



Independent Life
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Attorney Checklist for Structuring your Contingency Fee

PRE-SETTLEMENT

1

PLAN

Decide why you want to structure your fee well in advance. Purposeful planning with a settlement consultant will lead to better results.



FEE AGREEMENT

Your fee agreement with the plaintiff should include language that permits you to receive payment either in lump sum or periodic payments. If it doesn't, you should modify the agreement prior to settlement.



SETTLEMENT

2

IMPLEMENT

Your decision to take future periodic payments must be implemented at settlement through the settlement agreement with either the defendant/their insurer or a §468B QSF.

LANGUAGE

Special language must be included in the release to document that you are not receiving the fee now, that instead you are receiving future periodic payments, and you are doing so for the convenience of the plaintiff.

PROPER RECIPIENT

Decide whether you want the payee to be yourself, your law firm, or jointly with your spouse.



POST-SETTLEMENT

3

BUILD

Have each settlement be a building block for fulfilling the plan you created early on. Remember that Rome wasn't built in a day!



TAXES

You will receive a 1099-MISC in the January that follows the calendar year you received a payment from your fee structure. Be sure to report all payments properly to the IRS.