

# Legal Assistants Going Freelance

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The demand for freelance legal assistants has increased. This growing trend is due in part to the maturity of the profession, which now yields a greater number of experienced legal assistants with the skills and desire to work autonomous of a structured environment. A second factor is that attorneys and corporations who do not wish to hire a legal assistant full time or as permanent staff are fast discovering the benefits of the consulting legal assistant.

Legal assistants who choose to freelance have usually gained a level of expertise in a given specialty. They are motivated by the opportunity to work on a variety of assignments for different entities. They seek the challenge of running a business, as well as doing the work. Often, they are pursuing other avenues, such as family, school, or other part time occupations, and use the flexible hours to the benefit of their other endeavors. Most important to the attorney is the convenience of delegating work which will be completed with little supervision, the availability of a non-employee with a high level of expertise, and the additional profit gained from spending more time on work which can be billed at a higher rate.

## **Advantages of a Freelance Legal Assistant**

Attorneys and legal departments employ the services of freelance assistants for a variety of reasons. An attorney may have an infrequent or an ongoing need for a legal assistant, but only on a part time, hourly basis. The legal assistant can be on call, and may even choose to work in his or her own home or office.

A firm or corporation may have one or more full time, permanent legal assistants, but have an overflow of work in a particular area. A large document case may require full time attention until completed. A client may require additional work at a particular time, for instance, during tax season. A freelance assistant can prepare the overflow assignments, while the full time staff can continue their responsibilities uninterrupted.

A freelance assistant can temporarily replace a full time legal assistant who is on maternity leave, sabbatical, vacation, long term sick leave, or working out of the office on another assignment. This may be an ongoing need for a firm with a large

staff of legal assistants. A freelance specialist for each of the specialty areas of the firm or corporate staff can be used as an on call floater.

Many attorneys favor the use of freelance assistants to defer the additional costs of an employee, such as benefits, social security and unemployment insurance. Even in the case of an ongoing, full time need, the freelance specialist is paid hourly.

### **Drawbacks of a Freelance Legal Assistant**

There will be times when the use of a consulting legal assistant can be problematic. If the freelance legal assistant is working on assignments adhoc, as opposed to following through on entire cases, there may be a lack of continuity. While servicing additional clients, he or she may not be immediately available.

There is also the lack of control since independent contractors act according to the policies needs of their business. There is the potential for a conflict of interest if the legal assistant is working for more than one attorney. This is a judgment call and it is the responsibility of the contractor to check for conflicts before accepting a case. Despite these minor inconveniences, the proper agreement between the parties will make the business tradeoffs well worth the value of the freelance legal assistant's services.

On the legal assistant side, there may be a sudden loss of camaraderie associated with leaving a permanent position. Even while consulting at client offices, a certain degree of loneliness will be encountered. Much of this can be curtailed by tending to the demands of the business. New client development will take the place of social outings at the office. Deadlines will increase as more clients are gained, making free time harder to find. Memberships in professional associations are a good source of continued contact with peer legal assistants.

### **Contracting a Freelance Legal Assistant**

Freelance legal assistants operate as sole proprietors and in group associations with other freelance legal assistants. Some freelance legal assistants advertise in law journals and other legal publications. There is also the power of referral. By suggesting the need for a freelance legal assistant, an associate attorney or staff legal assistant may recommend several contractors presently in force. A present or former employee may be seeking an opportunity to work freelance. If your practice lends itself to the use of a freelance legal assistant, the shrewder of the group may be marketing their services directly to you.

Screening a freelance legal assistant is not the same as hiring a staff employee. At the initial interview, the candidate should present a biography or resume, samples of previous work, and references. Given an overall orientation to the law practice or corporate staff, the contractor can render the best advice on how to implement freelance legal assistant services.

If consulting services are going to be employed, a contract should be prepared by the legal assistant, including the fee structure and schedule, a description of the work, and deadlines. It must be expressed that the attorney has agreed to supervise the contractor's work and this provision does not change because of a contracting arrangement. Both parties should sign the contract.

The fee schedule should state specifically how much is being charged, when invoicing will occur, and how and when payment is due. Work may be charged by the hour or by the project. All expenses should be itemized, including telephone calls, supplies, travel, entertainment, and secretarial work. Invoicing should occur weekly, bi-weekly or at the completion of each project. Freelance legal assistants who work on contingency cases should not, be delayed payment while waiting for a case to close.

The fee charged should be based on the client billing rate and take into account the contractor's self-employment taxes, self-paid benefits and overhead costs. The hourly rate paid to consulting legal assistant will be greater than the rate paid to a permanent employee since the added employee cost and benefits of the permanent member are deferred to the legal assistant. The fee will also depend on the experience level and specialty of the legal assistant.

## **Freelance Business Management**

Legal assistants who are interested in working freelance may be initially charmed by the idea of becoming independent. The glamour of being in control of work hours, compensation and choice of clients can fast become an unwelcome surprise in the absence of proper business management. The change in lifestyle and work life, however, can be a productive experience with a well-researched business plan in place.

Independent contractors are subject to quarterly federal and state tax payments. Payroll taxes include a myriad of different withholdings, and surprise, as a self-employed person social security taxes are double since they are not matched by an employer. Take into consideration all withholdings and consult a financial advisor or accountant to better understand the details. Tax ramifications must be taken into account when determining hourly fees and cash flow needs.

Keep in mind the cost of benefits. At a minimum you will need health insurance. You may be able to take advantage of COBRA for a while, but after you have exhausted the allowable time period you will most likely be on your own. Disability and life insurance may be necessary if there are dependents.

Retirement benefits should also be factored. Depending on your income and your selected business entity, there are several options that any qualified employee benefits specialist or accountant can help you distinguish. Options that may be presented include an IRA, SEP, KEOGH or other company pension alternative. Keep in mind that all contributions have tax benefits.

Additional expenses include the cost of running the business, such as telephone bills, rent, supplies, advertising, postage, stationary, and legal, accounting and secretarial fees. Some of these expenses can be directly billed to the client, however, the internal management costs cannot. Once a system is in place the financial management of the business will become secondary to the tradeoffs of working alone.

Marketing the freelance services will be high priority at the outset. Deciding on geographic location, and area of specialty should be the first step. Concentrating on a specialty area will be the most profitable and the least complicated to market. A good source of contacts are people encountered in previous positions. Professional affiliations are an excellent source for networking.

At the first meeting with a prospective client, a profile should be presented in package form, including a demonstration of previous work, references (preferably former freelance clients), and a biography or curriculum vitae. A profile should market both the services and the legal assistants.

Some clients will be consistent, while others will use freelance services on an infrequent basis. One or two steady accounts will be necessary in order to sustain the time devoted to new client growth. Marketing should be continuous to lessen the intervals between completing current projects and commencing new ones. A referral system with other freelance legal assistants may be a way to obtain work and service clients who require different areas of expertise.

## **Conclusion**

Utilization of a freelance legal assistant can be a mutually beneficial venture for both the legal assistant and the attorney. Attorneys who previously felt they could not afford the cost of a legal assistant can take advantage of the deferred employee costs and assume a direct profit by billing the client for the total cost of the service. Legal assistants who have maximized their abilities in their current full time positions can transition into the world of business, and gain greater satisfaction from the variety of clients and the diversification of work encountered.