

November 15, 2022

TO: Members of the Law Society of Saskatchewan

Colleagues,

The practicing fee for this year has been set by the Benchers at \$2,675. This is a \$500 total increase (\$100 allocated to the Special Fund and \$400 to the General Fund) over the practicing fee that has been in place for the last four years.

The Special Fund

A total of \$200 of the practicing fee will be attributable to the Special Fund. The Special Fund is established pursuant to 2(a) of *The Legal Profession Act, 1990* to compensate victims of lawyer misappropriation and which is partially backstopped by indemnification coverage provided by Part “C” of our CLIA insurance policy.

Every two years, the Law Society of Saskatchewan (Law Society) receives actuarial advice about the recommended minimum balance for the fund. Based on those assessments, in 2017, the Benchers reduced the Special Fund levy from \$200 to \$100 per year. At that time, the Benchers wanted to run the fund down over time to reduce surplus and create savings for members.

While our local claims experience has remained relatively positive since 2017, significant defalcations in other CLIA jurisdictions have driven greater caution from our actuaries resulting in higher minimum balance recommendations. National Special Fund premiums set by CLIA also doubled in 2021.

These events, coupled with market declines, have driven the need to increase the levy to maintain appropriate balances in the Special Fund going forward. Based on present forecasting (and barring any major defalcation events here or nationally), this increase should sustain the Special Fund for the next several years.

The General Fund

Our last fee increase related to the general operations of the Law Society occurred in 2019.

The general operations of the Law Society include core programming items like Admissions, Continuing Professional Development, Libraries (legal resources), Complaints and Discipline, Trusteeships, Firm Regulation, etc. The General Fund also includes annual budget for the delivery of the various strategies which are chosen and pursued by the Benchers as part of our public interest mandate and currently framed in [The Law Society of Saskatchewan Strategic Plan, 2019 - 2022](#), which will be reviewed at Convocation in December of this year.

In 2018 when the current strategic plan was drafted, the Benchers sought to address the many challenges facing self-regulation of the legal profession and determined that several fundamental changes to programming and regulatory approach would be required to ensure that we continued to meet the evolving needs of both our members and the public interest.

Since that time, the Society has invested in the development of programming aimed at tackling these challenges. While it is not possible to address the entire span of work accomplished during the last strategic cycle, our progress has been the subject of constant communication throughout. For the purpose of this letter, I refer to the following as examples:

- The renewal of pre-call training through the development of the [Practice Readiness Education Program \(PREP\)](#), establishing the competency profile for newly admitted lawyers and equipping articling students with the practical skills to better engage with their articles and ultimately with the demands of practice. To further support the articling experience a principal training program was also developed and launched.
- [Firm Regulation](#), which seeks to recognize the shared obligation of firms to maintain and enhance the integrity, knowledge, skill, proficiency and competence of the profession.
- The [Future of Legal Services Initiative](#) done in partnership with the Government - a long term, multi-faceted project, to enhance access to legal services in Saskatchewan through the development of a more flexible regulatory structure.
- Greater resources for the profession in a rapidly evolving environment including the weekly, free [Bite Size CPD Series](#) and the development of [Cloud Computing Guidelines](#).
- Increasing the professionalization, independence, competency and diversity of our hearing processes through the appointment of a [Hearing Administrator](#) to develop adjudicator training, recruit a roster of qualified hearing officers and to provide independent oversight of our hearing processes.
- Beginning to address barriers to entry and advancement in the profession and issues of [equity, diversity, and inclusion](#).
- Advancing [Truth and Reconciliation](#), including our responsibility to address our obligations as set out in calls to action 27 and 28 established by The Truth and Reconciliation Commission of Canada.

From our national meetings, we know that each law society across Canada understands the need to eventually address most, if not all, of these same items. In Saskatchewan, due to the foresight and vision of our Benchers, we are well ahead of the national curve. This is important work which we believe is necessary to fulfill our public interest mandate and for the maintenance and legitimacy of our self-regulated profession.

Under the supervision of the Benchers, the Law Society has paid close attention to organizational expenses and the ultimate costs to members associated with these initiatives and operations generally. Both our strategic initiatives and expanded operational activities have been undertaken with only modest expansions in our staff complement (an increase of three staff positions since 2016) and while maintaining salary growth in line with Saskatchewan market averages.

However, as with every organization, the basic cost of doing business has, with inflation, continued to increase across the board, particularly now. As expenses have increased, the outlook for the markets has also become less optimistic. For the past decade we have been able to count on relatively solid investment returns allowing us, year over year, to subsidize fees and avoid more regular inflation-based fee increases (as has been the case since 2019). And, while we are still of the view that our investments will continue to assist in this regard, we have been cautioned by our investment managers to expect greater market volatility and reduced dividend and interest income in the foreseeable future. This caution is reflected in our present 3-year financial forecasts and is a significant driver of the current fee increase.

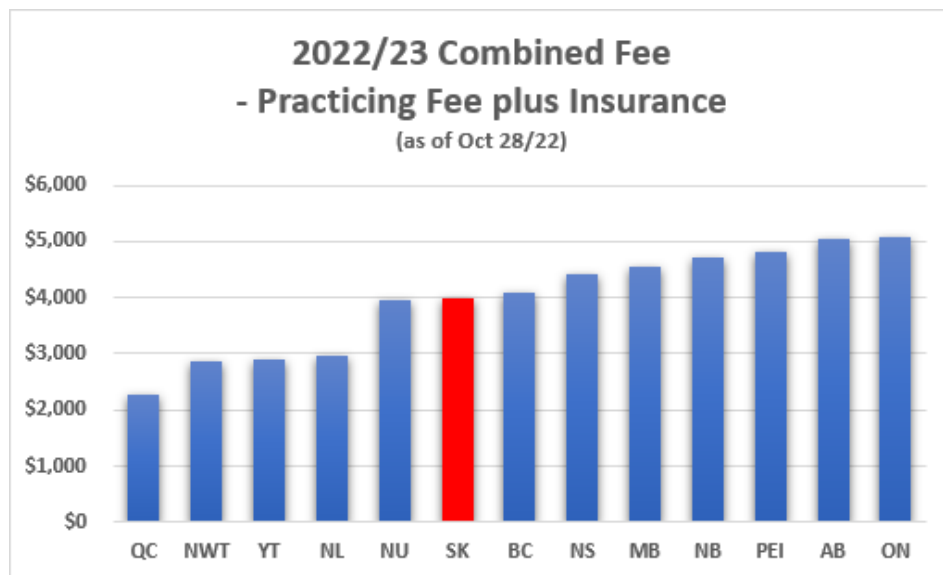
In recognizing that fee increases are necessary to ensure the financial health of the organization, the Law Society has considered several alternative revenue sources and cost cutting measures. One item

that was given close consideration this past year, with input from the membership, was the sustainability of our bulk purchasing arrangement with Westlaw. Westlaw represents a significant expense of more than \$200 annually per member. No other Law Society in Canada offers this type of resource to its members, nor the opportunity for members to experience the dramatic savings that this type of bulk purchasing arrangement provides when compared to the cost of acquiring this service on an individual subscription basis.

Our recent survey of the Designated Representatives regarding Westlaw indicated that a significant majority of respondents rely on this resource and hoped to maintain it. The majority of respondents also supported fee increases in order for that to happen. The Benchers were persuaded by those results when deciding to maintain this service rather than cutting this cost.

Other alternatives considered and ultimately implemented by the Benchers to mitigate the annual fee include changes to the fees associated with Transfer Applications, Transfer Enrollments and Professional Corporation renewals.

After several years of being at the low end of the range for total cost to practice (fees and insurance combined) in Canada, the 2023 fee increase now places us in the middle of the pack nationally as demonstrated in the chart below. It is important to note that the other national figures set out below (reflecting 2022 rates) will increase in 2023, as based on inquiries of other jurisdictions, most are also instituting fee increases for the upcoming membership year.



Where do Member Fees Go?

Regulation and Governance	\$ 1,850.00
Libraries (Legal Resources)	447.00
Special Fund Assessment	200.00
PREP - Bar Admissions Course	111.00
Pro Bono Law Saskatchewan	30.00
Federation of Law Societies of Canada	27.00
Lawyers Concerned for Lawyers	10.00
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	2,675.00
GST	133.75
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	\$2,808.75

Deadline for Payment

The deadline for payment of the annual fees is ***December 9, 2022.***

If you have any questions regarding payment, please contact Allison Williamson at allison.williamson@lawsociety.sk.ca.

Instructions to complete annual renewal can be accessed in both written and video form in the body of the Notice email.

Best regards,

A handwritten signature in blue ink, appearing to read "Tim", is written over a horizontal line that extends to the right and then curves upwards.

TIMOTHY J. BROWN, K.C.
Executive Director