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Employed and Self Employed

Contract of service = employed

Contract for service = self employed

Test: Under whose “direction and control do I work?”

Self Employed; Claim all costs “wholly and exclusively” for purposes of employment

Employed: Claim all costs “wholly, exclusively and necessarily” for purposes of employment

Employed persons get holidays and other benefits ie maternity, redundancy, unfair dismissal, hours of work protection, PAYE allowance but pay BIK and PRSI at A1 PRSI usually.

Self employed may claim a broader list of expenses and pay PRSI at S1 rate normally.

10 Things a Self Employed GP Should Know

1. Make a will
2. The retirement plan, five elements: family home, state pension, self administered pension, have practice sale ready and private investments.
3. The three partnership tests: Style, profit and elephants.
4. Partnership agreement
5. Buy years if possible in defined benefit pension scheme
6. Maximise your pension contribution
7. Have a business plan for career/practice
8. Pick your accounting year end carefully
9. You have a limited earning capacity so create non practice streams of income that are capable of being sheltered from tax.
10. Patients judge you not by what you do but by what they understand.

Partnership Agreement

1. Who the parties to the agreement are.
2. What the salary of each partner is to be.
3. What share of profits/loss each partner is to take.
4. Name of the partnership.
5. Statement of partners exclusivity to the partnership.
6. The capital to be introduced by partners and when/if it may be drawn.
7. Criteria regarding the engagement/dismissal of staff.
8. A short note regarding family members.
9. Who the partnerships solicitors, accountants and brokers are to be.
10. Who can sign the cheques alone and at what level.

- 11. Who will deal with the administrative affairs of the partnership, insurance, EHB, GMS, Annual Accounts etc.**
- 12. Rules regarding admission of future partners.**
- 13. Rules regarding the acquisition of assets over a certain value including leases and loans.**
- 14. The regularity, frequency, venues and agenda for partnership meetings.**
- 15. The provision for death/retirement of partner.**
- 16. Confirmation of goodwill to be included and if so at what value. Also, basis for calculation of goodwill.**
- 17. Keyman insurance details.**
- 18. Grounds for removal of partner.**
- 19. Hours of work and annual leave.**
- 20. Pension provisions.**
- 21. Arbitration provisions.**

Thank You For Your Attention

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