

Billing for AI-Assisted Legal Work: An Ethics-First Framework for the Post-GPT Invoice

Busy doesn't pay. **Billing does.**

Your day is full. Your invoices are not. Emails, calls, quick edits? TimeSolv tracks it all for you.

Try for free

Law firms may have eyed AI with hesitation at first, but many have officially welcomed it into the workflow. AI tools have earned their place in legal practice beyond experimentation because firms see how they're saving real time in everyday workflows.

But in a profession that is strictly held to ethical responsibilities and led by bar guidance, how are lawyers actually billing for AI-assisted legal work?

When a task that once took four hours now takes only two, how many hours land on the client invoice?

Is it an ethical violation if a client doesn't know their [lawyer used AI tools to handle administrative or research tasks](#) related to their case?

How can client transparency concerns be addressed when the legal industry is still waiting for comprehensive guidance from the bar?

Let's look at the most common AI usage scenarios and a decision framework that can help your law firm responsibly and fairly bill AI-assisted legal work.

What Professional Responsibility Requires Before AI-Specific Guidance Exists

Long-standing professional rules and obligations for lawyers already cover many of the responsibilities that overlap with AI-assisted work.

From client communication standards and pricing expectations to the supervisory responsibility concerning non-lawyer assistance, billing ethically in the age of AI means looking deeper into that existing guidance.

Relevant formal opinions and [model rules outlining legal conduct standards](#) include:

- **[Formal Opinion 512 \(AI Conduct\)](#):** Lawyers using generative AI (GAI) are still held to ethical and professional standards regarding competence, confidentiality, and pricing.
- **Model Rule 1.4 (Communication):** Clients must be reasonably informed to understand and make decisions about legal counsel and representation.
- **Model Rule 1.5 (Reasonable Fees):** Lawyers must charge clients a fee aligned with the time, difficulty, experience level, and labor required to complete billable work.
- **Model Rule 5.3 (Non-Lawyer Assistance):** Lawyers must supervise work assisted or completed by a non-lawyer for compliance with professional legal obligations, including work performed by administrative staff or third-party tools.

Even with these rules and standards as a template, firms already using AI are still waiting for official bar guidance to answer a key ethics question.

Is it reasonable to bill the same amount or number of hours for work that AI helps complete? Or is it a direct violation of Model Rule 1.5?

4 Common AI-Assistance Scenarios and How Each Should Be Billed

While AI-related professional guidance is still coming into focus, applying a decision framework based on existing rules and standards is a helpful approach to law firm AI ethics and billing transparency.

Use Case 1: Research

Research has been one of the leading AI use scenarios for lawyers because referencing current laws, past rulings, strategy, and legal precedent is time-consuming.

Now that AI platforms are reducing the time needed to locate relevant information, many lawyers' research hours have been cut considerably.

How to Bill It Ethically

Billing for research under the hourly model requires lawyers to track and bill the actual number of hours that research took—and that includes research completed with the help of AI.

It would be unethical for a lawyer to continue billing the number of hours they normally would for research when the actual time invested was reduced. But fairly billing for research done with [legal AI tools](#) doesn't have to mean a drastic cut in billable hours.

Lawyers are still responsible for creating clear prompts, verifying and cross-checking output, and applying personal legal judgment and experience to the information received. Each of those represents billable time.

Use Case 2: Drafting

Many law firms are finding success using generative AI tools to help with drafting pleadings, contracts, client communications, and other documents.

But when drafting is completed faster, and [professional guidance prevents billing for hours that were never worked](#), lawyers must invoice carefully.

How to Bill It Ethically

Time spent drafting matter-related documents or communications should be billed to the client based on the actual number of hours the lawyer invested, not the same number of hours drafting would have taken without the use of AI.

It's important to note that the time invested with AI-assisted drafting work can include:

- Prompting AI tools to create specific drafts
- Reviewing and revising the output received
- Exercising legal judgment and verifying accuracy
- Preparing the output into a finalized version for official use

[Formal Opinion 512 makes this obligation clear](#) with an example: A lawyer who drafts a pleading in 15 minutes with AI can reasonably charge a client for that amount of time, plus any reasonable amount of time spent reviewing and adjusting the output to create a final draft.

Charging for the hypothetical amount of time a draft would have taken to complete without AI is not permissible under current guidance.

Use Case 3: Document Review

Lawyers are using AI tools to review existing documents faster and more efficiently. While it once took hours to manually read through long files, documents can now be uploaded and reviewed in minutes.

What's important is that the amount of attorney time spent on review is accurately tracked and that the appropriate security and confidentiality measures are taken when uploading files to AI-connected platforms.

How to Bill It Ethically

Document review, like document drafting and research, should be billed to the client based on the actual billable time invested by the lawyer.

In review, this can include:

- Preparing files for upload (redacting confidential information, providing context for AI prompt, etc.)
- Checking the document to verify any results or output received
- Using legal judgment to make decisions, revisions, or recommendations based on the review

As long as time is tracked and documented correctly and the final product is verified for accuracy, it is reasonable and ethical for a lawyer to bill for AI-assisted review.

Busy doesn't pay. **Billing does.**

Your day is full. Your invoices are not. Emails, calls, quick edits? TimeSolv tracks it all for you.

Try for free

Use Case 4: Automation

Automated workflows that utilize AI technology are making it possible for lawyers to increase output, reduce administrative work, and scale, even with a small team. Firms use automated, AI-powered workflows to [manage client intake](#), three-way trust accounting reconciliations, billing, month-end reporting, and more.

But more efficient workflows that save time across the firm may require very little lawyer time and bring the viability of hourly billing into a new gray area.

How to Bill It Ethically

Like other AI-assisted legal work, tasks that have been automated must be billed for on a basis of the true time invested by the lawyer or staff member.

This can include making adjustments and configurations to automated workflows, personalizing or updating outputs based on client or matter details, reviewing finalized deliverables, or simply applying judgment to review a generated form, invoice, report, or email.

The Efficiency Windfall Is the Hardest Question in AI Billing

There's no question that legal work moves faster with AI. A manual process that previously required four attorney hours may only take 45 minutes with the help of AI.

It's great for efficiency, but the way law firms bill for that task has to follow professional conduct standards.

The ABA's guidance is clear here: Lawyers may only bill the hours that were worked. [Improved efficiency](#) doesn't eliminate that responsibility when billing on an hourly basis.

With this understanding, lawyers may see three basic options to ensure ethical billing:

1. Continue billing by the hour with an overall reduction in billable time
2. Move to fixed, subscription, or value-based billing to accommodate increased efficiency
3. Use a hybrid billing approach with hourly billing for manual tasks and fixed billing for AI-assisted legal work

For most firms using AI, the clear answer lies in fixed, value-based, or hybrid billing.

Don't Let AI Efficiency Gains Penalize Your Firm: The Rise of Flat-Fee and Subscription

Models

The more efficiently a lawyer can complete work with AI support, the fewer hours there are to bill under the hourly billing model. In short, efficiency can be penalized with this pricing model.

That's why [flat or fixed fees](#), subscription-based, and value-based pricing structures may be better suited to billing for AI-assisted legal work. The client's outcome and the underlying value of the service still stand, even when AI is used to accelerate the process.

- **Flat or fixed fee billing:** Client pays a set price for a pre-defined service
- **Subscription-based billing:** Client pays a recurring fee for ongoing legal services
- **Value-based billing:** Client pays a fee based on the complexity, value, or outcome of the service

That can make these models, or a hybrid blend of two or more, a more natural fit for AI-assisted work.

If research that once took three hours can now be completed in one, the client still receives the legal expertise and outcome they hired the lawyer to provide.

Under [these billing models](#), lawyers get the ability to charge a reasonable fee without inflating the actual number of hours worked or violating professional conduct standards.

The Disclosure Obligation: What to Say, Where, and When

Are lawyers required to disclose AI use to clients? Depending on the usage parameters, legal invoice AI disclosure is recommended to maintain billing transparency under ABA Model Rule 1.4.

Lawyers are expected to tell clients about the tools and means used to complete work on a matter, including offering enough information that a

client can make an informed choice about their legal representation.

AI use would certainly fall into that category.

Where to Disclose Legal AI Use

- **In the engagement letter:** If AI will be used to support, deliver, or offer legal services, state that upfront. Briefly explain that the firm may use AI-assisted tools, that lawyers remain responsible for the work, and how any related fees or expenses will be handled.
- **On the invoice:** If a client is being charged separately for an AI-assisted service, it should be disclosed. Otherwise, describe and bill for only the work the lawyer performed, not hypothetical hours that would have been billed if the work was completed manually.
- **In client communications:** If AI use is widespread in outgoing communications, note it and address [how the firm is handling confidentiality](#), security, accuracy, and final review to ensure they can make informed decisions about legal representation.

Sample Invoice Language for AI-Assisted Work

Disclosing AI use on a client invoice can be done in a brief and ethical manner when the right language is used. Consider the following messaging guides when your firm uses AI to support research, drafting, review, or workflow automation.

Research Acceleration

"Researched applicable case law and authorities; reviewed and verified AI-assisted research results; analyzed application to client matter."

Drafting Assistance

"Prepared and revised draft motion; reviewed AI-assisted draft for legal and factual accuracy and finalized arguments."

Document Review

"Reviewed employment contract for key risks and inconsistencies; evaluated AI-assisted issue flags and provided recommended revisions."

Workflow Automation

"Reviewed automated matter output for accuracy and completeness; made matter-specific revisions and approved final work product."

Does Your Billing Software Support AI Billing Compliance?

AI has opened the door to greater efficiency in law firms, small and large. Now, the billing systems that operate behind the scenes have to keep pace.

If your firm is using AI-powered tools to increase capacity for client work, make sure your billing software is built to help keep your invoices clear, compliant, and defensible.

TimeSolv gives firms the flexibility to keep billing clear as AI becomes a bigger part of the work.

With real-time passive time tracking, matter-level billing controls, and customization options that allow for clear disclosure, compliant entries, and hybrid billing models, small firms can confidently bring AI into the workflow without creating unnecessary risk.

See how your firm can build that level of transparency into every bill. [Book a TimeSolv demo now](#) or [try it free for 10 days](#) with no credit card required.