**SAMPLE** GP Partnership Legal Agreement

**Note:**

**This document is for illustrative purposes only and does not purport to offer legal advice. Doctors are advised to seek legal advice on setting up General Practice Partnerships**

THIS PARTNERSHIP DEED is made the day of

Between Dr. (hereafter

called and

**RECITALS** **1** The parties to this Deed are general medical practitioners conducting general medical practice and shall during the continuance of this agreement carry out such practice for their mutual benefit as is hereinafter provided.

**DURATION 2** The partnership shall commence on the XXXXX and shall continue during the joint lives of the partners unless previously determined in respect of any one partner under the provisions hereinafter contained. The outgoing from the partnership death or bankruptcy of any individual partner shall not dissolve the partnership as between the other partners.

**NAME 3** The partnership shall be called Dr. and Dr.

**AND**  and shall be conducted from the surgeries and consulting

**ADDRESSES**  rooms at (i)The Surgery

 and (ii)

 or at such other place or places as the partnership shall from time to time determine.

**USE OF 4** Each partner hereto shall have full and equal use of all the

**PREMISES** surgeries and consulting rooms.

**ITEMS 5** Each partner shall at his own expense provide the following

**PROVIDED**

**BY PARTNERS** a) a motor car

1. a telephone at his own residence
2. his own surgical and diagnostic instruments as may be necessary for the performance of his duties in the practice
3. and any such items as may be determined by the partnership from time to time

**PARTNERSHIP 6** a) The capital assets shall consist of:

**CAPITAL**

 (i) The leasehold premises at centre and the lease on the surgery, as listed in clause 3.

1. The present stock of surgical instruments, equipment, medicines, drugs, dressings, furniture and fixtures in the said surgeries and consulting rooms as set out in Schedule one attached hereto.
2. Each partner will own a share in the capital proportionate to his share in the profits of the partnership as hereinafter stated being fifty per centum.

An incoming partner will purchase a share of the capital in proportion to the first year’s share of the profits and thereafter will purchase an additional share of the capital in proportion to his share of the profits.

1. If at any time hereafter any further capital is required by the partners for the purposes of the partnership, each partner will contribute to the capital of the partnership in the same proportions as the amounts for the time being standing to the credit of their respective capital accounts bear to the total of such amounts.

 \*d) The assets referred to in sub-clause a(i) and a(ii) shall be valued when necessary by an independent professional valuer and always when a change in the partners to the partnership takes place.

1. On the expiry of a notice to retire under clause 25 hereof or on the service of a notice of expulsion under clause 26 hereof or upon the death of a partner, the share of the capital assets held by the outgoing partner shall be purchased by the remaining partner at a price to be fixed by an independent professional valuer to be appointed by the partners or in the event of disagreement to be nominated by the Secretary of the ICGP. The share of the capital assets held by such outgoing partner or his representatives shall within twelve calendar months be purchased by the remaining partner at such price.

 \*NB Where the assets include practice premises such valuation may be based on either current market value or cost of acquisition whichever is the greater.

**EXPENSES** **7** The following expenses shall be expenses of the partnership and so treated in the accounts hereinafter provided for

* 1. the remuneration of all employees engaged in the service of the partnership
	2. the rent and mortgage and other outgoings of all the surgeries and consulting rooms
	3. debts, losses or damage incurred in the carrying on the partnership
	4. the cost of all medicines, drugs and instruments and other things necessary for the carrying on the partnership
	5. the cost of keeping proper accounts and the preparation of a proper balance sheet and
	6. any other expenses agreed by the parties hereto to be an expense of the partnership

**BANKERS 8** The bankers of the partnership shall be

**PARTNERSHIP 9** Partnership income shall include

**INCOME**

1. All fees, allowances and remuneration paid to the partnership or any one of the partners arising out of practise related to the surgeries and consulting rooms outlined in clause 3.
2. All income generated outside of the practice premises and area as outlined in clause 3 shall be deemed to be private income of that partner and shall not be deemed the property of the partnership.
3. All partnership income shall be paid into the partnership account.

**PARTNERSHIP 10** The partnership shall keep or cause to be kept

**BOOKS**  proper books of account and proper entries shall be made therein to show the assets and liabilities of the practice. The partnership books shall be kept at the principal place of business of the partnership or at such other place as the partners shall agree upon and every partner may when he thinks fit have access to and inspect and copy any of them.

**ACCOUNTS 11** a) General account shall be taken annually on the first day of April of all the receipts, payments, transactions and engagements of the partnership during the then proceeding year and of all the capital property engagements and liabilities for the time being of the partnership.

1. The partnership accountants shall be as the partners may from time to time agree
2. In taking such an account a just valuation shall be made of all items requiring and capable of valuation.
3. Such general accounts once prepared shall be signed by each of the partners.
4. When signed the accounts will be binding on all the partners however where a material error is identified within six months of such signature such an error shall be rectified. Where a tax liability arises from the rectification of the error any partner leaving the partnership between the signing of the accounts and the identification of the error shall indemnify the remaining partners for his share of that tax liability.

**PROFIT SHARES** **12** The profits of the partnership as shown by the accountants prepared as aforesaid shall be divided between the partners equally.

**PARTNERS’ 13** Each partner shall be entitled to draw a monthly

**DRAWINGS** sum to be agreed by the partners from time to time which shall be brought into account in determining his share of the profits provided that:

1. if any profit and loss account of the partnership shall show that in the period covered by the account any partner has drawn in excess of his share of the profits for that period such partner shall repay the excess forthwith and
2. each partner shall be entitled to draw out of the partnership bank account the undrawn balance (if any) of his share of any profit and loss account shown therein.

**PARTNERSHIP 14** The partnership shall set aside such reserve against

**TAX** joint tax liability of the partners as the partnership accountants shall from time to time advise.

**CONTINUATION 15** a) If the partnership accountants so advise on the

**ELECTION** admission or outgoing of a partner or partners, the partner shall elect to be assessed to tax on the basis that the former business continued and such election shall take place within two years of the date of the change and will be signed by all the living members of the old and new partnership or in the case of a deceased partner by his personal representatives under the current income tax legislation as it affects the partnership from time to time.

1. The incoming and outgoing partners will be indemnified by the continuing partners against any additional personal tax liability arising from such election.

**PARTNERS 16** Each partner undertakes to employ himself

**DUTIES AND**  diligently in the practice and to use his best

**OBLIGATIONS** endeavours to promote the interests thereof and shall deal faithfully and justly with the other partners.

**GIFTS 17** All gifts arising the practice outlined in clause 3 above a value of XXXX and to be reviewed from time to time shall become partnership capital unless the partners agree otherwise.

**POWER TO 18** Any ordinary matters connected with the

**MAKE**  partnership business may be decided by a majority

**DECISIONS**  of the partners.

**ACTS 19** No partner shall without the consent of all partners

**REQUIRING**

**THE CONSENT** a) engage in any activities as a medical practitioner

**OF ALL**  outside those of the partnership.

**PARTNERS** b) introduce a new partner

1. engage or dismiss an employee of the partnership
2. change the nature of the partnership business
3. charge, sublet, assign, sell, transfer, lease, mortgage any part of the partnership property
4. forgive the whole or part of any debt or sum due to the partnership
5. become bail guarantor or surety for any person or do or knowingly suffer anything whereby the partnership capital may be endangered.

**MEDICAL 20** Each partner shall become and throughout the

**INDEMNITY** duration of the partnership shall remain a member of a registered medical indemnity society.

**LEAVE** **21** Each partner shall be entitled to:

1. XXXX annual leave at times to be mutually agreed.
2. A maximum of XXXX weeks study leave annually at times to be mutually agreed.
3. Any other absence as may be agreed by the partners or required by legislation.

When the partners agree that exceptionally locum cover is required for the annual/study leave of the partner(s) the expense of such locum cover shall be a partnership expense.

**INCAPACITY 22** In the event of a partner absenting himself through

illness or accident or pregnancy the other partner shall be at liberty to engage at the expense of the partnership a competent registered medical practitioner as a locum tenens for such absent partner PROVIDED ALWAYS that:

1. if such absence continues for more than twenty six consecutive weeks or for a total of more than one hundred eighty three days during any period of twelve consecutive calendar months the expense of engaging such locum tenens shall in respect of such period in excess of twenty six weeks or one hundred eighty three days respectively be borne and paid by the absent partner.

PROVIDED FURTHER that if monies are received from the Health Board in respect of the period during which the expense of engaging a locum tenens is to be borne and paid by the absent partner then the absent partner shall be entitled to retain such monies in part or full reimbursement for providing a locum tenens.

PROVIDED FURTHER that nothing herein contained shall be taken to imply a right for any partner to absent himself to the neglect of his duties in respect of the partnership PROVIDED ALSO that if any monies are received from the Health Board in respect of the period during which the expense of engaging such locum tenens is borne and paid by the absent partner then the absent partner shall be entitled to retain such monies in part or full reimbursement for providing a locum tenens.

The partnership shall take out health insurance for income protection and locum expenses which may be incurred as above.

**VOLUNTARY 23**  A partner may retire on giving to the other partners

**RETIREMENT** not less than twelve months written notice.

**EXPULSION 24** If any partner:

1. shall become bankrupt or insolvent or compound or make any arrangement with his creditors or
2. shall grossly neglect the practice of the partnership or
3. shall commit any grave or persistent breach of the provisions herein contained or
4. shall be guilty of habitual insobriety or of flagrantly immoral behaviour or of any other behaviour or conduct likely to have a serious adverse effect on the partnership practice or
5. shall be guilty of any grave persistent breach of the ethics of the medical profession or
6. shall have his name erased or suspended from the Medical Register or
7. shall be compulsorily detained in hospital for twenty six weeks or received into guardianship under the Mental Health Act 1945 or any subsequent legislation or shall be incapacitated from performing his fair share of the work of the practice for more than six consecutive calendar months or for a total of more than one hundred eighty three days during any twelve consecutive calendar months

Then and in every such case the other partner may terminate the partnership as regards such partner by service of a notice in writing and immediately upon the service of such notice such partner shall cease to be a partner of the partnership PROVIDED that if any question shall arise concerning the existence or exercise of the power conferred by this clause such question shall be referred to arbitration as set out below.

**RETIREMENT 25** An outgoing partner shall not during the period of

**CLAUSE** three years following his retirement or expulsion and within a radius of two miles from any premises where the practice is carried on at such date attend as a general medical practitioners any person who was a patient of the partnership practice at the date of such retirement or expulsion.

**ARBITRATION 26** If during the continuance of the partnership or at any time afterwards any dispute difference or question shall arise between the partners or their respective representatives touching the partnership or the accounts or transactions thereof or the determination or winding up thereof or the construction meaning or effect of this deed or otherwise in relation to the premises such dispute difference or question may be referred by any partner for decision by a single arbitrator agreed upon by the partners or failing agreement to be appointed by the Secretary for the time being of the ICGP or the Irish Medical Organisation such arbitration to be binding on all parties.