

Guide to becoming a self-employed lawyer in Australia



Peerpoint.

by ALLEN & OVERY

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• Legal consulting – a new way of working



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The majority of lawyers are most familiar and most comfortable with being employed in the long-established partnership model, at a law firm or in-house. But, as the legal profession continues to undergo change, more flexible possibilities have started to emerge.

One of the most popular options is to become a consultant – also referred to as being self-employed, freelance or a contractor – and, even though it is relatively new to many lawyers, it is already a familiar and popular approach for professionals in other sectors, such as accountancy, engineering and IT.

Although it is not right for everyone, it is an approach that offers individuals greater control often not possible within a traditional employment relationship. There are various reasons why you might wish to become self-employed, including wanting to include significant non-law or personal projects in your life. Peerpoint's structure is designed to help you achieve those goals whilst still engaging in high quality work.

As a Peerpoint consultant, you will become part of an emerging new breed of lawyers. So what does it mean in reality, and how do you go about becoming self-employed? It really is a great deal easier than you might expect!

This guide is intended to give some insight into self-employment in Australia and an indication of what is involved and how to go about it. It is not an exhaustive guide and does not constitute formal advice from Allen & Overy or Peerpoint. There are numerous sources of information available online and you should seek independent advice.

Finally, many of our consultants are happy to share their experiences of working as Peerpoint consultants. We have consultants working in a variety of ways around the world to suit a mixture of personal circumstances. You can read some of their stories on our website. If you would like to arrange a confidential chat with one of them, please speak to a member of the Peerpoint team.

Peerpoint – the right choice for you?

Peerpoint provides a panel of experienced, high-calibre lawyers available to work on top-quality legal placements within Allen & Overy and with our clients.

Peerpoint offers:

Lawyers the opportunity
to take greater control
of their careers

Clients high-quality
lawyers to meet
resourcing needs

The firm the ability
to augment the
permanent workforce
at times of
high demand

Peerpoint is an inspired way of working for those lawyers who want challenging and varied work at the pinnacle of our profession but with more control over the type of work they do.

We know that, while your career is important, so too is the time and space for other things in your life – and Peerpoint gives you the opportunity to achieve that balance.

As a Peerpoint consultant you'll be backed by one of the world's foremost international legal practices, with access to all the relevant training and market-leading know-how.

With Peerpoint you'll be joining a community of elite lawyers:

72%

Peerpoint consultants
with in-house experience

79%

have over 8 years' PQE

45%

A&O alumni

With Peerpoint our lawyers have the chance to be placed with both A&O and with some of the world's leading companies in London, Hong Kong, Australia and Singapore. Not only do our consultants have the opportunity to take on career defining roles but they are the ones controlling their career.

So why wouldn't you join?

For more details about Peerpoint and how talented lawyers are working differently, go to www.allenoverly.com/peerpoint.

The basics of self-employment

All Peerpoint consultants are self-employed. Rather than being employed by Allen & Overy or Peerpoint, you will set up and work for your own company – an incorporated legal practice or ILP. You will ensure the ILP complies with all relevant federal and state/territory laws covering the offering of legal services in your jurisdiction.

You own and run the ILP. It is your company that will enter into contracts on your behalf, issue invoices to clients, including Peerpoint, and be responsible for your remuneration and taxation.

Of course, there is more to it than simply setting up an ILP. It is most important that you understand and are comfortable with the responsibilities of self-employment.

For example:

- your ILP will be responsible for all your employment rights, including paid leave, allowances, other benefits and insurances.
- your ILP will normally be paid an hourly or daily rate by your clients, including Peerpoint, which will appear to be higher than employed lawyers' rates. This reflects the fact that your ILP will need to provide relevant benefits and time off. Payments to your ILP will be gross. This means your ILP takes responsibility for all tax obligations including Pay As You Go on salaries and goods and services tax. It will be entirely your decision as to how to structure payments to yourself and your responsibility to ensure that all taxes are paid correctly.
- as a self-employed consultant, you are not obliged to work exclusively for one client. You will also have no guarantee of work from your clients and, conversely, you have no obligation to take on work that is offered – this is part of the benefit of being a consultant. At Peerpoint, we will have an honest discussion with you about likely volumes of work so that you can be clear where you stand.

There are many sources of information online for those considering becoming a consultant. Please read on for more details about the practicalities of running your own ILP.

Setting up and running an ILP

When to set up your ILP

You must have your ILP in place before entering into your first contract with Peerpoint.

Appointing an accountant

It is possible to set up and manage your own company when you establish an ILP, but most consultants prefer to appoint an accountant to assist them. Accountants are experienced in these matters and can assist you to set up a company, meet annual reporting obligations and complete required business registrations. They can offer personal advice, including ensuring that you run your company in a tax-efficient manner.

We recommend that you consider appointing an accountant to help you.

Establishing a limited liability company

This is the incorporation of your own company to operate as a legal practice. You will be a director and a shareholder. You will need to choose a name for your company, apply for the usual registrations (e.g. ABN) and put in place the consulting terms between your ILP and Peerpoint to govern assignments. In most cases, it will also be the company that is responsible for its debts, should there be any.

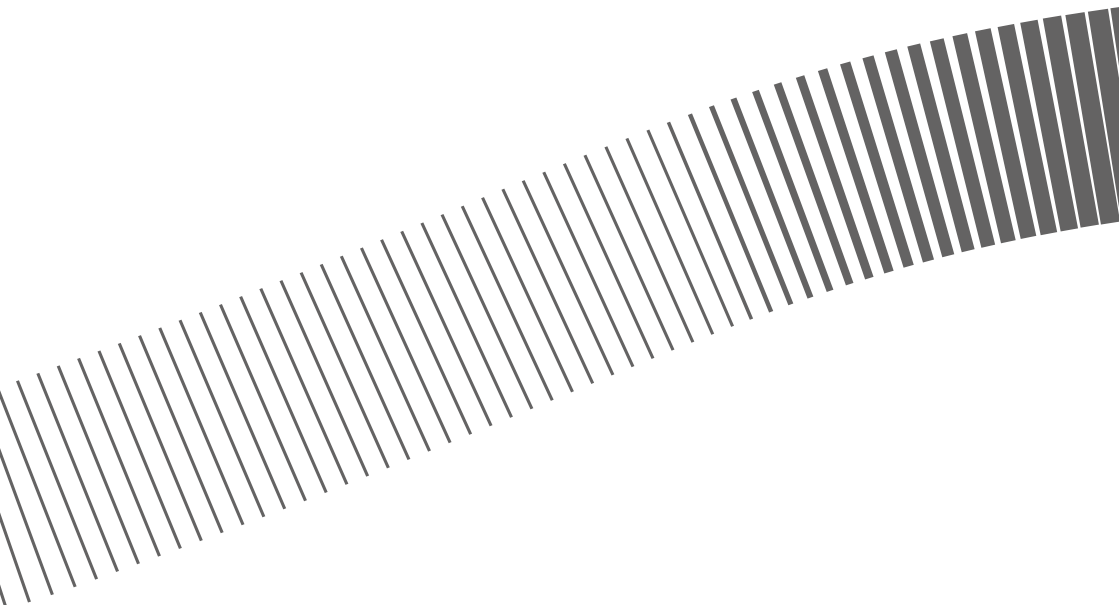
You are in charge of the payments made to the ILP, dealing with the tax implications and any reporting and other regulatory requirements for the company.

You are not required to set up a trust account to undertake work for Peerpoint.

What next?

The Peerpoint team can provide general guidance on setting up and running your LLP. Additionally, many of our consultants are happy to share their experiences.

If you have further questions, do not hesitate to contact a member of our team at **info.peerpointapac@allenovery.com**



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GLOBAL PRESENCE

Allen & Overy is an international legal practice with approximately 5,400 people, including some 554 partners, working in 44 offices worldwide. Allen & Overy LLP or an affiliated undertaking has an office in each of:

Abu Dhabi	Bucharest (associated office)	Ho Chi Minh City	Moscow	Seoul
Amsterdam	Budapest	Hong Kong	Munich	Shanghai
Antwerp	Casablanca	Istanbul	New York	Singapore
Bangkok	Doha	Jakarta (associated office)	Paris	Sydney
Barcelona	Dubai	Johannesburg	Perth	Tokyo
Beijing	Düsseldorf	London	Prague	Warsaw
Belfast	Frankfurt	Luxembourg	Riyadh (cooperation office)	Washington, D.C.
Bratislava	Hamburg	Madrid	Rome	Yangon
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