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Preface

By Ronnie Fox, Fox & Partners

Why do partners in professional firms find it so difficult to contemplate, or even talk about, retirement? Having spoken to many partners, I have concluded that the most common reasons are as follows.

First, the practice of most professions is permitted only after the successful completion of lengthy academic, practical and ethical training, during which the subject of eventual retirement is rarely if ever mentioned. Almost everything that I learned at school and at university is completely irrelevant to the practice of law today. Lawyers who qualified more than 30 years ago have had to acquire on-the-job training in many topics relevant to their daily work – artificial intelligence, cybersecurity, financial management, psychology, leadership, delegation, business development, presentation, communication and so on. But not how to retire gracefully. Even today, there are relatively few sources of knowledge on the subject of retirement and succession.

Secondly, a thread running through professional life is the importance of placing the interests of clients above one's own personal interests. The pressures of client demands and other aspects of legal work are often so great that practitioners fail to set aside sufficient time to plan their own careers or to adjust for the developments associated with ageing.

Thirdly, addressing the prospect of major life changes makes many people feel uncomfortable. Their identity is intimately related to their work – and to going out to work. They are what they do. Planning for succession and retirement involves facing up to mortality.

This book offers a variety of practical and technical suggestions as to ways in which lawyers and other professionals can plan for an enjoyable retirement. I am extremely grateful to each of the authors (solicitors, accountants, a psychotherapist, a career consultant and a financial adviser) who have generously shared their knowledge. Unless otherwise stated, the contents of each chapter of this book reflect contributors' understanding of relevant law and best practice as at 31 March 2025.

This book is designed to be read from beginning to end – specific cross-references between chapters seem unnecessary. You will not find all the answers in this book, but you may be prompted to ask yourself relevant questions. Seek appropriate expert advice to generate answers applicable to your own personal circumstances. If you do not ask yourself those questions and seek answers, nobody else can be relied on to do so for you.

The key point is the importance of planning for retirement. That is a duty you owe to your colleagues, to your clients, to your family and to yourself. My hope is that this book will encourage practitioners to identify the activities – other than those associated with professional practice – that bring pleasure and satisfaction and then to plan a path for retirement that will facilitate active involvement in those activities.

Executive Summary

Most professionals, especially those who own all or part of their firm, find it difficult to think about retirement. Many of those who practise their chosen profession into their 60s and 70s are reluctant to contemplate life without the mental stimulation, companionship, excitement and sense of fulfilment that their work provides. To a great extent, we are what we do – winding down raises questions about self-esteem and our value to society. Professional life increasingly conditions us to place the interests of clients, customers and colleagues so far in front of our own interests that personal and family issues are sometimes neglected, creating additional challenges.

With these challenges in mind, this book encourages proactive retirement planning. In a brand new and updated edition, edited by partnership and employment specialist Ronnie Fox, expert contributors offer up-to-date guidance to navigating the difficult aspects of retirement in the broad context of career planning.

Partner retirement can significantly affect a professional firm's operations, culture and financial stability. In our opening chapter, Corinne Staves outlines how firms can better manage these transitions by following three key principles – *Be prepared. Be right. Be nice.*

Firms face both voluntary and involuntary retirements, and their LLP agreements must be robust enough to handle both. Essential provisions include clear notice periods, powers to place partners on garden leave or to suspend them, and well-drafted clauses for expulsion with or without cause. Flexibility to manage exits – especially for underperforming or disruptive partners – is increasingly seen as a commercial necessity.

Succession planning is critical and should be continuous, not age-based. “Soft landing” arrangements can help ease transitions, offering reduced workloads or consultancy roles, but must align with strategic goals. Poor execution of agreements or failure to follow due process can leave firms legally and reputationally vulnerable.

Unexpected retirements – particularly to competitor firms – pose risks around client retention, data protection and team stability. Investigations,

garden leave and appropriate restrictive covenants can therefore help mitigate these risks.

While mandatory retirement ages are declining due to legal risks around age discrimination, Corinne discusses the use of “waiting room” provisions to stagger exits. Annuities and profit-sharing arrangements post-retirement are rare but require careful design to avoid long-term financial strain. Ultimately, negotiated settlements are the most common and effective way to manage exits. Firms must ensure lawful process, appropriate documentation and avoid vindictiveness. How a firm handles retirements reflects its culture, risk management and long-term resilience.

Chapter 2 explores the legal landscape surrounding partner retirement from the perspective of the individual, highlighting the emotional, financial and strategic complexity of such transitions. Whether retirement is voluntary or involuntary, partners must balance personal objectives with the firm’s expectations and legal framework.

The authors – Ivor Adair and Caroline Field – maintain that the key legal considerations include the terms of the LLP or partnership agreement, particularly around notice periods, expulsion powers, restrictive covenants and entitlement to profit, capital and benefits. They emphasise the need for early planning, transparency and strategic negotiation – especially as disputes increasingly give rise to employment tribunal claims involving discrimination or whistleblowing.

Unlawful or poorly executed compulsory retirements can breach implied duties of good faith or fall foul of the Braganza principles requiring discretion to be exercised rationally and taking into account all relevant factors and ignoring irrelevant factors. The chapter addresses risks posed by mandatory retirement ages, age and disability discrimination, and breaches of fiduciary duties. In a market marked by increased partner mobility, protecting business interests via enforceable covenants is critical. Clawback provisions may also be deployed to deter moves. Ultimately, the chapter advocates for a thoughtful, pragmatic approach to retirement negotiations that acknowledges legal rights, business realities and personal dignity.

Chapter 3 by Andrew Baker explores the accounting and financial issues involved in partner retirement, emphasising the importance of early planning, accurate agreements and transparent processes. With the evolution from traditional partnerships to LLPs and corporate structures, partner succession and capital replacement have become increasingly complex.

The chapter highlights the significance of aligning retirement with the

firm's financial year-end, to simplify accounting and ensure accurate profit allocations. It discusses the impact of new structures, external investment and complex profit-sharing arrangements, especially in relation to performance and long-term investment costs such as technology or real estate.

Special attention is given to the preparation of retirement accounts, valuation of assets (e.g. goodwill, property, WIP), liabilities (e.g. indemnities, dilapidations, contingent claims) and how adjustments should be handled. The chapter recommends clauses to address distortions from accounting standards or performance timing and proposes using profit averages or discretionary adjustments to ensure fairness.

Financial settlement terms – covering profit shares, capital repayment, interest and potential share value – must be carefully planned. Andrew also addresses post-retirement matters such as insurance cover, indemnities, consultancy roles and loss of benefits.

In chapter 4, Nicky Owen looks at the tax considerations that should be undertaken by a partner in the run up to retirement. The chapter covers essential planning points, including changes to equity status, profit share adjustments, capital repayment and the salaried members' rules, which may affect employment status and tax treatment.

A key focus is on understanding how timing of retirement and the firm's accounting year-end influence when profits are taxed – especially under Basis Period Reform. Retiring partners must carefully manage their final profit allocations and the treatment of “additional net profits”, which may be spread across multiple tax years unless accelerated on retirement.

Additional complexities include the impact of capital repayments on interest relief, the taxation of goodwill or service company shares, and the availability of Business Asset Disposal Relief (BADR). Tax reserve policies vary across firms and must be clarified to ensure future liabilities are covered.

Nicky also addresses post-retirement income sources such as annuities, consultancy roles and pensions, highlighting VAT and employment status issues. With the abolition of the lifetime allowance, pension planning remains a technical area where specialist advice is crucial. Early and informed planning is essential to manage tax liabilities and avoid surprises, allowing retiring partners to transition confidently.

Retirement marks a profound personal transition for law firm partners, often triggering emotional and identity-related challenges. Chapter 5 by Micheline Hogan explores the psychological dimensions of retiring from legal practice, particularly when retirement is imposed or inadequately prepared for.

The chapter emphasises the importance of early, structured planning for retirement, explaining that open dialogue with the firm, clients and peers can ease the transition. Gradual retirement – through phased workload reduction or consultancy – can provide continuity and space to adapt emotionally. Personal reflections and peer support are vital. Conversations with retired colleagues can help normalise anxieties and inspire new paths. Retirement can bring fulfilment through hobbies, travel, volunteering or continued contribution via consultancy, if emotional readiness is established.

The chapter illustrates, through various case studies, how unresolved personal grief or over-identification with work may exacerbate retirement challenges. Psychoanalytic approaches show that mourning past losses is essential to embracing new purpose. Ultimately, Micheline advocates that retirement is not the end of relevance or value, but a shift in focus. With self-awareness, support and planning, partners can redefine themselves meaningfully and thrive in their next stage of life.

In chapter 6, Veronica Mann looks at the financial aspects of retirement planning. Using ten key points, the chapter asks readers to picture their retirement and to “know their number” so that they understand how much they’ll need for financial freedom. To do this, retirees must identify their income sources – including pensions, savings and investments – and determine where their future income will come from.

In order to balance risk and reward, readers are encouraged to think about how much risk they are comfortable taking. After all, investment choices today shape financial freedom tomorrow. Pensions and savings must be examined to ensure they are working hard enough, and everything must be optimised for tax efficiency. Plan to draw income in the most advantageous way.

Veronica advises readers to consider inheritance tax and their legacy, as the choices you make now affect what you pass on. Plan wisely to leave the impact you intend. She also advises to build in a safety net. Life is unpredictable so ensure protection is in place for unexpected challenges. In closing, the chapter advises retiring partners to secure lasting powers of attorney and ensure their affairs are handled by someone they trust. Wills must be written and reviewed to ensure they continue to reflect your wishes. Once all these elements are in place, Veronica suggests that retirees can be confident of enjoying their retirement, knowing they are well provided for.

Finally, in chapter 7, Roderick Chamberlain considers retirement from the

perspective of new beginnings, asking whether retirees can now give themselves the time and space to do all the things they might once have wanted to do, before life and work got in the way. Using a “Wheel of fortune” approach, focusing on working responsibilities and the more enjoyable aspects of life, the chapter details the various ways in which retired partners can spend their “golden decades”, from non-executive positions, charity work, spending time with family and developing a new or latent hobby.

It is essential, the author maintains, to cut all ties with the previous career that has taken up so much of your time before now, so as to give yourself the physical and mental energy to do something new. This can be achieved by careful planning, so that the leaving day is a shock to no one, including yourself. He encourages readers to examine the type of life they would like to see themselves experience and to then think of ways they can make this happen. Using experiences from his own career and from guiding others, the author sets out ways in which those approaching retirement can finally begin to put their own interests first, and answer the question, “If I am not for me, who will be?”.

About the editor

Ronnie Fox has practised as a solicitor in the City of London for many years. He helped to achieve recognition for employment law and partnership law as discrete areas of specialisation. Following the creation of the right not to be unfairly dismissed in the Industrial Relations Act 1971, he developed a reputation for advising businesses and senior individuals on golden handshakes. He wrote *Payments on Termination of Employment* – the first edition was published in 1981 and further editions followed in 1984 and 1990.

In the 1990s, Ronnie became aware of pressure from the largest firms of accountants for a new form of partnership that would enable partners to practise with limited liability. He founded the Association of Partnership Practitioners in 1998 and became its first chairman; input from the Association was reflected in the provisions of the Limited Liability Partnerships Act 2000.

Ronnie founded and initially led the practices of two highly regarded law firms – Fox Williams and Fox & Partners. He worked on several Law Society and International Bar Association Committees. Ronnie is a Past Master of the City of London Solicitors' Company and a Past Chairman of the City of London Law Society. He has contributed individual chapters to six different law books, has been extensively quoted in the legal and general press and is the author of over 200 published articles on legal and management topics.

About the authors

Ivor Adair is a partner at Fox & Partners. He frequently acts in contentious partnership and high-value senior executive disputes. He regularly advises professional partners in the legal, accountancy and financial services sector. Ivor has a particular interest in incentive arrangement disputes in the financial services sector and in business protection from employee/partner competition. He has considerable experience advising on sensitive and complex discrimination and whistleblowing claims.

Andrew Baker is a partner in RSM's consulting team with over 30 years' experience advising and supporting professional practices. His diverse client portfolio includes legal businesses ranging from international and large national firms to local regional practices. He advises the legal sector on a wide range of strategic, regulatory and operational matters including supporting clients in developing effective succession strategies to ensure smooth transitions and long-term success.

Andrew regularly provides technical updates and training to clients, regional Law Society groups and ICAEW members. He also contributes his expertise to the ICAEW Solicitors Community Advisory Group. He is committed to the development of future talent in the accounting and business advisory fields. He actively participates in mentoring and guiding the next generation of professionals, ensuring they are well- prepared to meet the industry's evolving demands.

A career guidance consultant from 2000 until 2024, **Rod Chamberlain** engaged with several hundred executives and professionals from a wide range of industries, sectors and countries as they worked their way through significant career change.

Rod was a banker in his earlier career. He has held executive committee and local board roles in investment, corporate and retail banks and securities firms owned by organisations of 11 different nationalities. His board experience spans four decades and five countries, with advisory and non-executive

roles in the commercial, not-for-profit and voluntary sectors. Rod holds an MBA from INSEAD and an MA in economics from Cambridge University. He has also acquired a certificate in occupational testing from the British Psychological Society and the Islamic Finance Qualification. He has lived, to work or study, in Germany, France, Australia and both coasts of the United States. Rod is fluent in German and French, with smatterings of other languages.

Caroline Field is a partner and head of Fox & Partners' litigation practice. She frequently acts on high-value and sensitive senior executive and partner moves. She advises professional partners and firms, typically in the legal, consultancy and financial services sectors. Caroline frequently acts for professional firms in connection with the investigation of partner conduct and in relation to expulsion, compulsory retirement and/or de-equitisation of members or partners, and for individuals responding to such processes. She regularly advises on the strategic handling of partner conduct, performance issues, discrimination and whistleblowing complaints. Caroline has a particular interest in advising on business protection from employee/partner competition. She has successfully obtained and defended injunction applications and brought complex disputes to a successful conclusion following trial and alternative dispute resolution.

Micheline Hogan is an experienced psychodynamic psychotherapist who trained at the Tavistock Clinic in London and worked for NHS Camden and Islington Trusts in both psychological and psychotherapy services. She has many years of experience in private clinical practice based in Golders Green, offering both brief and long-term psychotherapy. In addition to a clinical practice, she co-facilitated experiential medical groups focusing on the awareness of the emotional impact on the doctor-patient relationship. She designs resilience workshops, centred on the same principle but for client-lawyer relationships at law firms that specialise in family law or dispute resolution. Micheline is a French speaker and has citizenship in both the United Kingdom and France. She is a member of the Tavistock Society of Psychotherapists & Allied Professionals and the British Psychoanalytic Council.

Veronica Mann BSc, CFPTM Chartered MSCI is a chartered and certified financial planner, providing independent financial advice tailored to her

clients' unique needs. She specialises in lifestyle planning, inheritance tax mitigation, retirement planning – with or without pensions – family protection and equity release.

With over 30 years of experience in wealth creation and protection, Veronica helps clients shape the lifestyle they desire, while safeguarding their wealth from tax and care fees to provide lasting financial stability. She focuses on supporting individuals in planning for a comfortable, stress-free future. She is an accredited member of the Society of Later Life Advisers. Veronica's primary role is to help clients clarify their life goals and develop a structured action plan to answer the critical question, "Will I run out of money?" She takes a personalised approach, working closely with people navigating major life transitions such as retirement, bereavement or divorce.

Nicky Owen is a seasoned tax partner and head of professional practices at Crowe U.K. LLP. With a career dedicated to advising professional firms, Nicky's expertise spans a wide range of services and clients, from boutique to international Magic Circle law firms. Nicky excels in building rapport with clients, guiding them through their evolving tax positions as individuals and as a firm. Her pragmatic and practical solutions help professional firms and their partners manage their tax obligations effectively, allowing them to focus on their core work. She also leads roundtable discussions and seminars on tax and financial planning for new, seasoned and retired partners. This end-to-end approach gives Nicky invaluable insight that is shared with clients and prospects in thought leadership content. Passionate about the sector, she is a committee member of the Association of Partnership Practitioners.

Corinne Staves is a partner at specialist partnership, employment and regulatory law firm CM Murray LLP. She specialises in partnership and LLP law and advises professional services and financial services firms and individuals on a full range of matters. These include establishing new businesses, governance and compensation arrangements, international structuring, transactions (including mergers, LLP conversions and sales/investments), partner and team moves and regulation (including reporting and professional discipline).

Corinne co-authored *LLP and Partnership Law: A legal and practical guide* (Lexis Nexis, 2024) and was the first female chair of the Association of Partnership Practitioners. *Chambers and Partners UK 2025* ranked Corinne a "Star Individual" in Partnership (Non-Contentious) and "Spotlight Table" for

Partnership (Large International Structures), and Legal 500 UK 2025 ranked Corinne as a “Leading Individual” in the area of Partnership law, commenting that “Corinne Staves is a guru in the partnership world”.