to find in an always-connected world
 - * Life, at its best, is happening right in front of you
 - * Powering-down promotes creation overconsumption (from phones, TV, computers)
 - * Technology addiction can only be understood when the object is taken away
 - * Life is still about flesh, blood, and eye contact

Tips On How To Unplug



Choose to start your day elsewhere



Power-down for one period of time each day



Better manage the time-wasters



Take one extended break on a regular basis (like a weekly vacation, or monthly get away)



Encourage others to unplug

5 Common Burn Out Signs (there are many)



Fatigue



Feeling apathetic or unsatisfied with your work



Headaches



Changes to sleep



Changes to diet

Steps to a better and healthier you

Recognize you have burnout is the first step to maintaining a step for recovery. The list below will help to avoid burnout.

- * Care for your mental health
- * Check-Ins
- * Exercise
- * Provide Mindfulness
- * Establish a daily routine
- * Build and enforce work-life balance
- * Explore a hobby

11 ways to say no

Say no politely in simple terms

Speak firmly

Stand your ground

Remind the requester that it's nothing personal

Get back to them later if you feel nervous to say no

Thank the person instead of feeling annoyed

Give an excuse for an easy out

Offer a compromise instead of refusing

Suggest an alternative so the person still gets the help they need

Push back against manipulative tactics

Practice in a low-risk environment

Self-Care

Self-care is not selfish or self-indulgence

Self-care means taking care of yourself so that you can be healthy, you can be well, you can do your job, you can help and care for others, and you can do all the things you need to and want to accomplish in a day.

Self care is the answer to cope with all the stressors we face

Self-care is taking steps to tend to your physical and emotional health needs to the best of your ability

3 Types of Self-Care



Emotional self-care, such as self-talk, weekly bubble baths, saying “no” to things that cause unnecessary stress, giving yourself permission to take a pause, or setting up a weekly coffee date with a friend



Physical self-care, such as prioritizing sleep, adopting an exercise routine you can stick with, or choosing healthy and nourishing foods over highly processed ones



Spiritual self-care, such as attending a religious service, spending time in nature, meditating, incorporating regular acts of kindness into your day, or keeping a gratitude journal

Self-Care

- * Self-care means different things to everyone
- * Self-care does not have to cost anything (Ex: have a scented shower or take a deep breath of fresh air)
- * Self Care practice can include

Self-Care Practices

- * **Exercise** -people who exercised between two and eight hours per week throughout their lives reduced their risk of an early death by 29 to 36 percent
- * **Finding Purpose**-according to the researchers behind a 2019 study, having a strong life purpose was associated with decreased mortality rates
- * **Diet**-eating a diet filled with more servings of fruits and vegetables per day was associated with a lower risk of mortality, especially from heart-related issues
- * **Sleep**-a study published in 2017 found too little sleep (less than seven hours per night) was linked with higher mortality rates, though too much sleep wasn't healthy either
- * **Getting Outside**-according to a 2019 study, spending time in green space is associated with a lower mortality

Tips to get started on self-care:

- * Journal.
- * Start each day by paying attention to your breath for five minutes and setting intentions for the day.
- * Eat a healthy breakfast (not just a cup of coffee)
- * Reflect on what you're grateful for each night.
- * Put your phone on airplane mode for a half hour before bed each night to release yourself from the flurry of notifications.
- * Call a friend just to say hello.
- * Take up a relaxing hobby.
- * Pick a bedtime and stick to it. Remove the TV from your sleeping .

LSO Resources

- * LSO: The **Member Assistance Program** (MAP) for lawyers and paralegals. MAP provides secure, single sign-on or telephone access to counselling, coaching, online resources and peer volunteers. Members can get professional help with issues related to addictions, mental or physical health, work-life balance, career, family and more.
- * LSO **Peer Support Program**: The Peer Support Program offers those struggling with addiction, mental health, career, family or other issues, a connection with a colleague who has faced similar challenges. That peer provides support, compassion, empathy, non-judgmental guidance and selective personal experience, where appropriate. Peer volunteers are not counsellors, they are peers. Connections occur through confidential, private face-to-face or telephone conversations.

Other Resources

- * Contact your doctor or other health professional for assistance
- * Contact a therapist
- * Talk to your colleagues, family and friends
- * The Ontario government has several counseling and help resources (some are free services, some are paid for services)
 - * <https://www.ontario.ca/page/government-ontario>



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TAB 2

A Guide for Law Practice Transitions to Part-Time and Alternative Practice Arrangements

Budget building blocks

Financial Planning for Part-Time Practice
[Budget building blocks – Streamlined] (PPT)

Doug Carroll, Tax & Estate Specialist
Aviso Wealth Inc.

November 14, 2023



Budget building blocks

Firming up your financial foundation

A budget is like a diet: It's not a question of whether you have one, but how you manage it. And like dieting, effective budgeting helps you feel better and live better — though, yes, there may be some belt-tightening in the early stages.

It can be stressful if you don't have a clear picture of the income and expenses flowing through your wallet and household. In a sense, you may be managed by your money, rather than the other way around.

Budgeting turns the tables, giving you clarity on the type, tally and timing of your income and expenses. By being conscious and in control of your cash flow, you'll be able to make the most of your money today, while concurrently stabilizing your financial future.

Benefits of budgeting

Beyond relieving stress, which is one of the first positive effects you'll notice, there are many benefits ahead as you embark on this journey:

- Keeping your total expenses within your available income
- Understanding the places and proportions of where your spending goes
- Meeting due dates for bills, so that you can avoid costly interest charges and penalties
- Avoiding panic when large, unanticipated expenses arise, by adopting simple routines to create reserves
- Priming yourself to adjust spending habits, as necessary, if you need to bring things back in alignment
- Allowing you to spend confidently in the present, save painlessly for the future, and ultimately meet your lifetime financial goals comfortably along the way

If you're new to budgeting, this may sound both inviting and intimidating. To ease into it, we'll begin with some guiding principles and simple tax concepts, followed by a look at typical budget categories for a Canadian household, then outline a practical process for you to get started on your own monthly budget.

The evolution of money, and money-minding

The phrase 'cold hard cash' is a reminder that, historically, money has been something tangible. And almost as long as it has existed, money has been loaned and borrowed between creditors and debtors. Over the last century, we've witnessed the rise of credit cards, debit cards, electronic banking and now digital currencies. All of these have made money more accessible. At the same time, these modern conveniences compel us to adapt how we manage this valuable, but limited, resource.

Like money itself, budgeting was at one time mostly manual, using pencil, paper and perhaps the physical separation of dollars into envelopes. And while the tools have progressed — from the earliest calculators and electronic spreadsheets, to dedicated websites and now mobile apps — budgeting remains a very personal exercise, with the goal being to find a routine that works, that you understand, and that you can maintain.

Whatever your current knowledge, personal style, and chosen technology, the purpose here is to give you the motivation to get started and the confidence to succeed. As with any new routine, especially one that may be a change in direction and intended to be a long-term commitment, the first step can be daunting. Rest assured that once you are underway, you can make changes catered to your financial resources, your planning skills, and the way you live your life.

After-tax income = spendable cash

While you may think of your income as an hourly rate or annual salary, that's not what you can spend. What matters for budgeting is the net amount in your hands *after tax*.

If you are paid a consistent salary, you can use your paycheque to estimate your monthly spendable income. That's obvious if you are paid monthly or semi-monthly. If you are paid bi-weekly or weekly, multiply by two or four to get a rough figure to start with, though technically there are 4.3 weeks in a month on average.

You may have to take a different approach if your income varies due to commissions or part-time hours, or if you have non-employment sources like support payments, rental income, or investment income. If that's you, take a look at your Notice of Assessment from last year's income tax return to see your total income and taxes paid. Take the difference between these two figures and divide by 12 to estimate your monthly spendable cash.

Bear in mind that we're using informed estimates to create the budget, fully expecting to make small adjustments every few months. In particular, if your annual income is above the maximum level for premiums on Employment Insurance and Canada Pension Plan (respectively \$61,500 and \$66,600 in 2023), at some point in the year you'll see a bump in your net payroll deposit. That will be one of the happier opportunities for adjustment.

Does monthly or weekly fit you best?

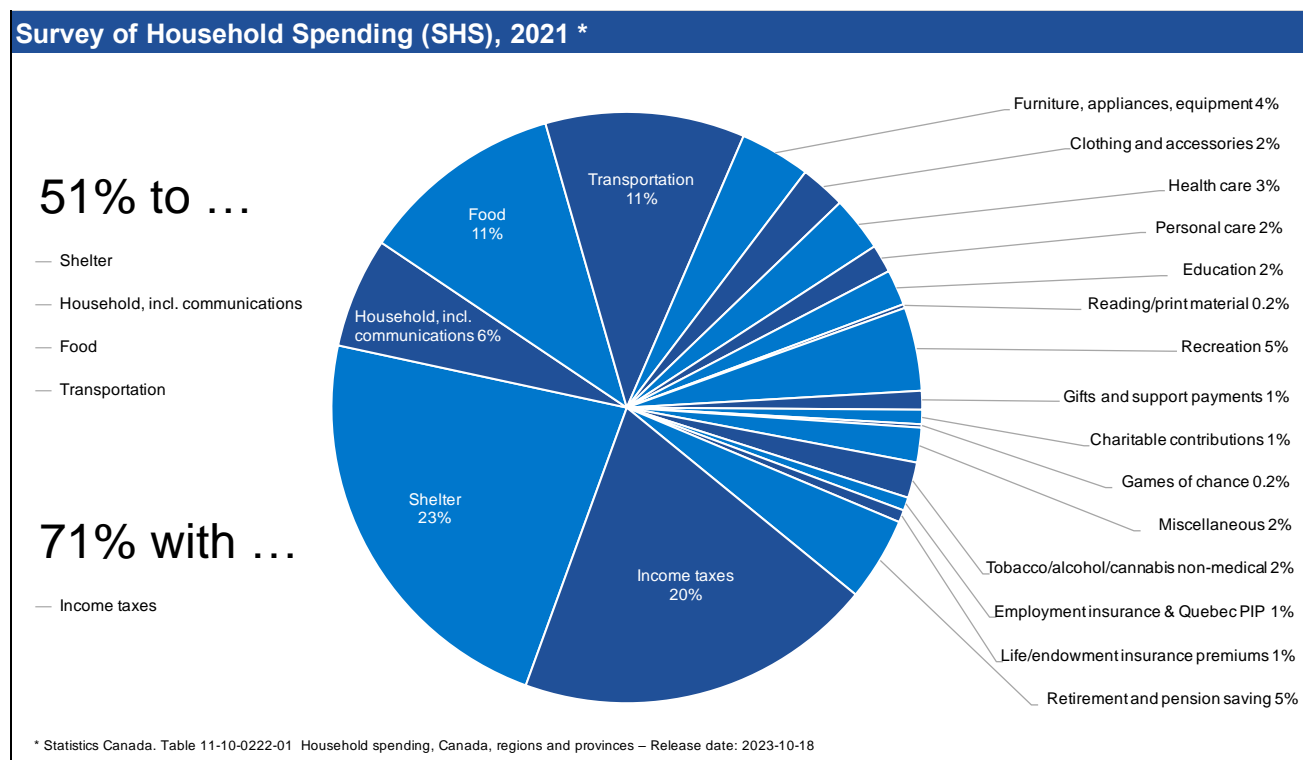
We're illustrating monthly budgeting, which works well if your priority is your recurring monthly bills, like utilities and car insurance. This makes for straightforward math, allowing you to set aside the exact amount (or half of it) from each paycheque when you are paid monthly or semi-monthly, for example on the 1st and 15th.

On the other hand, a weekly budget can make it easier to keep on top of day-to-day spending if you are paid weekly or bi-weekly, as there are always seven days in a week, whereas the number of days in a month varies.

For now, choose the way that appeals to you, knowing you can switch later as your routines develop.

A window on Canadian household spending

The *Statistics Canada Survey of Household Spending (SHS)* provides a window on what we and our neighbours are doing with our money. The SHS is conducted in the ten provinces and three territorial capitals every two years, with a two-year lag until results are published. Questionnaires are used to collect information on large, infrequent purchases, with insight on smaller everyday expenses coming from analysis of expenditure diaries kept by representative individuals. This then is linked to income tax data to match responses to household income.



The pie chart in the box shows the percentage breakdown of household spending across the country. Of course, spending will vary according to income level, location, age and demographic profile. And even for those similarly situated, each individual and household will have their own preferences.

All that said, this is the big picture view of where the money is going for Canadians as a whole. Approximately HALF of our spending falls into four categories — **food, shelter, transportation and communications** — and it's well over two-thirds of our collective revenue once income taxes are levied.

While the exact figures and proportions should not be taken as a prediction or prescription for your own finances, keep these major categories and the one-half proportion in mind as we turn to look at your own spending.

Estimating your own spending

Whether your outflow exceeds income, or you want to better manage where the dollars are going, a snapshot of your present position will give you a baseline to work from. For that, review your last three months of chequing and credit card statements. This will capture your taps, swipes and formal sign-offs, but you may have to fill in with estimates if you use cash regularly. Fortunately, the big stuff is likely on those statements, though the little things can certainly add up – which is why we want to capture as many transactions as possible.

Each expense can then be categorized, and the categories summed up. You can select from the 20 categories in the SHS chart, combining some to make the task more manageable if that feels like too many. In reality, there are well over 300 sub-categories in the SHS, which is great for academic research, but not for personal planning.

Here's an example how you could map those SHS spending categories into half as many budget categories:

Example personal budgeting categories:	SHS spending categories covered:
1. Shelter	▪ Shelter
2. Transportation	▪ Transportation
3. Food, groceries	▪ Food ▪ Personal care
4. Household, communications	▪ Household, including communications
5. Tax reserves (much of which will be by payroll withholding)	▪ Income taxes ▪ Employment insurance & Quebec PIP
6. Clothing & grooming	▪ Clothing and accessories ▪ Health care
7. Gifts & support obligations	▪ Gifts and support payments ▪ Charitable contributions ▪ Miscellaneous
8. Entertainment & recreation	▪ Recreation ▪ Reading/print material ▪ Games of chance ▪ Tobacco/alcohol/cannabis non-medical
9. Furniture & appliances	▪ Furniture, appliances, equipment
10. Emergency, reserves & savings	▪ Retirement and pension saving ▪ Education ▪ Life/term/endowment insurance premiums

Remember, you're building a process you can understand and maintain, so be honest and kind to yourself if you need to simplify. It's better to be imperfect and underway than to be paralyzed in the starting blocks.

Mapping and navigating your way forward

The objective at the beginning is to create a log of where your money is *currently going*. With that knowledge and grounding, you can then determine whether and what changes will get you to where you feel it *should be going*. Following are some themes and strategies to consider as you put your budget into action.

Using multiple accounts

In the past, people may have been limited to a chequing account and one or two savings accounts. These days, it's possible to have ten or more accounts with a financial institution, at little to no extra cost. This can help convert your budget from paper into practice, though having an account for every budget category might be overdoing it.

Whatever number of accounts you settle on, you can arrange it so that on payday the budgeted amounts are shuttled to each of your sub-accounts from your main account automatically. Not only does this guard against accidentally overspending if things had all been in one place, it's also a visible reminder and encouragement that your budgeting is working.

Credit card reserve

One of the most important accounts to consider for your multi-account system is a credit card reserve. Interest charges on credit cards can be very high, so it's best to pay off the balance each month. The idea of this reserve is that when you use your credit card, you immediately (as part of your daily or weekly receipt routine, discussed below) shift the spent amount into it from your main account or relevant side account. That will make sure that you have enough to pay off your balance as soon as the statement arrives.

Of course, you could simply pay directly to the credit card company, skipping the extra step of accumulating the reserve. The benefit of the reserve is that it shows you a running total of *how* you are spending, not just *what* you are spending on. For those who are vulnerable to routinely pulling out their credit card while their growing debt balance is out of plain view, this continuous visual cue could help cut down on excesses.

As well, some credit cards base their bonus points on the statement balance, not the total spent. While points should not be an encouragement to spend more with a credit card, they can offer value if properly managed.

Smoothing spending, within and across years

Some expenses will occur at intervals that don't match your budget timeline:

- To avoid a cash crunch the week that a monthly bill comes due, set aside a quarter (or so) of the expected amount in a side account so that the full amount is there when needed.
- Or for things billed quarterly like property taxes, include a third in your monthly budget, and again allocate the appropriate amount into a side account to accumulate until the billing month comes around.
- This smoothing practice within the year can also be applied across several years, for example a travel account that slowly builds until it is raided for a big bi-annual getaway.

C.L.A.S.P. your receipts

The activity of receipt-gathering is one of the simplest yet extremely powerful habits that you can cultivate. Apart from setting up for later review, this keeps you aware of your spending in real time, which may in turn influence that spending, before and as it happens.

Collect

Collect a receipt for every purchase you make, no matter how small. Whether you pay by cash, debit, credit or online, get a receipt.

Log

Each evening, take two minutes to empty your wallet, purse, pockets and .png folder of all receipts, and clip them together in date order using one of those large-size springy paper clips.

Allocate

Decide on a convenient time each weekend when you can enjoy a half hour date with yourself, rifling through your receipts. Allocate to your budget categories, recording them in the written, digitized or envelope mode you've chosen to use. Circle the date and amount on each receipt to make it easy next week to pick up where you

left off – This also makes it easier to find the right receipt when you have to do a return, or if something breaks in future and you need to make a warranty claim.

Scrutinize

At the same convenient time on the first weekend of the month, extend that date above by an extra half hour, including your significant other if you have one. Let your budget be your guide as to any small adjustments you need to make. This is about aligning your behaviour to the budget you have committed to.

Plan

On a quarterly basis, put the emphasis on the budget itself in that monthly meeting. Accepting that there will be monthly fluctuations, you should be seeing some consistency across a three-month stretch. If this is not happening, consider what changes to make to the budget. The fourth of these meetings will be an annual review leading into a new calendar year, when you can refresh dollar figures and revisit your goals and priorities.

Necessary, discretionary or luxury?

As the need for change becomes evident, use this spectrum of *needs to wants* to help set priorities. The more an item is considered a luxury, the more likely it is a candidate for change. At the same time, it is those discretionary and luxury spends that give pleasure to our lives, so try to maintain life balance even when cutting down.

Seeing R.E.D.

Once you have determined which items need to be addressed, use this acronym to decide how to adjust them:

Reduce ... how much you spend on this particular expense or category, but keep it in your budget;

Eliminate ... it altogether if it no longer meets your needs;

Defer ... some, or all of it, to a later time.

This is your direction and intention, but to execute most effectively, your actions should to be expressed in concrete terms. That means that those reductions need to be in specific dollar amounts or dollar targets, and any deferrals are in precise timeframes or committed dates. Make things countable to make yourself accountable, and give yourself the best shot at success.

Last point: First step

For many of us, the toughest part of budgeting is getting started. As stated earlier, the purpose here is to give you the motivation and confidence to take that first big step.

If you're looking for one last nudge to get going, an excellent tool that can help is the *Budget Planner* from the *Financial Consumer Agency of Canada* (FCAC): <https://itools-ioutils.fcac-acfc.gc.ca/BP-PB/budget-planner>. It guides users through the budgeting process, allowing progress to be saved with a unique access key for the user to return to it over time. Whether you are a rookie or veteran with money management, this tool can help you get going and keep going with your budgeting journey.

For more information, please consult your financial advisor and tax professional.

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Financial Planning for Part-Time Practice

[Budget building blocks – Streamlined]

Law Society of Ontario – Tue, Nov 14, 2023
“A Guide to Law Practice Transitions to
Part-Time and Alternative Practice Arrangements”

Doug Carroll
Tax & Estate Specialist
Aviso Wealth Inc.

Financial Planning for Part-Time Practice

[Budget building blocks – Streamlined]

AGENDA

1. Big picture of financial planning
2. Time traveling with money
3. Snapshot of Canadians' spending
4. Bucketing for budgeting
5. C.L.A.S.P. your receipts
6. T.I.N.K.E.R. with your routines
7. Sample budget planner

1. Big picture of financial planning

A clockwork of planning elements

1. People, Planning & Education
2. Work, Income & Business
3. Expenses & Spending
4. Budget & Cash Management
5. Credit & Debt
6. Saving & Property
7. Investing & Markets
8. Risk, Peril & Insurance
9. Tax Paying & Planning
10. Retirement & Decumulation
11. Lifestyle & Recreation
12. Estate Planning



Changing *this*?

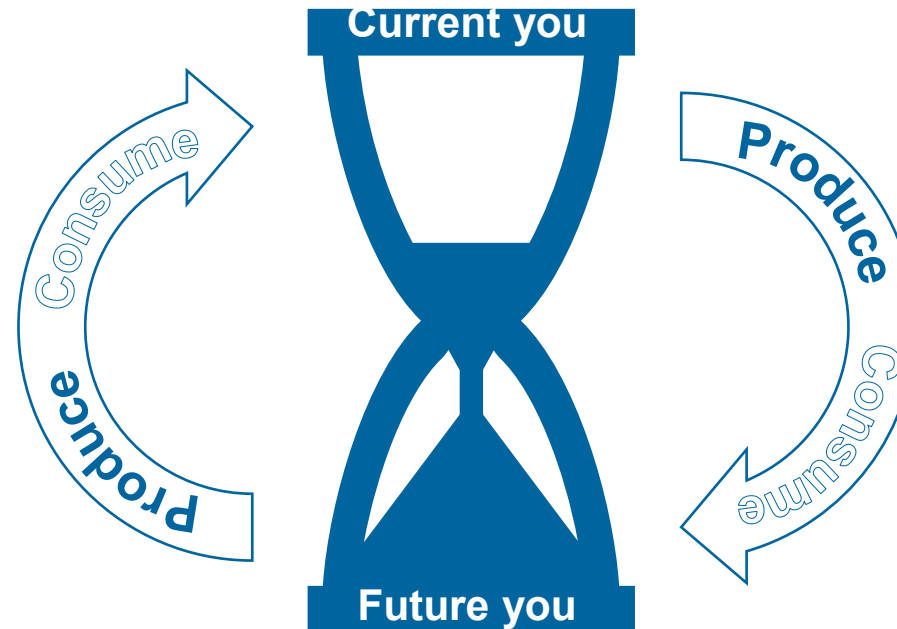
Effect of/on *that*

2. Time traveling with money

The credit-savings connection

CREDIT

Funding your
current consumption
with your
future income



SAVING

Using your
current income
to fund
future consumption

3. Snapshot of Canadians' spending

Description ... Prescription ... *Conniption?*

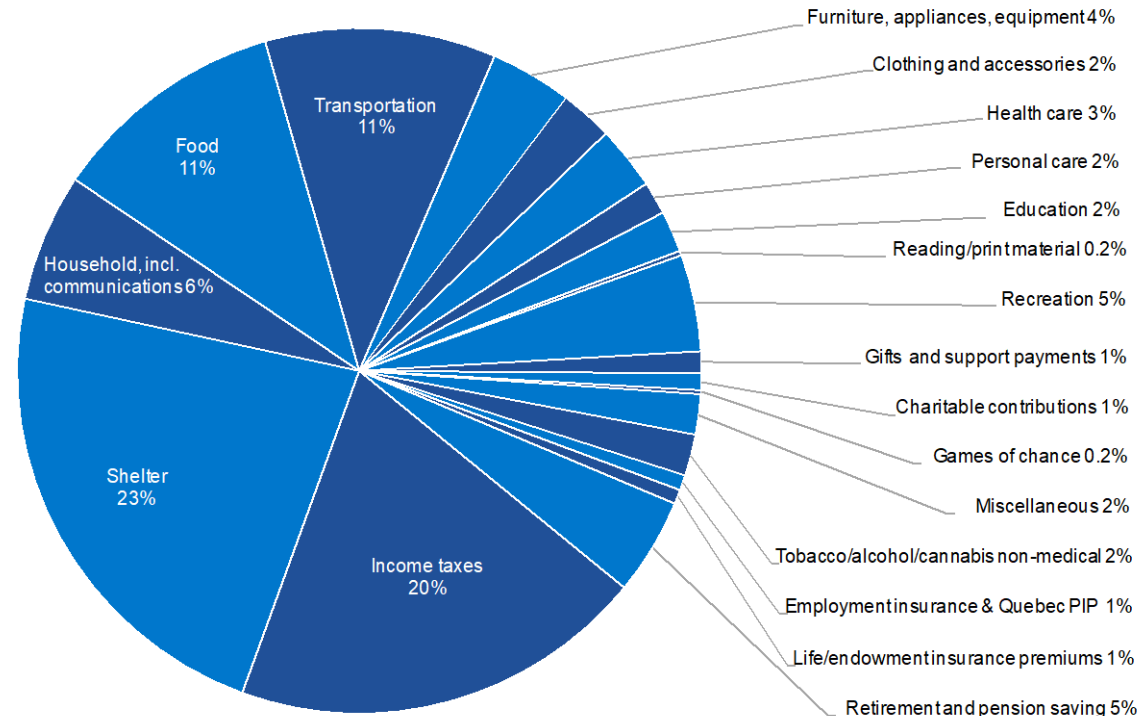
Survey of Household Spending (SHS), 2021 *

51% to ...

- Shelter
- Household, incl. communications
- Food
- Transportation

71% with ...

- Income taxes



* Statistics Canada. Table 11-10-0222-01 Household spending, Canada, regions and provinces – Release date: 2023-10-18

<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1110022201#tables>

4. Bucketing for budgeting

Conceptual categories to accountable accounts



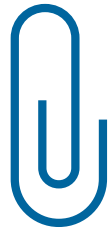
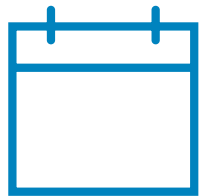
5. C.L.A.S.P.

Routinizing your receipts



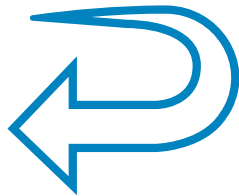
Collect

Daily



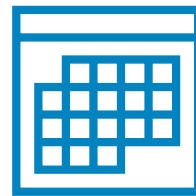
Log

Weekly



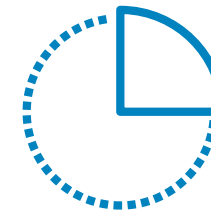
Allocate

Monthly



Scrutinize

Quarterly



Plan

Annually



6. TINKER with your routines

A think exercise with Da-We-Mo-Se-An-Ex

Daily	Weekly	Monthly	Seasonal	Annual	Extended
Wake & workout	Client file review	1 Mthly goal list	File GST/HST	LSO fee/ report	@2 Ocean cruise
Commute to/fr work	Set-date court	2 HR reviews	Hockey/ concert	Meet Account't	@3 Cell phone
Coffee break	MN Team Mtg	3 Insur'nce premium	Dentist cleaning	Income tax filing	@5 Review Will
Clear email pile	TU Kids soccer	4 Acct billings	SP Yard sale	RRSP deposit	@7 Car trade-in
Lunch in or out	WE Teach course	Credit card bill	SU Open cottage	Compens'n committee	@10 School reunion
Break/ meditate	FR Groceries	Cards night	FA Clean garage	Doctor checkup	!! See the Mona Lisa
Family dinner	SA Golf/ tennis	Dine-out	WI Tire change	CE learn & credits	!! Sail the world

- Tasks, habits and routines
- New chapter, new routines?
 - **T**weak activity and/or place in schedule
 - **I**ncrement amount or frequency
 - **N**ew task in new mode
 - **K**eep as is
 - **E**liminate altogether
 - **R**educe amount or frequency
- Top-of-mind awareness of ...
 - How you (will) spend your **TIME**
 - Where & when you spend your **MONEY**

7. Sample budget planner

Courtesy Financial Consumer Agency of Canada (FCAC)

- FCAC – Budget Planner:
Canada.ca
 - > Money and finances
 - > Managing your money
- <https://itools-ioutils.fcac-acfc.gc.ca/BP-PB/budget-planner>

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Law Society
of Ontario

Barreau
de l'Ontario

TAB 3

A Guide for Law Practice Transitions to Part-Time and Alternative Practice Arrangements

Going solo: Tax matters for legal practitioners (PPT)

Jamie Golombek, Managing Director, Tax and Estate Planning
CIBC

November 14, 2023





Going solo: Tax matters for legal practitioners

Jamie Golombek
Managing Director, Tax and Estate Planning

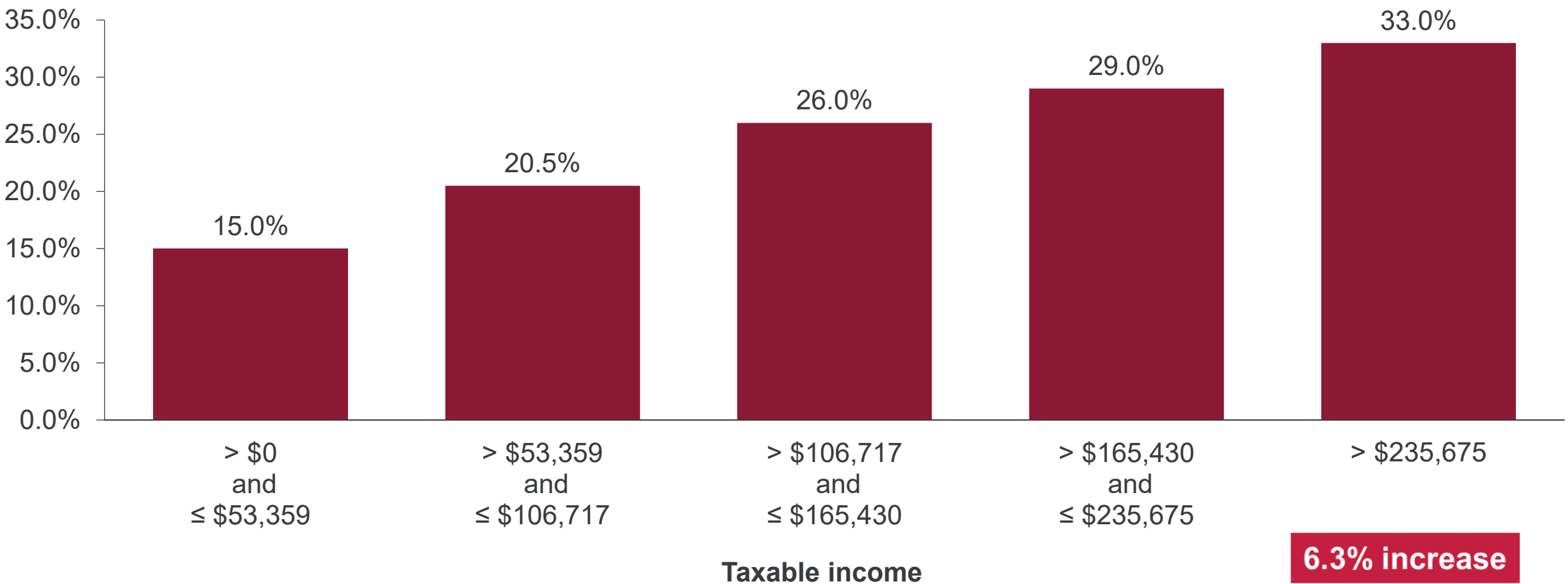
November 2023

Agenda

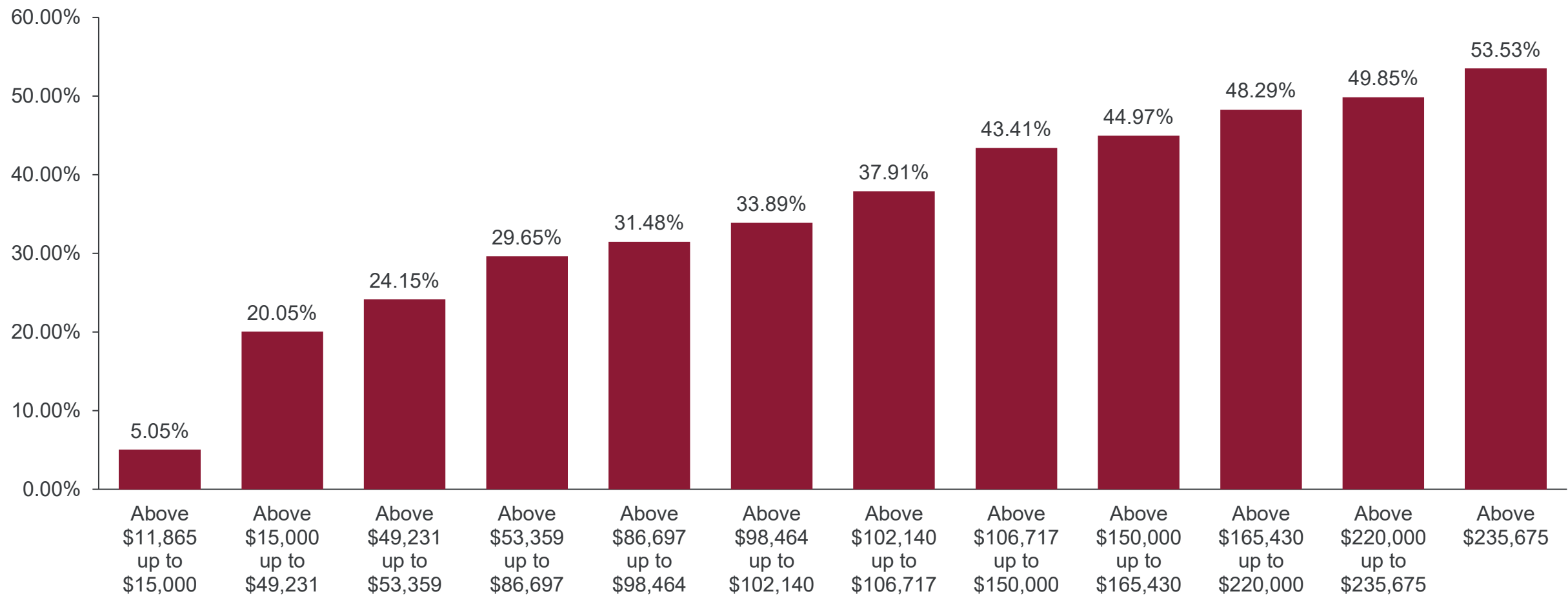
1. Tax update
2. Professional corporations
3. Building wealth



2023 federal income tax rates



ON 2023: Tax rates on ordinary income



Tax Templates Inc., January 1, 2023.
The marginal rates include federal and Ontario taxes, and surtaxes but do not include low-income tax rate reductions. The amounts also include the basic personal amounts.

Professional Corporations



Benefits of a professional corporation



Professional inc. Tax benefits of professional incorporation

May 2022

The original version of this article was published in FORUM Magazine February 2006.

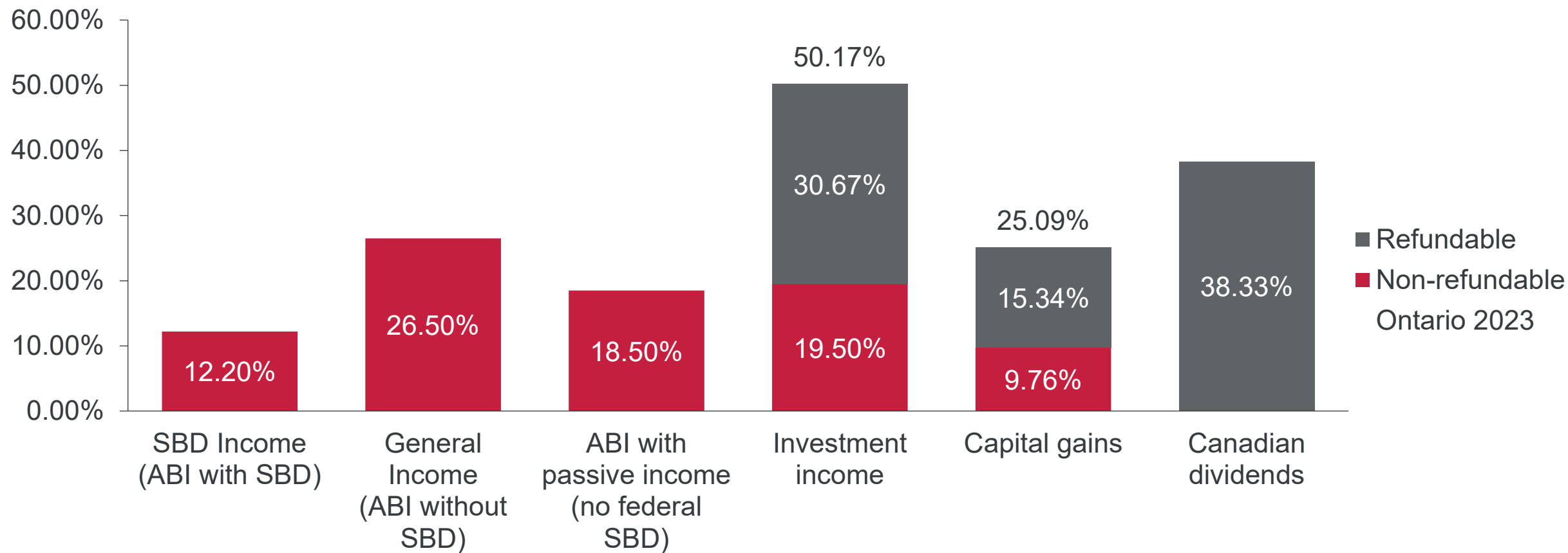
Jamie Golombek

Managing Director, Tax and Estate Planning, CIBC Private Wealth

Professional corporations can provide some significant tax advantages, depending on the professional's business. Let's review some of the advantages, benefits and opportunities as to when incorporating a professional practice makes sense.

cibc.com/content/dam/small_business/day_to_day_banking/advice_centre/pdfs/business_reports/professional-inc-en.pdf

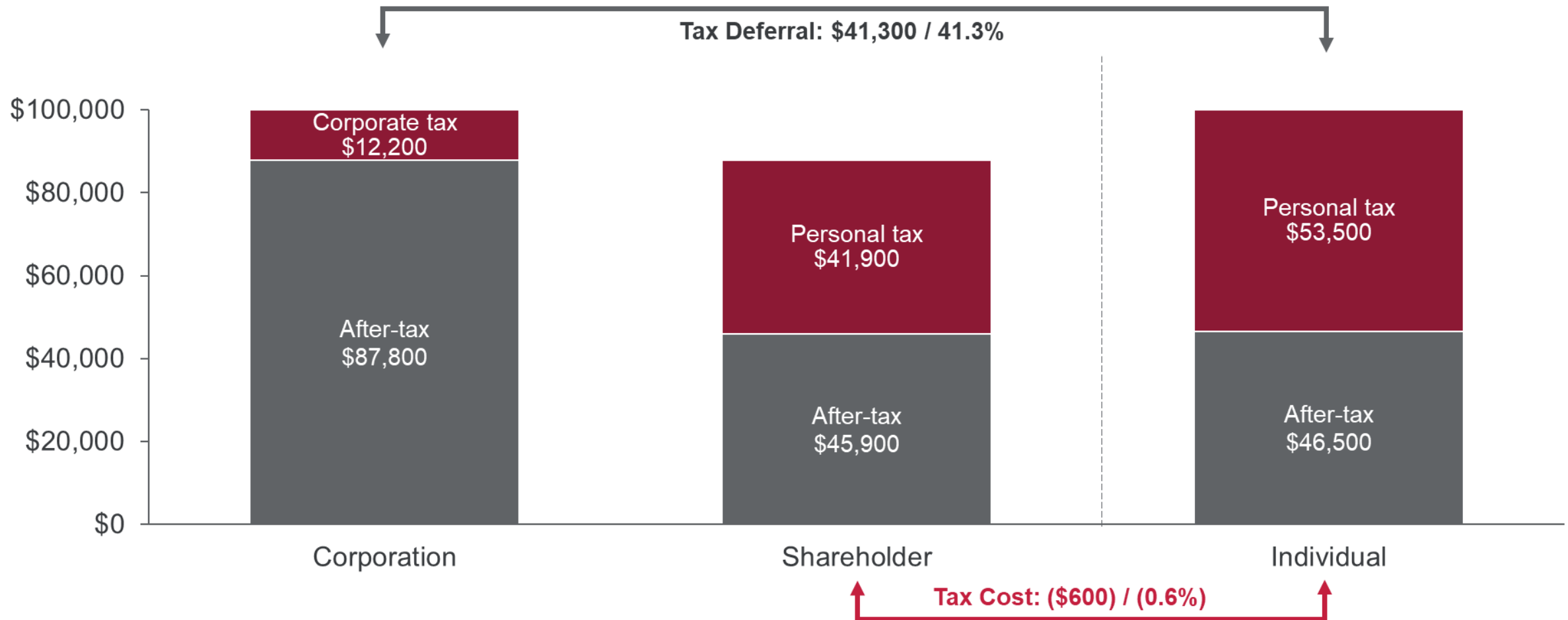
ON 2023 & 2024 corporate tax rates in a CCPC



Source: Tax Templates Inc., November 2023

1. A portion of corporate tax may be refunded when the CCPC distributes dividends.
2. Part IV tax applies to dividends from non-connected Canadian corporations. All of the corporate tax may be refunded when the CCPC distributes dividends.

ON 2023: \$100,000 SBD Income (ABI with SBD), earned by CCPC vs. individual



Assuming the top personal marginal tax rate applies. Amounts are rounded to the nearest \$100.

ON 2023 integration summary

Income Type	Corporate tax rate	Integrated corporate / personal tax rates ¹	Personal highest tax rate	Tax Deferral (Prepayment) [Personal – Corporate]	Tax Savings (Cost) [Personal – Integrated]
SBD Income	12.20%	54.13%	53.53%	41.3%	(0.6%)
ABI, no federal SBD	18.50%	51.21%	53.53%	35.0%	2.3%
General Income	26.50%	55.53%	53.53%	27.0%	(2.0%)
Investment income ²	50.17%	57.93%	53.53%	3.4%	(4.4%)
Foreign income	50.17%	64.13%	53.53%	3.4%	(10.6%)
Capital gains	25.09%	28.96%	26.76%	1.7%	(2.2%)
Eligible dividends ³	38.33%	39.34%	39.34%	1.0%	0.0%
Non-eligible dividends ³	38.33%	47.74%	47.74%	9.4%	0.0%

Source: Tax Templates Inc., for individuals who pay tax at the top marginal personal tax rate

1. Total of corporate and personal taxes when income is earned in a CCPC and after-tax income (including refunded taxes) are distributed to an individual shareholder as dividends.
2. Including interest, rent and foreign dividends.
3. Portfolio dividends from non-connected corporations

Income splitting: What's left



The great divide: Income splitting strategies can lower your family's taxes

Jamie Golombek

Managing Director, Tax and Estate Planning, CIBC Private Wealth

There are a number of ways to split income, some of which have been around for a long time and may provide significant tax savings. With marginal tax rates for high-income earners now over 50% in more than half the provinces and territories and relatively low prescribed interest rates for income splitting loans, now is a great time to revisit some income splitting strategies, both old and new.

What is income splitting?

Income splitting is the transferring of income from a high-income family member to a lower-income family

cibc.com/content/dam/personal_banking/advice_centre/tax-savings/income-splitting-strategies-en.pdf

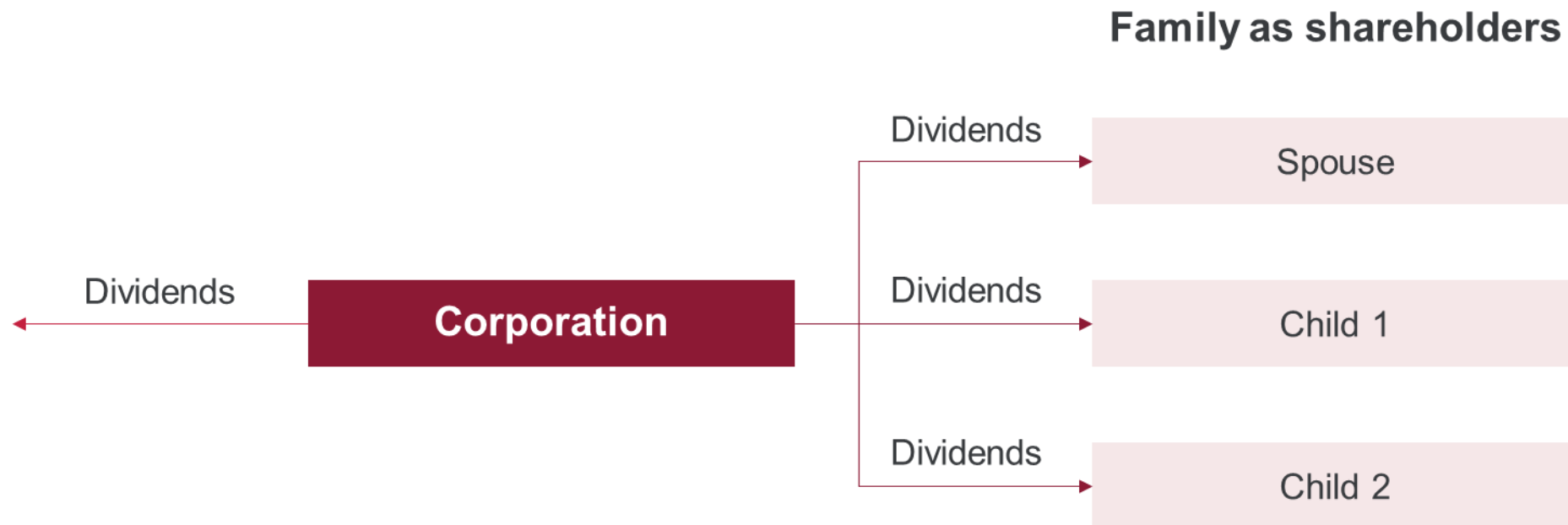


Splitting income using CCPCs: Dividends

- Dividends can be paid to shareholders, including family members
- Separate classes of shares allow dividends to be paid to selected shareholders
- Attribution
- **Tax on Split Income (TOSI)**, “Kiddie Tax for Adults” if under 18

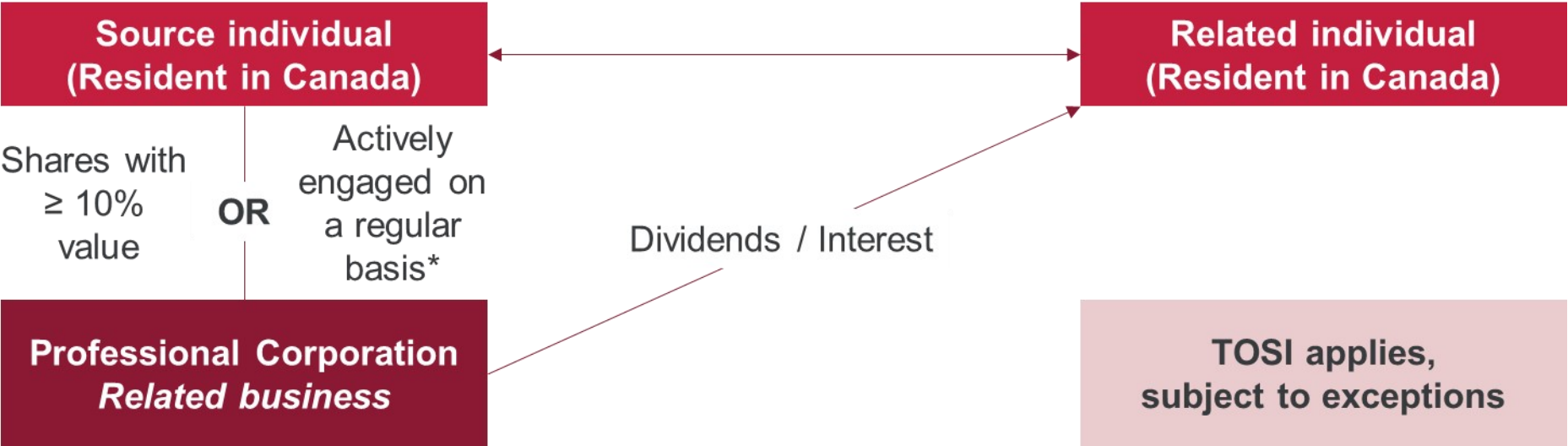


Shareholder



**2024 tax-free eligible dividends: \$71,780
per individual with no other income**

Who is subject to Tax on Split Income (TOSI)?



* Works at least an average of 20 hours per week during the portion of the year in which the business operates

Some exceptions to TOSI: No TOSI for Specified Individual (SI)

1.	Excluded business	SI is 18+ and works 20+ hours/week in the year or for any five prior years
2.	Excluded shares	SI is 25+ and owns shares with $\geq 10\%$ votes and value (not available for PCs or if $\geq 90\%$ income from services)
3.	Reasonable rate of return	SI is 18+ and earns a reasonable return compared to Source Individual (more stringent requirements for an SI who is 18-24)
4.	Retirement	SI is spouse/CLP of a Source Individual who is 65+ and not subject to TOSI
5.	LCGE on QSBC shares or QFFP	SI has capital gains from Qualified Small Business Corporation (QSBC) shares or Farm/Fishing Property (QFFP)

These rules are complex and a tax advisor should be consulted for further details.

CCPC tax planning for passive income



CCPC tax planning for passive income

March 2023

Jamie Golombek and Debbie Pearl-Weinberg

Tax and Estate Planning, CIBC Private Wealth

Corporations with more than \$50,000 of passive investment income in the previous year will see a reduction, and possible complete loss, of the small business deduction (SBD).¹ This report will review these rules, the potential financial impact of a loss in the SBD on your long term savings, and what you can do about it.

cibc.com/content/dam/small_business/day_to_day_banking/advice_centre/pdfs/business_reports/ccpc-passive-income-en.pdf



Adjusted Aggregate Investment Income (AII) & the Small Business Deduction Limit (SBD Limit)

Current SBD Limit

- \$500,000* of active business income

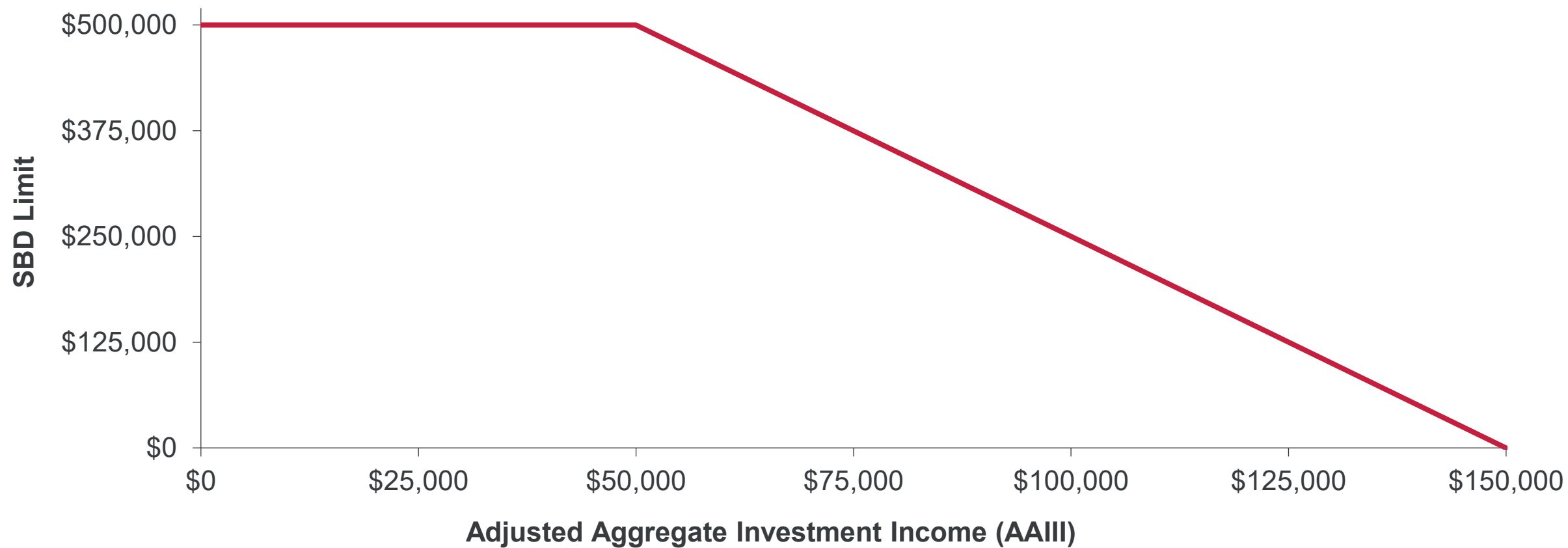
Federal SBD Limit under new rules

- Reduce \$500,000 limit for CCPCs with AII >\$50,000
 - Reduced by \$5 for each \$1 of AII that exceeds \$50,000
 - SBD eliminated once AII >\$150,000



* The limit is \$500,000 federally and in all provinces except Saskatchewan, where it is \$600,000. For large CCPCs, the federal and provincial SBD Limit is reduced on a straight-line basis for CCPCs that, in the prior tax year, had taxable capital between \$10 million and \$15 million.

Reduction in the SBD Limit based on AAll



Is it still worthwhile to use a professional corporation?

Common financial reasons:

- Income splitting with family members
 - **BUT:** Limited by rules for ownership of PC shares and TOSI
- Lower tax rate on small business income up to \$500,000
 - **BUT:** Generally no SBD for large firms
 - **AND:** Passive income can reduce SBD Limit
- **Tax deferral – still available!**

Building wealth

Registered plans can be useful for business owners



RRSPs: A smart choice for business owners

October 2022

Jamie Golombek

Managing Director, Tax and Estate Planning, CIBC Private Wealth

If you operate your business through a corporation, you have two main options for deferring taxes when investing your business profits. You can leave excess funds in your corporation for investing or you can withdraw funds and invest in a Registered Retirement Savings Plan (RRSP). For many business owners, withdrawing excess funds and investing in an RRSP may be the better choice.

When investing excess business profits, you must first choose whether to invest excess funds in your corporation or withdraw funds and invest personally. If you choose to withdraw funds, you also need to decide whether to invest in a registered or non-registered account. Our previous reports, [Bye-bye Bonus](#)¹ and [The Compensation Conundrum](#),² compared corporate investing to personal investing in non-registered accounts and our report, [TFSAs for Business Owners](#),³ compared corporate investing to personal investing in a Tax Free Savings Account (TFSA), which offers tax-free savings. In this report, we'll compare corporate investing to investing in your RRSP, both of which offer a deferral of personal tax.

Unlike investing in a non-registered account or a TFSA, to invest in an RRSP you must have sufficient RRSP contribution room. Your 2022 RRSP contribution room is calculated as 18% of income earned in 2021, to a maximum of \$29,210.⁴ While salary that you receive from your corporation as an employee qualifies as earned income that creates RRSP room, dividends that you receive as a shareholder do not. As a result, if you want to invest in an RRSP, then you must pay sufficient salary so that you have the earned income necessary to generate RRSP contribution room. Alternatively, if you want to leave the funds in your corporation for investment, then you will generally take the money out later in the form of dividends.

If you choose to distribute corporate income as salary, you will pay personal tax on the salary income. Alternatively, if dividend compensation is chosen, the company pays corporate tax when income is earned and you pay personal tax when proceeds are distributed to you as a dividend.

cibc.com/content/dam/small_business/advice_centre/business-reports/RRSPs-for-business-owners-en.pdf



TFSAs for business owners... a smart choice

October 2022

Jamie Golombek and Tess Francis

Tax and Estate Planning, CIBC Private Wealth

Incorporated business owners can choose to invest surplus funds within their corporation or to withdraw these funds and invest personally. A Tax Free Savings Account (TFSA) provides a great opportunity to earn tax-free investment income.¹ By investing in a TFSA, rather than leaving surplus funds in the corporation for investing, business owners will generally end up with more after-tax cash at the end of the day, especially when the time horizon is significant.

In our report [Bye Bye Bonus](#),² we showed that it may be beneficial to leave funds in your corporation for investment, rather than withdrawing the funds and investing personally, due to a significant tax deferral advantage. The amount that was deferred could be used as investment capital in the corporation, which could then generate additional investment income. In that report, however, it was assumed that personal funds, once withdrawn from the corporation, would be invested in a non-registered account, leaving investment income exposed to taxes.

What if personal funds were, instead, invested in a TFSA? This report will show that, instead of leaving funds in your corporation for investment, using funds withdrawn from your corporation to maximize your TFSA may be a smart choice.

Using corporate business income to fund a TFSA contribution

TFSA contributions can only be made personally and not by your corporation.³ As a result, to make a TFSA contribution using income from your company, you must first withdraw the funds from your corporation. Perhaps the starting point, then, is to determine how much business income would you need to earn in your corporation in order to have enough after-tax funds to personally contribute to your TFSA. The answer is affected by corporate and personal tax rates, which vary by province or territory, and whether business income is eligible for the small business deduction (SBD Income)⁴ or is General Income that is not eligible for the small business deduction.⁵

cibc.com/content/dam/personal_banking/advice_centre/tax-savings/tfsas-for-business-owners-en.pdf

2023 & 2024 limits for RRSPs and TFSAs

Plan	2023 dollar limits	2024 dollar limits
RRSP	\$30,780 (18% of \$171,000 earned income in 2022)	\$31,560 (18% of \$175,333 earned income in 2023)
TFSA	\$6,500 (\$88,000 cumulative dollar limit for 2009 to 2023*)	\$7,000 (\$95,000 cumulative dollar limit for 2009 to 2024*)



* For individuals who have been resident in Canada and at least 18 years of age since 2009 and have never contributed to a TFSA.

2023 TFSAs present a great opportunity

- 18 years of age and resident in Canada
- For couples, each spouse or common-law partner can contribute
 - No attribution if funds gifted to family members for their own TFSA contributions
- Potential contribution opportunity*:
 - \$88,000 for an individual
 - \$176,000 for a couple
- Withdrawals are not income for recovery (clawback) of:
 - Guaranteed Income Supplement
 - Old Age Security
- **2024 TFSA dollar limit is \$7,000**

* Assuming you have been resident in Canada since age 18 and have never contributed to a TFSA.

Your age in 2023	Your birth year	Year you reached age 18	Dollar limit in year you reached age 18	Your cumulative dollar limit in 2023*
18	2005	2023	6,500	6,500
19	2004	2022	6,000	12,500
20	2003	2021	6,000	18,500
21	2002	2020	6,000	24,500
22	2001	2019	6,000	30,500
23	2000	2018	5,500	36,000
24	1999	2017	5,500	41,500
25	1998	2016	5,500	47,000
26	1997	2015	10,000	57,000
27	1996	2014	5,500	62,500
28	1995	2013	5,500	68,000
29	1994	2012	5,000	73,000
30	1993	2011	5,000	78,000
31	1992	2010	5,000	83,000
32	1991	2009	5,000	88,000
33+	Before 1991	Before 2009	0	88,000

Questions and answers

cibc.com

jamiegolombek.com



Law Society
of Ontario

Barreau
de l'Ontario

TAB 4

A Guide for Law Practice Transitions to Part-Time and Alternative Practice Arrangements

Business Strategies Checklist For Transitioning to a Part-Time or Alternative Practice

7 Business Strategies for Transitioning to a Part-Time or Alternative Practice (PPT)

Erin C. Cowling, Founder & CEO
Flex Legal Network Inc.

November 14, 2023



Business Strategies Checklist
For Transitioning to a Part-Time or Alternative Practice

By Erin C. Cowling,
Flex Legal Network Inc.

INTRODUCTION

You've made the decision: you need a change in your legal career. You want to transition to a new way to practice or provide legal services. This could mean transitioning from a full-time employment role or full-time sole practitioner role to:

- a part-time practice;
- a limited scope retainer or unbundled legal services practice;
- a freelance lawyer or freelance paralegal practice;¹
- working part-time in law and part-time in another profession or business;
- another form of alternative practice; or
- a combination of the above.

You've thought about the financial implications, but what are some business strategies to help you succeed in your new role? This paper will examine some strategies, considerations, tips, and steps to take, as well as some specific *Rules of Professional Conduct* or *Paralegal Rules of Conduct*, to keep in mind, when transitioning your practice.

1. LEAVE YOUR OLD POSITION ON GOOD TERMS

One important business strategy is to leave your old position on good terms (if possible) and in an ethical manner. Start by providing as much notice as possible about your departure and assist with drafting clear transfers memos or closing out files.

¹ A freelance lawyer (or paralegal) works as an independent contractor for other licensees on an as needed or project basis. They are not retained by non-lawyer clients (or sometimes referred to as "end-clients" in this paper) but only work for and under the supervision of other lawyers on a freelance basis to assist with overflow legal work.

When starting a new business, or practice, money may be tight and a great way to advertise is through word of mouth. If you are leaving an employment role at a firm, your former employer or colleagues could be great referral sources for your new practice. This is especially true if you will be setting up a freelance practice (where you work as an independent contractor – rather than an employee - to other lawyers and firms) and your former firm may need your freelance assistance in the future. Many freelance lawyers and paralegals find that their first clients are former employers.

If you are leaving a firm to start your own part-time practice and you have current clients who wish to transition with you, keep in mind your professional obligations.² When notifying a client about your departure and new practice, they must be aware of their three options: leaving with you, remaining with the firm, or retaining a new lawyer or paralegal.³ The client's interests are paramount and they must be able to decide which licensee to retain without undue influence or pressure by either the departing lawyer/paralegal or the firm and with adequate information to make an informed decision. If you are leaving a full-time practice at one firm for a part-time practice at another and transition your files, also keep in mind the conflicts and screening rules when transferring files between firms.⁴

No matter what type of new practice you are transitioning to, remaining on good terms with your former employer, colleagues and clients will always help.

2. SET YOUR GOALS & OBJECTIVES FOR YOUR NEW PRACTICE: WHAT IS YOUR “WHY”?

There must be a reason you are transitioning to a new type of practice. Why are you looking for a new way to practice law? What are your career goals and objectives with this new practice?

Maybe you want to practice part-time because you have other obligations in your life that need more of your time and attention. Or maybe you want to practice as a freelance lawyer or

² See *Rules of Professional Conduct*, Rule 4.1-2, and Commentary [2] and [3] to Rule 3.7-7A(1) or *Paralegal Rules of Conduct*, Rule 8.02 (2)(d) and Guideline 11, ss. 19-20.

³ In addition to the relevant rules see the case [Robert Findlay Law Office Professional Corporation v Werner, 2015 ONSC 2955 \(CanLII\)](#), which provides a helpful overview of obligations when leaving a law firm.

⁴ *Rules of Professional Conduct*, Rules 3.4-17 to 3.4-22 and *Paralegal Rules of Conduct*, Rule 3.05.

paralegal because you don't want to provide services to end-clients anymore and only want to work with other licensees. Or perhaps you love working as a family law lawyer but not necessarily all aspects of a family law file and you want to offer unbundled legal services working on discrete parts of the file (like legal research or drafting) for the client instead. Or maybe you just feel stuck and need a change.

Whatever your reason, or reasons, for transitioning your practice, write them down and keep them somewhere safe so you can review them regularly. Some questions to ask yourself:

- What did you *not* like about your previous practice?
- What did you like about your previous practice and want to incorporate into your new practice?
- What are your long-term goals? Is this new practice only temporary or are you in it for the foreseeable future?
- What will your typical day look like? What do you *want* your typical day to look like?
- How many hours a week do you want to work?
- How much money do you want to make? (...and how much will you have to charge, and how many hours will you need to work, to make that money?)

These questions that will help you figure out your “why”, which should be kept in mind with every decision made about your new practice, otherwise you may find yourself back in a practice that no longer brings you fulfillment or joy. Your “why” will also help with the rest of the business strategies discussed below.

3. DECIDE ON YOUR BUSINESS STRUCTURE

With your “why” and your business goals in mind, decide on the best business structure for your new practice: sole proprietorship? professional corporation? multidiscipline partnership?

This may not be relevant if you are already a sole practitioner or practice under a professional corporation and are simply adjusting your practice to part-time, your business structure can remain the same. However, if you are leaving an *employment* position and wish to start your

own part-time practice or alternative practice, you will have to decide how to structure your new practice / business.

Many licensees will start with a sole proprietorship as it is the easiest to establish. Others may choose to practice under a professional corporation. The Ontario *Business Corporations Act* and the *Law Society Act* permit lawyers and licensed paralegals to practise law or provide legal services through a professional corporation. These *Acts*, together with Part II of the Law Society of Ontario's By-Law 7, outline the requirements for professional corporations. Licensees need to complete an application process for a certification of authorization and pay annual administrative fees. The main reason for incorporating a professional corporation would be for tax advantages, so speak with your accountant, as this is outside the scope of these materials.

Another potential option is to enter a multidiscipline practice or partnership. A multidiscipline *practice* is where lawyers or licensed paralegals practice with others who work in a profession, trade or occupation that supports or supplements the lawyer or paralegal's practice of law or provision of legal services. For example, a lawyer or paralegal may practice with an accountant, tax consultant, trademark and patent agents, etc. A multidiscipline *partnership* is where a licensee and another professional enter into a formal partnership agreement. The Law Society of Ontario permits multidiscipline partnerships but only licensees can have control over trust accounts and licensees are still ultimately responsible if there are non-licensee partners.⁵

4. DEFINE THE BOUNDARIES OF YOUR PRACTICE AND CLIENT BASE

Now you know your "why", you have your goals, you've decided on your business structure, it is time to define your practice and what you will offer as services and to whom. Use your "why" to define the boundaries of your practice and the type of clients you wish to serve. If you don't keep your "why" in mind every time you are presented with a new file or opportunity, you may say yes to work that does not align with your goals for your new practice and you risk being

⁵ If you are choosing a multidisciplinary partnership, be sure to review *Rules of Professional Conduct*, Rules 3.4-16.1, 3.6-8, 7.8.1-1 and Commentary [11] to Rule 3.1-2 or *Paralegal Rules of Conduct*, Rules 3.04(13), 5.01(13), 8.01(5) and the *Paralegal Professional Conduct Guidelines*, Guideline 7, s. 17; Part III of By Law 7. Also see the Law Society of Ontario's resource [Multi-Discipline Practice and Multi-Discipline Partnership](#).

pulled back into working full-time or taking on work you dislike, or worse that you are not competent to do.

Take proactive steps to set your practice boundaries. For example, if you are transitioning to part-time because you need more balance in your life or more time away from the office, evaluate what type of work you want to take on with this in mind:

- What practice area is compatible with a part-time practice?
- Can you set a limit on the volume of your files or define the type of files you will and will not engage with? Perhaps you will have a hard “no” on any injunction files or any family law files that appear litigious, etc.
- Will it be possible with your practice to only work set days of the week? If so, set those days and stick with them. If not, perhaps a reduced workday will be more successful.

Or if you are a licensed paralegal and transitioning to a different business model working with other licensees or perhaps with immigration consultants, etc. you will need to set clear boundaries on your practice so that you only provide services within your scope of practice. Ensure that you do not supervise, direct, edit etc. work that only a lawyer is licensed to do (unless your work is being supervised by a lawyer in a direct, proactive, and continuous manner). ⁶

Or you may be leaving a traditional practice of law and starting a freelance practice because, while you like the law and being a lawyer or paralegal, you no longer like working with end-clients. Be sure to set boundaries on your freelance practice that you only work with other licensees and define your client base in that manner. Keeping your “why” in mind will help when you are approached with a file that would require you to work with an end-client. You may be tempted to take it on, especially if it could be worth a lot of money, but saying yes to something outside the boundaries of your practice and your client base could be a slippery slope back to your old way of practicing law.

⁶ *Paralegal Rules of Conduct*, Rules 3.02(3), 8.02(3); By Law 4, s. 6. See also the [Notice to the Profession: Important information regarding paralegals providing legal services under the Immigration and Refugee Protection Act](#); [Practice Management Helpline Frequently Asked Questions – Paralegal Scope Of Practice](#).

Keeping your ideal practice and ideal client in mind for your new role will help you naturally set boundaries around your new practice.

5. PROTECT YOURSELF WITH PROPER CONTRACTS / RETAINER AGREEMENTS

Like lawyers or paralegals with a traditional or full-time practice, you still need to be protected through proper contracts / retainer agreements.

Part-Time Practice Retainers

For a part-time practice where you represent end-clients on a reduced working hours basis, best practices dictate that a written engagement letter or solicitor and client retainer agreement should be in place. To maintain good client communication and management of client expectations consider adding your hours of availability and response time in your retainer agreement. For example, if you are not in the office on Tuesdays or Thursdays, highlight that in your retainer agreement and bring it to your clients' attention when they are signing. Be clear that you will not respond to email or phone calls on those days or set out your usual response time for the days you are not in the office. While you should be mindful of your obligation to provide timely and effective communication,⁷ you do not need to be available 24/7.

Unbundled Legal Services / Limited Scope Retainers

Lawyers and paralegals must confirm the legal services they will be providing under a limited scope retainer in writing. Having a written retainer or engagement letter setting out the discussions and agreement with your end-client will assist with understanding the limitations of the service to be provided and any risks of the retainer.⁸

Non-Law Businesses & Contracts

⁷ See *Rules of Professional Conduct*, Rule 3.1-1(d) and the *Paralegal Rules of Conduct*, Rule 3.01(4)(e).

⁸ See *Rules of Professional Conduct*, Rule 3.2-1A.1 and Commentary [1] to [1.1] and Rule 3.2-1A.2 and *Paralegal Rules of Conduct*, Rule 3.02(16).

If you are working in law part-time but also engaging in another business, keep the two separate. For example, perhaps you have a side business coaching other lawyers or paralegals, or you are providing business or entrepreneurial courses to non-licensees, or selling items you've sewn on Etsy, or you own a real estate business, etc. Be clear in your contracts and communication that your non-law business is separate from your legal practice, you are not providing legal advice, you are not in a solicitor and client relationship with this person, etc. Also, on the other hand, a licensee who engages in another profession, business, or occupation concurrently with the practice of law or provision of legal services, must not allow such interest to jeopardize their professional integrity, independence or competence and must be mindful of potential conflicts of interest with their law practice.⁹

Freelance Lawyer / Paralegal Agreement

If you are transitioning to a freelance practice assisting other licensees and firms with their overflow legal work on an as-needed basis, ensure you have a freelance lawyer or paralegal agreement (i.e., an independent contractor agreement) in place. This agreement should include provisions stating that: you are working as an *independent contractor* for the firm not as an employee; the hiring lawyer maintains full control over their files, at all times; the hiring lawyer will exercise their independent professional judgment and make all final decisions regarding their cases and end-clients; your hourly rate; scope of work; etc.¹⁰

To not be offside any division of fees rules,¹¹ do *not* agree to any payment structure where your pay would be contingent upon the hiring lawyer being paid by the end-client and be sure that any fee paid by the end-client is paid *only* to the hiring lawyer. Your payment by the firm should always be made within an independent contractor / hiring firm context, just like an associate is paid under an associate / hiring firm context. In other words, if the agreement between the hiring firm and the freelance lawyer requires the former to pay the latter regardless of when, whether, or how much the end-client pays the hiring lawyer, the payment does not constitute

⁹ See *Rules of Professional Conduct*, Rules 7.3-1 & 7.3-2 and *Commentary or Paralegal Rules of Conduct*, Rules 2.01(4) and 2.01(5).

¹⁰ This is just a broad overview and not an exhaustive list, which is outside the scope of this paper.

¹¹ See *Rules of Professional Conduct*, Rule 3.6-5.

fee splitting (any more than a lawyer's payment of an associate's salary constitutes fee splitting). If the agreement provides that the freelance lawyer will be paid by the end-client or there is a single billing where the client pays the hiring lawyer *and* the freelance lawyer this will trigger obligations under Rule 3.6-5, Division of Fees. In this situation a division of fees between licensees at different firms is permitted, however, you will need the end-client's consent and the fees must be divided in proportion to the work done and the responsibilities assumed.

No matter what type of new practice you are embarking upon, ensure to protect yourself with the proper contracts, retainers, or agreements.

6. FIND YOUR CLIENTS & MARKET YOUR SERVICES

Knowing the boundaries of your new practice and defining your ideal clients will make marketing easier for you. Some potential marketing strategies:

- **Reach out to your current network.** The first and easiest step for transitioning your practice is to let your current network know how your practice is changing. You can easily do this by sending out an email or making an announcement on LinkedIn (or other social media platform) or even mailing out an old-school letter to grab people's attention. Let them know that you are no longer doing "X" type of work, but you are more than happy to do "Y". People who have worked with you in the past will know that you are a reliable professional who produces great work, and they will want to continue working with you or refer work to you if they can. Word-of-mouth is the easiest and most cost-effective way to market your services.
- **Build a New (or Revise Your Current) Website.** Make sure your website is up to date and accurately describes the types of services you are now providing and the type of clients that would be the best fit for those services.
- **Network / Meet New People:** Networking shouldn't be a scary word, it just means getting out and meeting new people, whether that is in person or on social media or through writing a blog or speaking at a conference. Join relevant law associations or online groups with licensees practicing in a similar manner. Get out and make yourself known and meet people who are your target or ideal clients. Set small and achievable

goals with your networking activities, such as one coffee a week or one networking event every two weeks or once a month, etc.

- **Enter Referral Relationships:** Maybe networking and business development isn't your thing, but you know another licensee who is great at it and wants to start a referral relationship with you where they will refer end-clients to you for a referral fee. This could be a great way to get business to your part-time practice and you can pick and choose which files to take on. However, remember there are strict regulatory requirements in place if you are paying or receiving referral fees for end-client files.¹² Be mindful of your fiduciary duties to the referred end-clients. The referral must be in the end-client's best interest, and they have the ultimate decision about who to retain.
- **Join a Platform:** There are several companies or platforms in the alternative practice space.¹³ While they all work slightly differently (some match licensees with end-clients while others match licensees with other licensee clients) they are a useful resource for finding work. Conduct due diligence on the type of platform you are using to ensure that there are no fee splitting or referral fee issues. For example, if the platform is for lawyers to find a freelance lawyer or to find freelance work only, there is no referral fee or division of fees issue as the freelance lawyer company is being compensated for facilitating independent contractor projects with other licensees and not referring end-clients to licensees.¹⁴

No matter how you market your services or conduct your business development activities, keep in mind your ideal client and your ideal practice. Market to the person who needs your services (be that end-clients or other licensees).

¹² See *Rules of Professional Conduct*, Rules 3.6-5 to 3.6-8; *Paralegal Rules of Conduct*, Rules 5.01(11) to 5.01(21); By Law 9, s. 19.1; [Referral Fees](#)

¹³ For example, for freelance lawyer companies see Taran Virtual Associates Inc. or Flex Legal Network Inc., for companies that match lawyers with end-clients see Goodlawyer, Axiom, MTAlign, BLG Beyond, LawyersinHouse, etc.

¹⁴ The hiring lawyer/freelance lawyer (not the end-client) is paying the freelance lawyer company a service fee for its services and not a legal fee (a fee paid by an end-client to a lawyer in a solicitor and client relationship). This service fee is for access to its platform, online information, customer service team, payment processing, etc. See the American Bar Association Formal Ethical Opinion 88-356 based on the *Model Code of Conduct*, which has similar wording to the Law Society of Ontario's *Rules of Professional Conduct*.

Also, be mindful of the relevant *Rules* regarding marketing and advertising your services. If this is your first-time marketing or advertising your services as a licensee to the public, review the applicable *Rules* before you place your first Google Ad or publish your website or post on LinkedIn. For example, licensees must avoid being misleading, avoid superlatives or comparing yourself to other licensees (“I’m better than all the rest”), avoid using the word ‘expert’, etc.¹⁵

7. KEEP YOUR INSURANCE AND LICENSE UP TO DATE

Call LawPro or your paralegal insurance provider to update your status regarding your new practice as well as the Law Society of Ontario, as licensees must keep their status and contact information always updated.¹⁶ Note that LawPro offers a discounted rate of 50% of your premiums for part-time practices.¹⁷

CONCLUSION

Congratulations on taking this next step in your legal career. Once you’ve put into place some of the strategies listed above and you have your new practice up and running, remember to regularly check in with your goals and objectives. There will be setbacks, not everything runs smoothly during a career transition, but look at those setbacks as learning opportunities, not failures. Best of luck and enjoy your new career.

¹⁵ Review Rules 4.2-0 to 4.3-1 of the *Rules of Professional Conduct* or *Paralegal Rules of Conduct*, Rules 8.02 and 8.03, Guideline 19 of the *Paralegal Professional Conduct Guidelines* and Section 6 of By-Law 4. See also the helpful “[Practice Management Helpline Frequently Asked Questions – Advertising](#)” on the LSO Website.

¹⁶ See By-Law 8, ss. 3-4.

¹⁷ This option, which is a 50% discount on your insurance premium, is available to practitioners who in both their current and prior fiscal year restrict their law practice to 20 hours per week on average for each week and worked up to 750 hours per year (including time for undocketed work) and have gross billings of \$90,000 per year or less. See <https://www.lawpro.ca/your-policy/coverage-options/part-time-practice/>.



Founder & CEO

flexlegal

Seven Business Strategies

- 1. Leave on good terms**
- 2. Know your “why”**
- 3. Choose your business structure**
- 4. Define your boundaries & ideal clients**



Seven Business Strategies



- 5. Protect yourself through contracts / retainers**
- 6. Find your ideal clients**
- 7. Keep LawPro & LSO informed**



Questions?



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