

Settlements and Judgements

Part 1: Definitions

Case: one or more related legal problems arising for a client.

Client: means an individual who is receiving or who has received legal aid.

Final account: is the completed billing form(s) a tariff lawyer submits to LABC, when he or she ceases acting in a case, as a full and final statement of all legal fees and disbursements he or she is entitled to recover from LABC.

LABC: Legal Aid BC, also called the Legal Services Society.

Manager: is the Manager, Audit and Investigation, or their designate.

Repayment funds: the money LABC determines a client owes LABC for fees and disbursements paid on behalf of the client.

Representation Contract: is an LABC authorization for a lawyer to provide legal services to a client and to bill LABC for legal fees and disbursements for the case according to the tariff contract.

Tariff contract: the retainer agreement between LABC and contract lawyers, as modified from time to time by LABC, including the contents of the *Guide to Legal Aid Tariffs* (Introduction, General Terms and Conditions, applicable Tariffs, Guides to Billing), and Notices to Counsel and other written instructions that LABC may provide to contract lawyers directly or through the LABC website.

Tariff lawyer: is a lawyer who is a member in good standing of the Law Society of British Columbia, holds a Law Society of British Columbia practicing certificate, and who LABC deems eligible to accept contracts.

Tariff rate: is the rate LABC pays for legal services, in the form of block fees or an hourly rate, as set out in the tariff contract.

Settlements and Judgements

Part 2: General Principles and Objectives

1. An LABC client who receives a settlement or judgment on a legal aid representation contract may be required to reimburse LABC for any legal fees and disbursements paid by LABC on behalf of the client.
2. If a client terminates his or her legal aid contract prior to receiving a settlement or judgment, he or she may still be required to repay LABC for any legal fees and disbursements paid by LABC on behalf of the client.
3. Based on specific criteria outlined in this policy, LABC calculates the amount of settlement/judgment monies that are exempt from any monies used for repayment to LABC.
4. If the client is found financially ineligible for further legal aid as a result of the settlement/judgment received, the tariff lawyer must provide LABC with a final account for all services provided on the contract within 30 days.
5. Tariff lawyers cannot privately bill clients retroactively for services provided under a legal aid contract.
6. Tariff lawyers may enter into a private retainer with a client if authorized in writing by the Manager or if LABC deems the client no longer eligible for legal aid.

Settlements and Judgements

Part 3: Policy Application

1. This policy applies to a legal aid representation contract and/or services related to a legal aid contract where a LABC client receives a settlement/judgment. LABC requires repayment on the contract which resulted in the settlement/judgment monies being received and any other related contracts.

Settlements and Judgements

Part 4: Amount Payable to LABC

1. Tariff lawyers must notify LABC immediately upon learning that a settlement will be received or judgment will be awarded to the client and provide the Audit and Investigation Department with:
 - a. the client's current contact information so that the client receives a repayment decision letter, and
 - b. the amount of the expected settlement or judgment.
2. For any legal services provided and disbursements incurred prior to the settlement/judgment being received, the tariff lawyer must bill LABC at the tariff rate set out in the *LABC Tariffs*.
3. Tariff lawyers must submit a final account to LABC within 30 days of receipt of the settlement or judgment and a completed Settlement or Judgment Confirmation form.
4. When LABC is advised that a settlement/judgment will be received by the client, LABC will calculate the repayment funds based on the total fees and disbursements paid on the case for which the settlement/judgment was received and any exemption amount(s) that apply. LABC will advise both the lawyer and the client in writing of the repayment funds.
5. Tariff lawyers have an obligation to protect LABC's interest in settlement/judgement monies, confirm with LABC the repayment funds, and obtain authorization from LABC before any portion of the settlement/judgment is released.
6. Settlement/judgment monies for the following are exempt from repayment of legal fees and disbursements:
 - a. lump sum and periodic child and spousal support awards,
 - b. monies required to pay court ordered family debts, and
 - c. non-disposable assets that cannot be redeemed such as property or a locked in RRSP.
(Note: Money reinvested into a family home is not exempt from the settlement figure used for calculating repayment.)
7. In determining monies available for repayment of legal fees and disbursements, LABC subtracts from the total settlement an exemption amount for the client based on personal property exempt in limits by household size as outlined in LABC's coverage policy and set out in the following chart:

| Amount Exempt | Household Size |
|---------------|----------------|
| \$2,000 | 1 |
| \$4,000 | 2 |
| \$4,500 | 3 |
| \$5,000 | 4 |
| \$5,500 | 5 |
| \$6,000 | 6 |

Settlements and Judgements

Part 5: Review by Manager

1. The Manager may review the application of this policy upon the request of the client or lawyer within 21 days of the date of the LABC written notification to both the client and the lawyer of the repayment funds.

Part 6: Timing of Repayment

1. The repayment funds must be paid to LABC within 14 days of notification from LABC that no request for review under Part 5 has been received. In the event of LABC receiving a request for a review under Part 5, the repayment funds must be paid to LABC within 14 days of the date of LABC' decision on the review.
2. Once LABC has confirmed that the repayment funds have been received, the remaining monies may be released to the client.

Part 7: Assessing Financial Eligibility

1. When the monetary settlement/judgment is received, LABC will reassess the client based on the current *Intake Policies and Procedures* financial eligibility guidelines.

Part 8: Entering into a Private Retainer

1. A tariff lawyer may not bill a client privately on any matter related to the case specified in a contract without prior written authorization from the Manager.
2. With the client's consent, the tariff lawyer may enter into a private retainer with the client to continue any further services if the client is deemed by LABC to be no longer eligible for legal aid.
3. In the course of the legal aid contract, if the lawyer and client agree to end the contract and pursue assets, the lawyer must first obtain written permission from the Manager and provide LABC with a final account for all the services that have been completed under the representation contract.

Settlements and Judgements

History

Questions to: Manager, Audit and Investigation Department

September 1, 2020: Updated responsible department from Finance and Administration to Audit and Investigation. Updated all references of LSS to LABC.

September 1, 2016: Updated terminology.

April 27, 2015: Reformatted and updated terminology.

April 2013 – updated to reflect change of responsibility and ownership of policy from the Audit and Investigation department to the Finance and Administration department.

EMC Approved September 10, 2009 – new policy. This policy replaces previous practice regarding conversions to private retainers.

SEE [POLICY](#) AND [FORMS](#) PAGES FOR: Other policies and forms referenced in this document.