



**The Law Society
of Manitoba**

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LIFE BEYOND LAW

Practice Management

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Thank you to all the Reviewers

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A. INTRODUCTION

Eventually, everyone leaves their law practice, some by choice and some by circumstance. You may be ready to retire, or be pressed to do so by ill health or other reasons. Your firm may have a mandatory retirement age. You may be moving to another jurisdiction, starting an in-house, government or agency position, or have been appointed to the bench. You may be starting an entirely new endeavor.

Many lawyers are simply reluctant to leave their practice. The average retirement age in Canada is 63.6. According to the Federation of Law Societies in Canada (as of October 2021), the average lawyer retires more than a decade later—at age 75.

As of 2022, approximately 22% of practicing lawyers in Manitoba were over the age of 60, with more than 13% being over 65.

Whether you are considering, should be considering, or have decided to leave your practice, this chapter is intended to help in your deliberations, to remind you that there's more to life than law and to help you navigate the challenges of leaving your career.

It is never too early to think about the future!

B. CONSIDERATIONS

The concept of retirement goes beyond a mere professional transition. It is a profound life altering decision that demands careful consideration of many factors, including those relating to financial security and emotional readiness. In making your decision, you will weigh the idea of a well-earned retirement against the many things your law practice brings, including identity, income and the value and personal fulfilment of contributing to society and to justice.

1. Emotional Readiness

What does retirement mean to you? Are you emotionally ready to retire? It may be time to retire if:

- You want to retire, and are dreaming of leaving your desk behind;
- Your spouse wants you to retire, and is ready to do all the things you've put off because of the demands of work;
- "Your mistress wants you to retire. The law is a jealous mistress, they say. But if she has lost interest in you, or if you have lost interest in her, well, the affair is over." (William Vogeler in a [blog post for FindLaw](#)).

These are all important components.

(a) Do You Want to Retire?

You may be looking forward to retirement and having an opportunity to do other things. You may realize that you are dreading going to work. If the phone rings and instead of "How can I help?", your first thought is "What do they want now?", it may be time to go.

(b) Does Your Spouse Want You to Retire?

This is a decision you cannot make alone. It will affect your spouse and your family in terms of dynamics, relationships, finances and lifestyle. Quite possibly, you and your spouse have *never* spent 24/7 alone together for more than whatever vacation time you have permitted yourself. You and your spouse may have grounded your relationship in working and in child rearing activities that have now ended. You may have allowed your career to encroach on your family relationships. Will you now be twice the spouse with half the income? Talk with your spouse seriously about retirement and the changes it will bring. If you do not have a significant other, discuss your pending decision with other family members or friends.

(c) Does the Law Want You to Retire?

Honestly consider if you are still passionate about the law, or if you are just going through the motions mechanically. Are you excited about the ongoing changes in the law and procedure? Is the necessary technology becoming more than you can handle? Do you have the bandwidth to keep up with change? If all of this is too much, it may be time to close your brief.

2. Reasons Lawyers Avoid Retirement

Consider the reasons lawyers may avoid retirement and measure whether and how much each pertains to you.

(a) Loss of Identity

Many of us define ourselves by our occupation. If you are asked to describe yourself, you are likely to answer "I am a lawyer" before you add spouse, parent, singer or birdwatcher. If being "a lawyer" is your identity, you may find it difficult to become "just a person".

Loss of identity or self-image encompasses losses of feeling useful and valued, of intellectual stimulation, social network and community, and of structure and purposeful activity. You may feel a loss of prestige that comes with enjoying the occupation of lawyer. You are used to being productive and may feel unsettled without a list of goals to accomplish. You may feel empty and confused as you try to develop the New You. It may be hard to figure out what to do with unscripted free time, and you may discover the leisure paradox: *Leisure is not leisure when there is nothing from which to take a break!*

(b) Reluctance to Leave Your Firm

You've spent years working hard to become a lawyer and to develop your practice. It's difficult to leave that all behind.

You have a structure and routine and a place to go each day, where you are respected and important. You have social connections and relationships based on your shared commitments, responsibilities and activities. You may be concerned that some of these social connections will falter (this is probably true).

You may feel responsible to your colleagues, staff and clients, and wonder how they will manage without you. They will. This may be a blow to your self-esteem, but you are not irreplaceable or all important.

(c) Finances

Most lawyers do not have pensions or a lifetime guaranteed income stream indexed to inflation. This means that you likely will need to rely on your personal savings and/or funds you may have saved in a law corporation. If you are a partner in a firm, there may be a return

of capital. If you are a sole practitioner, you may be able to sell your practice (although if at all, commonly for less than you hope).

The question may boil down to whether you are in a financial position to retire.

(d) Inertia

Taking the steps necessary to retire and close your practice requires a lot of effort. It may seem easier to put that off, especially if you are not sure or if you are nervous about who you will be and what you will do once you retire.

C. PLANNING FOR LIFE BEYOND LAW

The reasons why lawyers may avoid retirement can be overcome with planning. The best time to start planning for your retirement, like the best time to plant a tree, was many years ago. The second best time to plan or plant is now.

1. Who Are You and Who Will You Be?

Retirement is about refocusing your priorities. You may have allowed your legal career to dominate your life. If you have or can develop other interests, giving more time to these activities will assist in an easier, more natural transition. This is the time to shape your work to your life.

There are a multitude of options that will continue to provide intellectual challenges and social involvement. You may be able to transition slowly by retiring in place. You may choose to reduce your workload or your hours and days in the office. You might limit your practice to certain matters that are less stressful or demanding, or those that you enjoy. For example, you might eliminate litigation from a wills and estates, family law, real estate or other practice area. You might choose only appellate work, or matters which will proceed by alternate dispute resolution. You might restrict the number of files you accept, or cease taking new files entirely and allow your practice to wind down as your current files are completed.

You might shift to a less active role within your firm. You might choose to reduce committee work. Alternatively, you may find that you can be useful to your firm in an “of counsel” role, as a rainmaker, or as a mentor, adviser or guide on a part-time basis, once you have reduced or entirely ceased working on active files.

If you are a sole practitioner, you might plan for succession by beginning to work with another lawyer who will take over your practice. Another lawyer might join you, or you might join an existing firm.

Play to your strengths. Did you have other interests before law consumed your life? What are you passionate about?

Do you still want to be involved with law? Teach a course, write a blog, an article or a book. If you have experience in alternate dispute resolution proceedings, investigate becoming a mediator or arbitrator, and take the necessary training.

You might do some work on a pro bono basis or volunteer for a legal organization such as the Legal Help Center, Law(yer) Strong, the Law Society's Health Recovery Program, or many others. Contact the law school and offer to assist with Moot competitions.

You may have time to give to other local or national charitable organizations relating to health or disease, the environment or poverty. You can volunteer at a school, museum, animal shelter or the zoo. You can join a board, deliver Meals on Wheels, drive patients for treatments, participate in Koats for Kids, mentor youth, or volunteer with Child and Family Services or another agency.

You may want some uncommitted time to rest and decompress. You have likely led a very full and busy life and it may be time for a change of pace, taking on new activities as and when you decide. Your wishes may change over time.

Do you want to learn something new? Choose a new field of study. Take on a new profession, or just a job that's fun. Explore course auditing possibilities for University of Manitoba alumni over 65.

Take time for your hobbies or develop a new one. Learn to cook, paint or garden, learn a new language, take up pottery or metalwork. Exercise, play sports, travel, spend time with friends, family and grandchildren.

The possibilities are endless. Identify your passion. What's on your bucket list?

2. Finances

The biggest question may be whether you can afford to retire. If retirement isn't imminent, start increasing your savings now. It is never too late.

Assess your financial resources and your needs. Consider the lifestyle you want to maintain.

Your expenses may decrease in retirement if you plan to downsize your home, vehicles, or wardrobe, and to eliminate such things as downtown monthly parking and the purchase of daily coffee and lunch. Your expenses may increase if you plan extensive travel. Be realistic about your anticipated requirements. Remember to consider such things as debt repayment, health and travel insurance, the possibility of ill health, common increased costs relating to aging (such as costs for dental work, changes in vision and hearing and assistance with housekeeping, snow and lawn care) and unexpected contingencies.

You may need to consider some lifestyle adjustments in order to live within your retirement income, or to continue in some type of remunerative employment in order to maintain your desired style of life.

3. More Information for Planning

For more information, watch Retiring from Practice: Planning Ahead At Any Age (<https://vimeo.com/showcase/6118877/video/358893999>). In this webinar, lawyer Stephen Herman notes that we are encouraged to begin our financial planning for retirement from the moment we begin our careers. On the other hand, there is little discussion around the more personal aspects of retirement, and why early individual planning is essential to support this difficult transition. The webinar discusses the emotional, psychological and practice management aspects of retirement, and provides tools to address retirement anxiety and to plan a successful retirement from the practice of law. It is aimed at forward-thinking lawyers at any stage of their career.

The first step is the hardest. Once you have made the decision to leave your practice, create your retirement plan and put it in motion to begin to make it a reality.

See also Stephen Herman's Retirement Planning Worksheet in the Appendix, which will help you get started.

D. SEEK INPUT AND ADVICE

1. Your Spouse and Family

Your retirement will affect everyone. The change in your occupational circumstance will alter the hours you keep, your income, your lifestyle and possibly your personality.

Before you make a decision to retire or change paths, it is imperative to discuss it thoroughly with your spouse and family or friends and to involve them in the planning stages. Your spouse may have committed to you for better or for worse, but may be surprised when you are *there* all day. Consider some activities you can do together – but also consider things you will enjoy independently.

Your roles within your relationship may change. This might include alterations in the division of the tasks needed to run your household, budgeting, planning or even decision making. Your spouse can be a source of support as you redefine your life, can encourage or participate in new activities and may help ease the loss in your social connections with colleagues.

If you are single, consider what social and other activities will ensure you do not become isolated.

2. Your Staff

Good staff are hard to find. Good staff are also observant and perceptive. They may notice that you are thinking of winding down or closing your practice. This may make them feel insecure. They may even start looking for a new job, leaving you with potentially having to find and train new staff in the last year or so of your practice.

It is important to involve your staff in the transition. If you are seriously thinking about leaving the practice of law, or you have made a decision to retire in six months, or in two years' time, etc. give your staff the courtesy of letting them know.

Let them help you plan the wind down and you in turn can help them to explore employment opportunities that will be available to them after you retire.

If you are thinking of selling your practice or enticing another lawyer to take it over, having good staff stay with the practice adds to its appeal.

3. Lawyers' Health & Wellness Program

Upon retirement you may experience feelings of sadness, anger, loss or grief. Even if you know you want to retire, you may have trouble adjusting to the new reality. Get help. Consultation with a trained counselor during a period of transition is always a good idea. A Blue Cross counselor can help you while you decide whether it is time to leave practice and assist you during the transition.

Lawyers' Health & Wellness Program is a free and confidential assistance program available to members of the Law Society of Manitoba, provided by *Manitoba Blue Cross Employee Assistance & Wellness Solutions*.

The program offers a maximum of twelve sessions per family per year to practising lawyers in Manitoba. Enrollment continues for a period of six months after changing from practising to non-practising status.

Your identity and the nature of the personal matters discussed with counselors are confidential. Appointments may be scheduled to avoid encounters with other lawyers. Blue Cross will not disclose any information to the Law Society of Manitoba, other than blind statistical usage reporting.

For more information contact:

Employee Assistance Centre, A Division of Blue Cross
599 Empress Street, Winnipeg, MB, R3G 3P3
Phone: 204-786-8880
Toll-free: 1-800-590-5553 (within Manitoba)
Hearing Impaired: 204-775-0586

4. Other Professional Advice

a) Get Informed

If you were acting for a business person who was thinking of retiring, you would urge them to seek the advice of other professionals, including an accountant, a financial advisor, a business valuator, etc. Take your own advice and consult with these other professionals. There are various financial considerations to take into account, not the least of which is advice on the tax consequences you might face on retirement.

Getting advice is important whether you are a sole practitioner, share space, work for your own law corporation or are retiring from a partnership.

Lawyers Financial also offers free financial planning including planning for retirement.

b) Know Your Partnership Agreement and Financial Options

If you are retiring from a partnership, read over your partnership agreement carefully before you give notice. You should consider retaining outside counsel to interpret what it really says, (not just what you thought it said). Some partnership agreements mandate retirement at 65 (see *McCormick v. Fasken Martineau DuMoulin LLP*, 2014 SCC 39), while others may have more flexibility or no age limit at all.

You will need to consult with your accountant as the tax and financial ramifications may be complicated, depending on your partnership agreement and your personal situation.

c) Law Corporations

What do you do with law corporations and limited liability partnerships and holding corporations? If this is not an area of law in which you practised, you may not want to experiment on yourself. You should seek information and advice from your accountant and from a lawyer who have some expertise on terminating law corporations and winding down LLPs.

d) Selling Your Practice

If you are thinking about selling your practice, it makes sense to have an impartial professional review this idea with you. Your own perception of the value of your practice is too subjective.

In recent years, a number of lawyers have tried to sell their practices without success. You should not count on being able to sell your practice as a going concern or on selling it for enough to retire on the proceeds. You should speak to an accountant and a valuator to consider valuation, taxation and other accounting issues.

E. CONCLUSION

Maintaining other interests and starting to save early will give you options for your life beyond law. Even when your retirement is far in the future, it is important to plan ahead and develop a strategy that will meet your obligations to your family and your clients and comply with the Law Society's requirements.

F. APPENDIX

1. The Retirement Planning Worksheet

Stephen Herman

1. What aspects of practicing law are you going to miss the most?

For example:

- helping people
- financial gain
- intellectual stimulation
- collegial relationships
- identity as a lawyer
- structure in your day

2. Write down your top three emotional drivers. How are you going to fulfill or satisfy those drivers in retirement?

"Drivers" are the key to satisfaction. Drivers enable you to match your deepest emotional needs with your work, job, career and activities. These are the aspects of your job that make you want to get up and go to work.

A few are listed here:

- lifelong learning
- social accomplishments
- structure
- visibility
- fulfillment
- friendship
- creativity
- prestige
- leadership
- belonging

3. Make a list of activities you can do in retirement that will replace those things you identified in answer to question 1 and 2, as important to you in the practice of law.

As a starting point, list activities you were interested in or enjoyed before you started practicing law, but gave up because of time constraints i.e., music, sports, coaching.

4. If you had only ten good years left, what would you like to do; without restricting yourself by cost, training, experience or feasibility. What legacy would you like to leave?

Consider the social causes or issues you are passionate about and consider what opportunities may be available to become involved as a volunteer. What skills do you possess as a lawyer that are transferable to non-law activities that will serve as challenging and meaningful replacements?

2. Resource List

LSM Life Beyond Law Series – CPD On Demand

Where Does the Practice of Law Fit Into Your Life?

Financial Fitness for a Healthy Retirement

CLIO - A Guide to Preparing for Lawyer Retirement

Retire, Reset or Reinvent? – includes links to self-assessment tools, Lawyers Mutual

Retiring from Practice: Planning Ahead At Any Age webinar recording Courthouse Libraries, B.C., Stephen Herman <https://vimeo.com/showcase/6118877/video/358893999>

Prepare Yourself for a Happy Lawyer Retirement, by Ida Abbott

Retiring Soon? 5 Steps to Make Sure You Don't Outlive Your Savings, Lawyers Financial

Lawyers Financial free financial planning including planning for retirement

3 Signs It's Time to Retire From Your Law Practice, by William Vogeler

The Countdown Begins: Farewell to Full-Time Law Practice, by Susan Cohodes

The Second Act: How Successful Lawyers Are Redefining Retirement, by David Hunter

Aging and Declining Cognitive Ability in Lawyers, Oklahoma Bar Journal, Rhiannon K. Baker

Books

Retirement by Design, A Guided Workbook for Creating a Happy and Purposeful Future by Ida Abbott

Wonder of Aging: A New Approach to Embracing Life after Fifty by Michael Gurian

Designing Your Life book series. Includes Designing Your Life (the original book), Designing Your New Work Life, and The Designing Your Life Workbook, all by Bill Burnett and Dave Evans

From Strength to Strength Finding Success, Happiness and Deep Purpose in the Second Half of Life by Arthur Brooks

Aging with Agency: Building Resilience, Confronting Challenges, and Navigating Eldercare by Sandi Peters