

Engagement models *to suit you*

We have two engagement models for lawyers wanting to join Peerpoint. These models include self-employment via an Incorporated Legal Practice (ILP) and casual employment. Our resourcing team will discuss the options with you based on your individual circumstances.

HONEST CONVERSATIONS ABOUT DEMAND FOR YOUR SKILLS AND EXPERIENCE

At Peerpoint, we will have an honest discussion with you about your likely volumes of work so that you can be clear on where you stand. Once you have joined our panel of consultants, we will keep you informed of any assignments that suit your experience.

While you will have no guarantee of work from your clients, including Peerpoint, you will have no obligation to take on work that is offered—this is one of the benefits of being a consultant.

CASUAL EMPLOYMENT

In early 2020, Peerpoint made the decision to expand its engagement model in Australia to include casual employment. Under this model, you are engaged directly by A&O Shearman on a casual employment contract. The professional responsibilities and expectations of our consultants are consistent across both engagement models, but the casual model does have some benefits in terms of speed and the set up and ongoing running costs associated with an ILP.

In the casual employment model, A&O Shearman pays you a day rate for each day worked, including superannuation. As your employer, A&O Shearman deducts superannuation and directs it to your chosen fund and also deducts income tax.

The advantage of this model is that there are fewer upfront costs involved and less administration for you.

Under the casual employment model:

A&O Shearman

- Deducts tax on a Pay As You Go (PAYG) basis.
- Pays your superannuation into your chosen fund.
- Covers you via our insurance policies.

You

- Are paid a day rate which is inclusive of superannuation.
- Submit timesheets for work performed and are paid on the 15th of each month.
- Are entitled to some forms of unpaid leave under the National Employment Standards, but are not entitled to paid leave (sick, annual or parental), as your casual day rate is calculated to include a casual loading.
- Are required to advise the relevant Law Society of your employment with A&O Shearman and that you will be covered by our professional indemnity insurance.
- Unlike with the ILP model, you are not required to have an unrestricted Australian practising certificate. If you are qualified in a jurisdiction outside of Australia, please speak to our resourcing team about whether you can operate as a foreign-registered lawyer.

Peerpoint

BY A&O SHEARMAN

SELF-EMPLOYMENT

Under this option, you will set up, own and run your own ILP. An ILP is a company incorporated with the Australian Securities and Investments Commission (ASIC) and it will have met various requirements of the law society in your jurisdiction. Once established, the ILP will enter into contracts on your behalf, issue invoices to clients (including Peerpoint), and be responsible for your remuneration, superannuation and taxation.

There is more to it than simply setting up an ILP and it is important that you understand and are comfortable with the responsibilities of self-employment.

For example:

- Your ILP will need to comply with all relevant federal and state/territory laws governing the provision of legal services in your jurisdiction.

- You will become an employee of your ILP. Your ILP will be responsible for all your employment rights, including remuneration, paid leave, allowances, superannuation, other benefits and insurances.
- Your ILP will normally be paid an hourly or daily rate by your clients, including Peerpoint, for the work you perform, which will appear to be higher than casually employed lawyers' rates. This reflects the fact that your ILP will need to provide the aforementioned employment benefits and meet the taxation obligations outlined below.
- Payments to your ILP will be gross payments. This means your ILP will take responsibility for all tax obligations, including PAYG, 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.

Setting up and running an ILP

WHEN TO SET UP YOUR ILP

You must have your ILP in place before you can begin a placement entered into by your ILP. While there are various law practice structures permitted in Australia, Peerpoint requires its consultants to set up an ILP, rather than operate as a sole practitioner or a partnership.

APPOINTING AN ACCOUNTANT

It is possible to set up and manage your own company when establishing your 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 also offer personal advice, and ensure that you run your company in a tax-efficient manner.

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

ESTABLISHMENT OF A LIMITED LIABILITY COMPANY

Establishing a limited liability company involves the incorporation of the company with the ASIC. This company will ultimately operate as your ILP. You will be the sole director and shareholder of the company. You will need to choose a name for your company, complete the required application form and apply for the usual registrations (eg ABN, Business Name, GST, PAYG and Tax File Number).

HOW TO ESTABLISH YOUR ILP

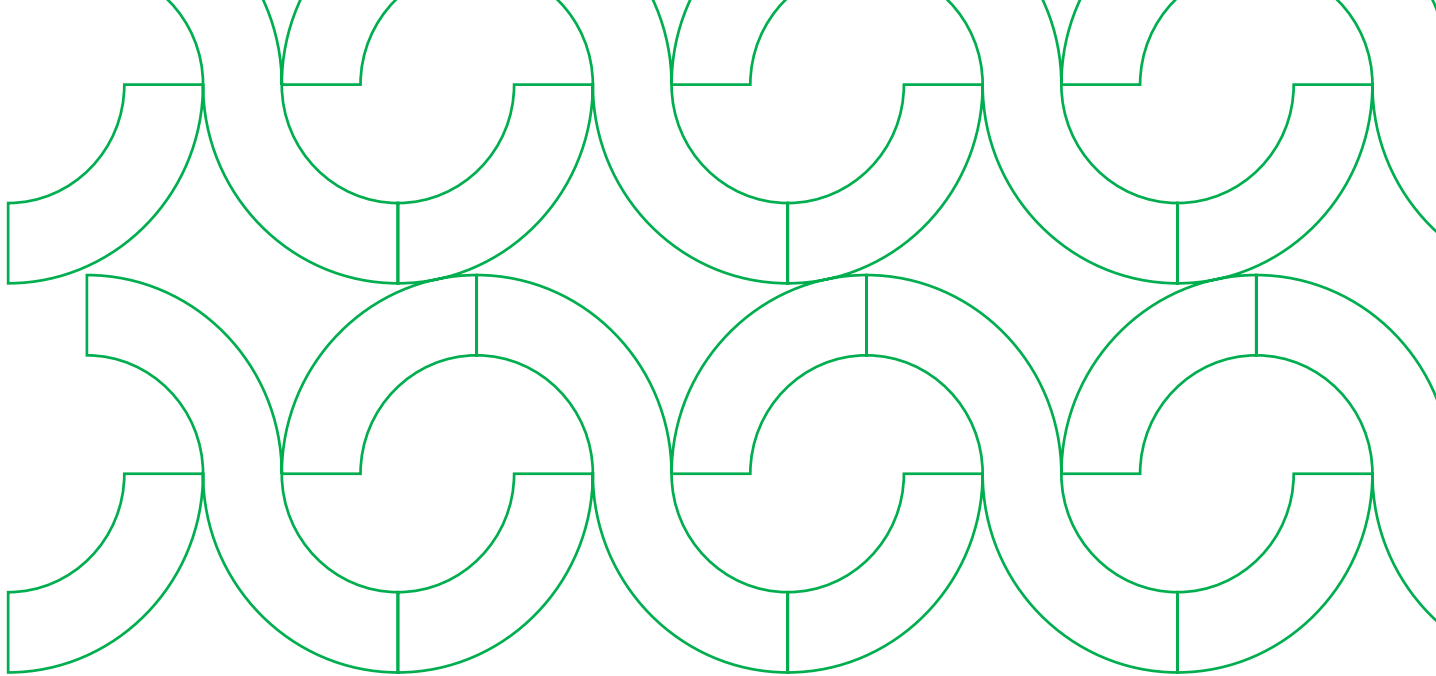
The law society in your jurisdiction will provide guidelines on how to register your company as an ILP, which you should review carefully.

As a general rule, you will have to notify the law society of your ILP's intention to engage in legal practice within the applicable timeframe (approximately 14 days before practising) and provide various details regarding you and your company for approval and registration.

An ILP must also have a principal with an unrestricted practising certificate.

PRACTISING CERTIFICATE REQUIREMENTS

While there are differences across jurisdictions, to qualify for an unrestricted practising certificate you must have finished your required period of supervised legal practice and have completed an authorised practice management course. Once you meet the relevant criteria, you can apply to your local law society to revise your practising certificate conditions. You will also be responsible for your annual practising certificate renewal fees.



INSURANCE AND LIMITED LIABILITY SCHEMES

An ILP is required to hold an approved professional indemnity insurance policy before commencing practice. You will need to contact your local approved provider to obtain a quote. Your ILP may also need to obtain workers' compensation insurance. You will need to contact your local approved provider to obtain a quote.

Finally, for a fee, your local law society may also offer participation in a limited liability scheme. You should contact your local law society for details and costs.

LEGAL PROFESSION REGULATION

Your ILP will need to comply with all relevant federal and state/territory laws governing the provision of legal services in your jurisdiction. This may include costs, disclosure requirements and trust accounting rules. You are not required to set up a trust account to undertake work with us but would need to determine if a trust account is required for any work you undertake that is unrelated to Peerpoint.

What next?

The Peerpoint team can provide general guidance on the options available to you. Additionally, many of our consultants are happy to share their experiences.

If you have further questions, please contact us: peerpoint.talent.australia@aoshearman.com

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