

# Retirement Guide

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## Introduction & Purpose

The Law Society of Alberta has developed resources to assist lawyers to transition or pivot in any circumstance they may face. Often, this involves retiring and winding up. Having a plan in place for this eventuality facilitates smoother and more predictable timing, which benefits you, your clients and the profession.

This guide is designed to provide information about the retirement process. It identifies items to consider in developing your plan and provides resources containing additional information and templates.

The terms “winding down”, “winding up” and “retiring” are used interchangeably. They all mean getting the practice to a place where you can close the door and walk away knowing the files are closed or in good hands, trust account monies are managed or disbursed and your status with the Law Society is updated.

While this guide addresses “retiring from the practice of law” this is not the same as “resigning from the Law Society”. These are two different matters, which will be addressed later.

Note that this is not, and cannot, be a one-size-fits-all guide. Your circumstances are your own. You may be a sole practitioner, or in a small or medium-sized firm. Or you may have spent your whole career at a national firm, in-house, or any combination of these.

The contents of this guide describe a complete wind up of a sole practice, or a small firm, with elements that are applicable to all types of practices. A solo or small firm practice scenario involves the most considerations, tasks and processes, which is why it has been chosen as the model for this guide. No matter where you have spent your career, there will be some take-aways from the broader process. Regardless of where you are now, you will still need to decide on your future career plans, effective date to implement your plans, and what status you will carry with the Law Society after that date.

Above all we want to emphasize that planning is essential. So, too, is allowing yourself enough time to get everything done. Remember that the [Code of Conduct](#) requires you to consider how your actions are going to affect your clients.

The Law Society has certain steps and processes that must be addressed. We suggest referring to the checklist at the end of this Guide which identify the necessary steps and offers some suggestions for timelines.

## Making the Decision to Retire

### Personal Considerations

There are lots of reasons why you may be thinking of winding up your practice. It may be the next logical step in your career path, maybe the decision is tied to personal health and well-being or to those of a family member, maybe it was part of your plan from the day you were called to the Bar, maybe it's tied to changes in the practice of law, or even the escalated use of technology in offices, the courts or agencies, or, perhaps you realize you want or need a change. In any case, you need a plan so that you are better equipped to exit the practice on your terms.

You need to consider how this decision will affect you and your family. This decision could alter your routine, your income, your lifestyle and possibly even your personality. Winding up is a lot of work, as well. The stage ahead could involve different or even longer hours, depending on the task at hand. For a variety of reasons, it is important to involve family in the planning and implementation.

One of the key things to consider is your financial situation. Can you afford to retire? What do you have and what do you need?

This also matters because it can affect what you will do after you retire. Often, making that assessment is a necessary first step in this whole process. It may help you decide whether you want, or need, to pursue a subsequent career, and what that might be.

### What Will You Do After You Retire?

What do you want your next stage to be like? Do you want to relax, consult or coach, teach or write, expand into mediation or ADR? Start to consider what you want to do, and why.

This is relevant because the particular membership status you carry with the Law Society will be tied to these goals or subsequent career. If your subsequent career involves providing legal services or giving legal advice, then you will need to remain an active member.

Also consider that post-practice life might be very different than what you envision. In our experience working with lawyers, we have found that sometimes lawyers' expectations of retirement can be inconsistent with the reality of it all.

A lot of times the lawyers we work with might truly want to retire or wind up. But when it actually happens, or rather, just before it happens, there is stress and some worry. There is also a "reality check" when their life after retirement isn't what they expected. Sometimes they want to return to practice or some form of providing legal services. If you change your status to inactive or retired or resigned, then you will be required to apply to reinstate if you want to return to one of the active statuses and that involves fees and reinstatement processes.

This is where consideration of the various status options, among other things, is important – and having a talk with certain key people can help.

### Who Should You Talk To?

The advance planning component involves engaging in discussions with your family, your staff, your partners and others, including various teams at the Law Society.

### **Other Professionals – Accountants, Valuers, Lawyers, Tax Advisors**

It is strongly recommended that you engage with other professionals including an accountant, financial advisor, business valuator, etc. This is important whether you are a sole practitioner, an employee, have a professional corporation or are retiring from a partnership. There are various financial considerations, not the least of which is advice on the tax consequences you might face on retirement.

If you are retiring from a partnership, closely assess your partnership agreement before you give notice. Perhaps consider retaining outside counsel to interpret the terms of the agreement. Consult with your accountant as the tax and financial ramifications may be complicated, depending on your partnership agreement and your personal situation. You will need to navigate the transitions necessary for your professional corporation, holding corporations and limited liability partnerships. Consider seeking advice from your accountant and from a lawyer who has experience terminating professional corporations and winding up limited liability partnerships.

This guide will not deal expressly with the sale of a practice. However, if you are thinking of selling your practice, consider engaging an impartial professional to provide a valuation. Your own perception of the value of the practice may be subjective or you may need to do certain things to make it more attractive to a successor. Again, consider taxation and other accounting issues.

### **The Law Society of Alberta**

The Law Society is key to your winding up process and you can anticipate having conversations with members of several departments.

- [Membership Department](#) – You will need to contact, get information from and work with the Membership department to change your status, address fees, invoices, ongoing communication and more. General enquiries should be directed to Customer Service at 1.800.661.9003 (toll free) or 403.229.4700.
- [Trust Safety Department](#) – If you have a trust account or other financial obligations for your firm, you should be in contact with the Trust Safety department to move through the wind up process. You will work closely with them in tandem with the Membership department if you have a trust account.
- [Practice Management Department](#) – The Practice Management department is available to provide support and resources on file and client management, storage and destruction of closed files, and guidance in the process.
- [Practice Advisors](#) – The Practice Advisors can provide valuable insight and guidance on any ethical issues you may encounter.

### **[Assist](#)**

A consultation with a professional counsellor during a period of transition is always a good idea. Assist provides free and confidential counselling to Alberta lawyers, articling students, law students and members of their families.

## Your Status with the Law Society

Once you are admitted as a member of the Law Society, you remain so until you are deceased, disbarred, retired or have resigned. Retiring from practice is one thing; retiring as a member of the Law Society is another. To be a retired member, you need to have been in active practice for at least 25 years or be at least 70 years old. First you transition from active status to inactive status and then to retired status.

Visit the [Status and Contact Information Changes Resource](#) for more information on each of the status options.

The various status options have certain applicable conditions, associated fees or may involve specific steps (such as contact with the Membership team, assessment of fees or application to a panel of Benchers). But remember that you cannot practice or give legal advice if you are inactive, retired or resigned. If you resign you are no longer a member of the Law Society.

It is important to determine which membership status will best suit your situation. Carefully consider whether your subsequent career plans will require you to retain an active status. If you want to entirely step away from law, then you could move to inactive and/or retired. Each option should be considered as you plan your wind up.

The *Legal Profession Act* (section 106(1)) states that, unless a person is an active member of the Law Society, they are prohibited from:

- practising as a barrister and a solicitor;
- acting as a barrister and solicitor in any court of civil or criminal jurisdiction;
- commencing, carrying on or defending any action or proceeding before a court or judge on behalf of any other person; and
- settling or negotiating in any way for the settlement of any claim for loss or damage founded in tort.

You may not represent that you are entitled to practice unless you are an active practising member. When you no longer have active and practising status, you may not:

- contact clients except as provided below;
- create new lawyer-client relationships;
- appear on behalf of clients before any court, tribunal, or administrative body performing any judicial or quasi-judicial function;
- render any legal services or take any action that assists or results in the continued operation and management of your firm; and
- receive money or other property in trust from or on behalf of others.

When you no longer have active and practicing status, you may:

- see clients for the limited purpose of helping them transfer their legal work or property to a custodian or to another active lawyer;

- render accounts for work completed before the date of your suspension, undertaking not to practice or election to go inactive; and
- collect accounts receivable.

You may act as a Notary Public or Commissioner for Oaths as long as you are a member of the Law Society, even when you are inactive or retired ([Notaries and Commissioners Act](#) (section 3)). You may not do so if you have resigned or have been suspended or disbarred.

You should consult the mobility rules if you are active in another province but providing legal services in Alberta after you are no longer an active member here. For more information, contact the Law Society's Membership department. They can help you navigate the various options, complete the proper forms, processes and manage fees.



## The Process of Winding Up

### Setting the Effective Date

The key to winding up safely and effectively is to determine the date you want to make your transition, then map out your timelines. We encourage having adequate time between each step to accommodate necessary processes and unanticipated events.

For instance, you cannot announce your retirement to your clients and assume they will all arrive the next day to pick up their files. Nor can you assume that you can wind up various existing matters, send out accounts on files and get paid all within a month or two. Instead, consider setting target dates for certain steps in the process, such as declining all new work and rendering final accounts.

### Key Law Society Dates

The Law Society has certain [Key Dates](#) that you may want to consider and include in your retirement timeline. If you don't build in adequate time for each of these steps, you may have to pay additional membership fees or insurance while you address the different aspects of winding up your practice.

### Membership Fees & Indemnity Levy

You may wish to set your effective date around the payment deadlines for membership fees and indemnity levies. In this way, you might be able to avoid paying the entire amounts. Consider if you have any surcharges as well.

### Professional Corporation

Advanced planning around your professional corporation is required. The *Legal Profession Act* (sections 131(3)(g), 131(4) and (5) and 132(1)) requires professional corporation permit holders to be active members of the Law Society. When you change your status from active, the permit is revoked and the professional corporation has to be dissolved. There is a grace period of 90 days from the date of your membership status change or to December 31, whichever comes first.

### Limited Liability Partnership (LLP)

There are certain steps to complete if you are a partner in an LLP and are moving away from active, indemnified status. The Membership department will walk you through these processes.

### Articling Students

If you are a principal to an articling student, articles are terminated if you go inactive, retire or resign. Therefore, should you choose to change your status prior to the end of the articling term, you must ensure that you and your student-at-law are able to locate a new principal, who is approved by the Law Society, in order to successfully transfer the articles.

### Firm Obligations

Consider your firm obligations including those regarding a partnership or practitioners with whom you are in association.

### If You Have a Trust Account

#### Sole Practice – Complete Wind up

If you operate a trust account and are changing your membership status from active to inactive or retired, you must close your trust accounts before your status change can be approved. All

balances must be remitted to the client or, with the consent of the client, trust money must be transferred to another lawyer (who may be assuming carriage of the matter). If you have [undisbursable funds in trust](#), you will need to address that appropriately.

Your final requirements for dealing with your trust accounts will be determined by the Trust Safety department based on your engagement with them. To close the trust account, however, you will need to provide confirmation (ideally a letter or similar statement) from the financial institution confirming that the trust account is closed.

You will need to also do your final Accounting Upload and Self-Report.

You may keep your general account open after you change from active membership status to inactive status. This will allow you to continue to bill and receive payment for files on which you worked.

### **Sole Practice – Transition to Successor Lawyer**

If you have a successor lawyer assuming your practice, they will have to be designated as the Responsible Lawyer on the trust account for the firm. If they do not already have their own trust account, they will have to apply for Responsible Lawyer status. Their application will be considered by the Trust Safety department. This process takes time and the applicant may not be successful so have an alternate plan in place.

### **Partner or Associate of a Firm**

If you are the Responsible Lawyer for the firm and the firm is continuing after your retirement, you will need to address who will take over the trust account and Responsible Lawyer duties for the firm. Again, this should be managed with sufficient time for an application for the Responsible Lawyer designation to be considered.

### **Your Open Files**

Once you have decided on your retirement date, you should also decide when you will stop taking on new clients. This can be difficult, but it is necessary for you to deal with the requirements of winding up. While it may be difficult to turn away work from loyal clients, departing during an open and active file is unfair to the client, who must then pay to bring a new lawyer up-to-speed.

It takes significant time and effort to wind up your practice. Reducing the number of files is essential to focus on the work you need to do both on the matters and on your retirement. Some lawyers who are planning to retire do it over a year or two by gradually reducing their client load and their work week.

### **Prepare a [Master File List](#)**

Take inventory of your open and active files and create a Master File List. It should set out the opening date, money in trust, next steps, key dates ahead and what should be done with the file (i.e. if the client will take the file to another lawyer or if you need to refer it elsewhere).

### **Memo Active Files**

It is helpful to memo your active files to assist new counsel. You should set out the nature of the file, remaining work to be done and note any important deadlines such as limitation dates, questioning, and hearing dates. Not only will new counsel appreciate it but the memo will make it less likely that an error will occur as new counsel assumes their role. This may help prevent indemnity claims and complaints.

### Consider Appropriate Notification to Clients

You will need to contact all clients with active files. Let them know:

- you will not be able to continue to act for them and that they need to retain another lawyer;
- how and when they can pick up their file;
- if possible, the contact information of another lawyer who might be able to take over their file;
- any limitations or other important dates; and
- any steps they need to take on their file.

Have your client sign an authorization to transfer their file, corporate seals, record books and trust funds, if applicable, to their new lawyer, if they have one. If they pick up their file, have them sign an acknowledgement confirming receipt. If they do not retrieve their file or tell you what to do with it, give them the contact information of the lawyer or custodian who is responsible for holding their file and any money or other property you were holding in trust for them.

When you leave practice, it is important to understand who owns the content of your files. For a more detailed review of this issue, please see the [Law Practice Essentials File Retention and Disposal module](#).

Consider whether, and how much, of a client's file you wish to copy before releasing it. You cannot charge your client for making your copy. Contact the [Practice Advisor's Office](#) if you have any questions.

If there are imminent dates on matters, you should address next steps with the client and the client's new lawyer. You may need to seek instructions to obtain adjournments or extensions, or you may need to make arrangements to get off the record after consulting with the client. You should address whether you need instructions from your corporate clients or builders' lien holders regarding change of address or records.

Consider whether you have any ongoing obligations, such as undertakings or trust conditions, and make arrangements to fulfil them, be relieved of them or have them transferred to another lawyer.

### Notify the Court

When a lawyer ceases practice for any reason, Rule 2.32 of the [Alberta Rules of Court](#) states that they automatically cease to be the lawyer of record in any actions before the Court of Queen's Bench of Alberta or the Court of Appeal. Advise the court and opposing counsel if any previously scheduled questioning, motions or hearings need to be rescheduled. File either a [Notice of Change of Representation](#) (Form 3) or a [Notice of Withdrawal of Lawyer of Record](#) (Form 4).

### Original Wills

Make best efforts to return original wills to clients (and establish a process for doing so). In the event that you are unable to locate the client, then contact the Law Society. It may be possible

for the wills to be deposited with another lawyer but this should be noted and recorded. Please see the [Ethical Considerations Regarding Requests for Wills](#) resource for more information.

### **Notices to the Public**

You may post notice of your retirement on your website or via news media (this may more be more applicable in smaller jurisdictions). This may help notify clients you have been unable to contact otherwise. Provide information regarding the date of your retirement and identify who should be contacted after that date.

### **Billings and Accounts Receivable**

You must review all your files for time and disbursements then bill them to date. Prepare and send out your final statements of account for work in progress and outstanding disbursements to the date you stop work on the files.

If the billing is on a contingency fee basis, refer to the provisions of the contingency fee agreement relating to the amount to be paid if you withdraw before a matter is completed. If the contingency fee agreement does not provide for this, you should reach an agreement on fees with your client and the client's new lawyer. Please see the [Contingency Fee Issues](#) resource for more information.

Make best efforts to collect your accounts receivable. If needed, make payment arrangements with the client or the client's new lawyer.

After you transition to inactive or retired status you may still prepare and forward statements of account to collect fees.

### **If You Have Sold Your Practice to Another Lawyer**

If you have sold your practice to another lawyer, consider a transition period for the succession. This may help establish a relationship between your clients and your successor.

The transition period may also be required by your purchase arrangement, as clients have the right to retain new counsel of their choice. Discuss possible conflicts between your clients and any existing clients of the successor lawyer. Consider if you will make arrangements with the new lawyer to collect and remit your accounts receivable or if you will attend to that yourself.

### **If You Are Leaving a Firm**

You likely have a successor at the firm for files and clients. However, you still need to carefully address clients, files and all other aspects of your practice. Again, clients can choose where they want their files to go. Let clients know that you will be leaving the firm and that they can continue to have representation with your firm unless they would prefer to take their file elsewhere. Make adequate arrangements with the firm regarding billings, collection of accounts and remitting the money owed to you. If you have changed your membership status to inactive or retired, you may still render statements of account and collect fees for the work you did while practising.

### **If You Are Closing Out Your Sole Practice or Your Firm is Disbanding**

If you are winding up your sole practice (and have no successor) or if your firm is disbanding, then you need to address the clients and files. At the earliest date, inform your clients of your transition and advise that they will need to retain new counsel. You might refer the clients to other lawyers and also inform them of their right to choose the lawyer they want. Request the clients' written authorization to transfer their file and any monies held in trust to their new lawyer.

If anyone contacts you or your firm about a file, you must provide the contact information of the custodian or lawyer to whom you have delivered your clients' files and money, or other property held in trust.

## Your Closed Files

Even after you have wound down your practice, if you have retained possession of your closed files you need to manage them according to your Code of Conduct obligations.

Lawyers often call the Law Society to ask how long they are required to keep a closed client file before destruction. While there is no statutory requirement for how long you must retain a closed file, [The Rules of the Law Society of Alberta](#) require trust account books and records be retained for at least 10 years. When deciding whether to destroy a file you should consider criteria under limitations legislation, and statutory requirements such as the *Canada Income Tax Act*, *Canada Evidence Act*, etc. You should also assess the likelihood of professional negligence claims as well as specific file and area of law requirements.

See the [Law Practice Essentials, File Retention and Disposal](#) module for further information.

## Your Staff

Your staff may be just as important to consider in the whole process as your family. They may have been with you for years and have their own thoughts and needs. Provide them with advance notice, if possible, as this will ease any stress or apprehension. Be sure, though, to keep vigilant that they are managing their roles and duties appropriately.

Provide your staff with sufficient notice of termination or compensation in lieu of notice, if that is required. Verify the statutory notice requirements pursuant to relevant legislation and the provisions in any employment contracts. Properly manage any benefit plans for your employees. Direct an accountant or bookkeeper to prepare records of employment, calculate unused vacation pay or other benefits accrued, prepare T4 slips and make all necessary remittances to the CRA.

## Your Premises, Office Equipment, Subscriptions and Social Media

You need to consider rent and lease agreements at the earliest date (in fact, those dates may be driving your effective date of retirement). Address things with your landlord and, if necessary and allowed, make arrangements to sublet the premises or assign the lease.

If you are not selling the practice, or if your sale does not include office equipment, furniture, etc., perhaps things can be sold or donated to other lawyers, groups or individuals.

Ensure that all hard drives on computers, photocopiers and fax machines (both leased and owned) have been properly wiped of data and, if appropriate, destroyed so that you do not inadvertently breach client confidentiality. Simply deleting files may be insufficient to meet your obligations.

Where equipment has been leased, contact leasing companies to terminate leases and maintenance agreements or to arrange assignments. When neither cancellation nor assignment is possible, you will need a pool of funds sufficient to continue the payment on the leases or to pay them out.

Cancel your subscriptions to reports and journals, both digital and in print.

Send written notification to all suppliers advising them that the practice will be closing. Give them contact information for any future correspondence or interactions.

Deal with other service providers, including public utilities, and be sure to provide them with your updated contact information.

Arrange to have your telephone calls and mail forwarded or monitored by your successor lawyer, if applicable. Consider setting up an auto reply on your email and phone lines that you have retired, the date you retired and give contact information for any further questions.

Update social media profiles to show your current status. Delete those that are no longer necessary.

Remove all firm signage, lock the door and begin your next chapter.

## Working Through the Tasks

Please refer to the checklist and consider the previously mentioned steps in the winding up process.

### Master File List

This will help you keep track of the status of each individual file, monitoring steps, payments and if it can be closed or transferred to another lawyer. Preparing one of these also gives you the opportunity to review every open file to ensure they are well documented. We recommend having a Master File list regardless of your intention to retire, as it is beneficial for many scenarios as part of business continuity and succession planning, as well as firm administration.

Suggested timeline for this: **180 Days Out**

### Review Wills and Take Appropriate Action

Hopefully you are not holding any original wills, but if you are, contact the testators and return the originals to them. Confirm in writing that you have given them the original and that you have only kept a scanned copy. Have the testator sign an acknowledgement of receipt.

If you cannot return wills to their owner, consider if you can transfer them to another lawyer.

If you cannot do either of these things, remember that you continue to be responsible for any original wills in your possession, which includes storing them in a secure, fire-proof cabinet. Contact the Law Society to discuss the safe-keeping and tracking of any wills that remain in your possession.

Determine if you agreed to be executor or trustee for any of your clients. If you no longer want to act in that capacity, consider asking the testator to revise their will or to add a codicil to appoint someone else. If the testator cannot be located, one of your options may be to attach a renunciation to the will if you are still holding the original. Consider getting legal advice to determine next steps.

Suggested timeline for this: **180 days out (depending on the number of original wills in your possession)**

### Stop Accepting New Files

This is often the hardest step to take because it signals, in many ways, the end of the practice but it is a very important step in the process. Winding up your remaining files and completing administrative tasks should be your focus. The suggested timeline for this step varies considerably depending on the practice area and number of open files. The primary consideration should be whether you will be able to complete the client's matter before you leave practice.

Suggested timeline for this: a minimum of **120 Days Out**

## Advise Clients of Retirement

While this is an important step for all clients, it is particularly important for those in litigation or for corporate clients so that your clients have the time required to obtain new counsel.

Write to your clients with open files to notify them that you will be closing your practice and to let them know that they will need to retain a new lawyer. If appropriate, recommend a lawyer who may be willing to take on their file. Ask them to either pick up their file or sign an authorization for you to release the file to a new lawyer. In your letter to them, tell them about any important deadlines they need to know about.

You can decide when to tell your clients on a case-by-case basis, but you need to consider the timing carefully. There are a number of factors you may identify that help determine when to provide notice, always ensuring the client is not prejudiced by the timing of your withdrawal.

Ask your corporate clients for new addresses for their registered offices, prepare the necessary resolutions and notices, and file a notice of change form with Corporate Registry.

File a change of address notice at the Land Titles Office if you are named in any documents (e.g. builders' liens, caveats, or certificates of *lis pendens*).

Legal Aid certificates cannot be transferred to another lawyer. You should notify the appropriate Legal Aid office of the files that are affected, your reason for withdrawing and send a final bill marked 'Final.' Notify your client to contact Legal Aid to seek a new lawyer and a new certificate.

Suggested timeline for this: **120 Days Out/File by file basis**

## Open File Details

Three months out from your retirement date, you will need to work diligently to ensure every file that you will not be able to complete is reassigned to another lawyer. It is important to note that setting trial dates for these files should be left to the new lawyer.

Arrangements for payment for the work you have completed on contingency files should be documented between you and the lawyer taking over the file, in writing. Those proceeds can be sent to you directly.

Again, though time is important – you need to be sure your files are itemized, clear and organized so that you can meet your obligations to your client. Here is also where you can see the value of the Master File List.

Suggested timeline for this: **90 Days Out**



## Closed File Details

Storing closed files can be a considerable expense. The current practice is to hold hard or digital copies of closed files for 10 years following the closing date but there are so many considerations – trust safety requirements, file / area of law, client needs and more.

Review closed files to determine whether they should be stored, destroyed, returned to the client, or transferred to the lawyer who will be assuming ongoing files.

Check for, and return, any trust property belonging to the client that is stored separate from the client's file.

Where file information is stored in electronic format, consider how and where it will be stored and retrieved after wind-up.

Lawyers who change their status from active to inactive must provide the Law Society with the name of the active lawyers who are taking over open files, closed files and wills. If you are transferring your files to multiple lawyers, you need to enter each lawyer and their firm/practicing location individually into the non-practicing disposal list.

See the [Law Practice Essentials, File Retention and Disposal](#) module and [Lawyer Status and Business Contact Change Guide](#) for more information.

Suggested timeline for this: **90 days out**

## Review Work in Progress & Unbilled Disbursements

Review your time records and files for any unbilled work in progress.

Prepare and send accounts to clients for unbilled work in progress and outstanding disbursements.

If the billing is on a contingency file, refer to the provisions in the contingency fee agreement relating to the amount you are entitled to if you withdraw. If the contingency fee agreement does not provide for this, you should reach an agreement on fees with your client and the client's new lawyer. Please see the [Contingency Fee Issues](#) resource for more information.

Have your bookkeeper write off any work in progress you decide not to bill out.

Suggested timeline for this: **75 days out**

## Return Original Documents to Clients, Satisfy Undertakings or Trust Conditions

If you have any original documents held in safekeeping, determine if you are holding them on undertakings, trust conditions, or on some other agreement that continues to apply. Obtain written instructions from the necessary parties to alter the arrangements and to transfer the documents to a new location.

Be sure to obtain an acknowledgement of receipt from whoever accepts these documents.

Suggested timeline for this: **60 days out**

## **Return Trust Money/Property to Clients**

After billing clients and deducting fees and disbursements, you must return any remaining trust funds to the clients or distribute them as directed by those clients.

If you have any unclaimed trust funds that you cannot attribute to a client or someone else, then the procedure for paying them out is something the Trust Safety department can assist you with. They will also refer you to the [Disbursing the Undisbursable: What to Do with Unclaimed Trust Funds](#) resource and relevant forms for submitting undisbursable trust money that are available on the Law Society website.

Suggested timeline for this: **60 days out**

## **Close all trust accounts, provide confirmation of closure to the Law Society, and File Law Firm Self-Report and Accountant's Report or Electronic Data Upload**

When it is time to close your trust accounts, it is best to do this in consultation with the Trust Safety department. You may have already been working with them on distributing undisbursable funds so they will be familiar with your situation. Working with them will provide you with guidance and reduce your overall stress about closing your accounts. They will likely remind you that you need to ensure your trust account is at zero dollars.

When you can confirm that your trust account has a zero balance, contact the Trust Safety department and obtain their approval to close the account.

You will need more than just a bank statement showing that there is no money in the account. Written confirmation from the bank proving that the account is closed is required.

When your trust account is closed, you will need to complete your final Law Firm Self-Report and either the final Accountant's Report or final Electronic Data Upload. Follow the procedure that you normally follow to submit these reports.

The Membership Department will rely on information from the Trust Safety department about the completion of these steps before they will change your status from active to inactive or retired. It is helpful to work with both the Trust Safety and Membership departments simultaneously.

Suggested timeline for this: **30 – 60 days out**

## **Provide your Application for Status Change**

While you are completing your final trust accounting requirements, connect with the Membership department to make sure that they are aware that you are working to close your trust accounts and intend to change your practice status. They cannot approve your application for inactive status until you close your trust account and can inform you of any other requirements that may be necessary to change your status should you have any outstanding obligations to the Law Society.

There is a [User Guide](#) that provides instructions on how to change your status through the Lawyer Portal.

Suggested timeline for this: **30 days out**

### **Final Check that Nothing is Overlooked**

Take one final run through the checklist to make sure you have completed all the steps and there is nothing outstanding.

Confirm with the Law Society that your information is updated and accurate.

Ensure your social media, emails, addresses with suppliers, etc. are also current.

Suggested timeline for this: **14 days out**

## Retirement Schedule of Tasks

	Tasks	Days before Deadline	Due Date	Completed	Comments
1	Prepare Master File List	180			
2	Review wills and take any appropriate action	180			
3	Stop accepting new files	120			
4	Advise clients of retirement	120			
5	Open file details	90			
6	Closed file details	90			
7	Review WIP & unbilled disbursements	75			
8	Return original docs to clients, or address undertakings and trust conditions	60			

9	Return all trust money/property to clients	60			
10	Close all trust accounts, provide confirmation of closure to the Trust Safety Department	30-60			
11	File final Law Firm Self-Report and Accountant's Report or Electronic Data Upload with the Trust Safety Department	30-60			
12	Provide inactive application to the Membership Department.	30			
13	Submit a non-practicing disposal list to the Membership Department	30			
14	Cancel email address, LinkedIn account and firm's website, remove all firm signage & lock the door	0			