

Legal fees and your IAP claim

Lawyers, legal fees and the IAP

Every party who signed the Settlement Agreement encourages claimants to hire a lawyer. A lawyer can help claimants understand the IAP's complex legal concepts and processes.

How much will a lawyer cost?

- Claimants' lawyers must not charge legal fees that are higher than 30% of the compensation
- The Government of Canada will add an additional 15% to the claimants' total compensation to help pay for legal fees
- Depending on the legal fees charged by the lawyer, claimants may need to pay up to an additional 15% of the value of their compensation, plus GST/HST and/or PST
- Claimants may ask the Adjudicator to review the legal fees being charged to ensure that they are fair and do not exceed the 30% of the compensation

Can claimants negotiate the legal fees?

Yes, claimants can negotiate the legal fees with their lawyer. Before a claimant hires a lawyer, they can ask:

- What percentage of the compensation will they be charged?
- Will claimants have to pay GST/HST or PST on their legal fees?
- If no compensation is awarded, will there be any costs to the claimant?

How does a claimant know if their lawyer is charging them a fair amount?

Claimants can ask the adjudicator to review the legal fees they are being charged to ensure that they are fair and reasonable. The lawyer must provide the fee agreement to the adjudicator. If the adjudicator decides the fee is not fair, they have the power to reduce how much the lawyer is charging the claimant. The adjudicator may review legal fees for fairness and reasonableness even if you do not ask him/her to do so.

Claimants will receive a copy of the adjudicator's legal fee ruling. It will state the amount of compensation they should be receiving taking into account the legal fee ruling. The lawyer must follow that ruling unless it is overturned on appeal. Lawyers also must follow the ruling of the appeal adjudicator.

If the amount of compensation received is less than the amount of the ruling, the claimant can ask their lawyer for an explanation.

Over-billing under the IAP is when a lawyer bills the claimant more than the amount approved by the adjudicator for their case.

How can claimants learn more about legal fees and the IAP?

It is important that claimants know their rights on legal fees. The IRSAS provides extensive information on legal fees as part of every IAP hearing. Claimants can obtain more information about legal fees and the IAP by visiting www.iap-pei.ca or calling toll-free **1-877-635-2648**.