

Requirement to enter into a contribution agreement



Published: October 2021

As set out in section 13 of the Legal Aid Services Rules, LAO may require an individual who is requesting or receiving legal aid services, or a person responsible in relation to that individual, to enter into an agreement to contribute to the cost of providing those services in the circumstances set out below.

(a) The assets of the individual's family unit include an interest in land in Ontario or an asset that is not readily convertible to money

Financially eligible clients, who own or have an interest in real estate but cannot access their equity in the property, may be granted legal aid subject to a lien being registered against the property.

If a lien is registered against real property, LAO will not require payment on the lien until the mortgage is renewed, the property is sold or refinanced, or the title to the property is transferred.

(b) LAO is satisfied that the individual or person responsible is able to contribute to the cost of providing legal aid services to the individual

(c) LAO is satisfied that

- i. the individual or person responsible expects to receive money or other property, whether in a proceeding or otherwise, and**
- ii. the money or other property, if received, would be available for contribution towards the cost of providing legal aid services to the individual**

The following are examples of circumstances when LAO may be satisfied that an individual or person responsible for the individual expects to receive money or property that would enable them to contribute to the cost of the legal aid services that the individual receives:

- In a family law matter in which the opposing party owns real estate and/or other

property, such as a business or a pension, LAO may require the client to sign a contribution agreement. The agreement will entitle LAO to recover the cost of providing legal aid services in the event that the client becomes entitled to an interest in the opposing party's property or to the payment of money as a result of the opposing party's ownership of property.

- LAO may require a contribution agreement where an individual has another legal action pending for which a lawyer is privately retained (such as a Motor Vehicle Accident Claim). The individual may be required to provide a direction against a future recovery from that legal action as a condition of receiving legal aid services.
- If an individual is receiving legal aid services for a matter in which they may recover money or property, and the individual applies for legal aid services for a second matter, the individual will be asked to sign a contribution agreement for a direction against any money or property recovered on the first matter.
- An individual who expects to receive life insurance proceeds or money from an estate may be required to provide a direction against these monies as a condition of receiving legal aid services.

(d) The individual was released from custody or detention with a deposit of money in respect of the matter for which the individual is applying for or receiving legal aid services

If an individual was released from custody or detention with a deposit of money of over \$1,000, an assignment may be taken against the deposit to offset the cost of the legal aid services.

If another person posted the money, LAO may require that person to sign an assignment of the money.

(e) A peace officer seized money from the individual or person responsible in connection with the matter for which the individual is applying for or receiving legal aid services.

If an individual had funds of over \$1,000 confiscated or seized by a peace officer, LAO may require an assignment of the money as a condition of providing legal aid services.