



Committee on Professional Ethics

Opinion #417 - 10/8/75 (73A-75)

Topic: Fees; group legal service plan

Digest: Group legal service plan sponsor and participating lawyers may agree in advance to appropriate fee schedule, with fees payable by plan beneficiaries.

Code: EC 2-17, 2-18, 2-19, 2-33,
DR 2-101(B), 2-103, 2-104(A)(3), 2-106.

QUESTION

May a group legal service plan include a fee schedule at rates agreed to in advance between the lawyer and the plan sponsor, and provide that such fees are to be paid by each plan beneficiary using the plan service and not by the plan sponsor?

OPINION

A group legal service plan which meets all conditions and requirements may properly include a fee schedule at rates agreed to in advance between the lawyer and the sponsoring organization (cf. EC 2-19) without regard to whether the organization or user is to pay for such service, provided the agreed fees meet with standards of EC 2-17, EC 2-18, and DR 2-106. The Code places no restrictions on plans which provide that all fees are to be paid by each individual member or beneficiary using the plan, rather than by the plan sponsor.

The Code requirements specifically applicable to group legal service plans were substantially amended effective April 19, 1975, and are found in EC 2-33 and DR 2-101(B), 2-103, and 2-104(A)(3). See, N.Y. State 416 (1975) for guidelines generally applicable to group legal service plans and for guidelines applicable to labor union legal service plans.
