

Popular Threads on Solosez

Informing Clients of Rate Increase

I've decided, for the clients I bill hourly, to go from billing in tenths of an hour to billing in quarter-hours. After surveying several local solos, I discovered I was alone in billing in tenths (unless an insurance company was billed).

I'm working on how to word the notification to the affected clients. All I have so far is:

I am writing you today to give you notice of a small change in my billing methods. Effective August 1, 2009, I will measure time spent on a matter in increments of one-quarter of an hour.

Thank you for taking notice of this change.

Can you suggest some better wording?

"Love It or Leave It"

Murray Stewart Pearlman, Illinois

I put notices on my bills that effective XXX date (the 30 days required by language in my engagement letter) that my hourly rate will be YYY and my assistants' will be ZZZ and please contact me if there are any questions. I suppose I could add language that references the terms of the engagement letter. I've never had it be an issue with a client.

Deborah G. Matthews, Virginia

One addition...

Explain why it is their best interests that you have changed your billing parameters...something like this:

"Because of the requests that phone calls not be rushed in order to meet my previous billing system of billing in 1/10s of an hour and causing calls to be rushed, I've listened (to others attorneys) and changed my billing rates to 1/4 of an hour instead. This new billing becomes effective 35 days from the above date of this letter.

I hope this aids in causing people to not feel so rushed on the phone and with meetings. I always appreciate your input and hope you will continue to suggest ways I can improve my office to better suit your needs"

Matthew Williamson, California

Make certain that you have it in your agreement that you can raise the rates at certain times with x amount of notice. My hourly rate agreement says that in January of each year, rates may increase or decrease (they like that word, decrease) depending on circumstances of my practice. It states that they will get 30 days notice that their contractual rate will change and that they may at that point, end the representation if they do not wish to have the new rate. P.s I have never changed my rates that way. I just decided at what point to begin charging more and just made it for new customers and let the old ones keep the rates. Of course, my contracts

are very specific and end when the specified work ends, so when something else comes up, and it inevitably does, with that client, I can choose which rate to charge them, the one they had or the one I am charging new clients.

Micah G. Guilfoil, Kentucky