

Intermediary Guide

Providing you with all the tools to assist your clients

So what are the benefits of our equity release Property Plans?

Guarantees your client can leave an inheritance with a Protected Share – yet still raise the same amount of money as they would on a lifetime mortgage



The only home reversion plan that ensures your client receives full payment for the share of their property they transfer at the start – tax free



Your client's estate will not be penalised should they die earlier than expected, as our share in their property only grows over time



Enables flexibility. Your client can sell their property or cancel at any time should their circumstances change for better or worse



It's still your client's home. We own the property jointly and work in partnership with them



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The Property Plan

– a home reversion plan that provides a real alternative to the lifetime mortgage

The Property Plan is a type of home reversion plan with no upfront discounting. We will buy a right to own a share of your client's home for its market value and they can continue living in their home for the rest of their life. Every month our percentage share in their property will increase at a fixed rate set at the time the Property Plan is taken out up to an agreed maximum and their share in the property will decrease.

When they die, the property will be sold and we will deduct our share of the money received from the sale, and the costs of sale, before paying any remaining funds to their estate. The Property Plan terms are transferable to another suitable property should they wish to move home.

Equity Release

– an important option

As more and more of us look at how we aim to fund our retirement, equity release has become an increasingly important tool in the mix of options to consider. It's hardly surprising when you think that we are expected to live longer and may be planning for a retirement of around forty years – during which many things can change.

It's an uncertain world – the value of any equity release product is dependent on future house prices, how long your client lives and when they die in the property cycle.

Many retired people still have parents living and may still inherit at some future date. And whilst we all want to guarantee that we can live in our house for the rest of our lives, we also want the freedom to move or sell-up should we wish.

Add to all this the future developments in equity release products – in five years time will your client be asking you for the latest innovation that his neighbour has just taken out? At what cost will you be able to switch him?

Key Features of the Property Plan

- ▶ Tax-free cash lump sum
- ▶ Flexible options for changes in the future
- ▶ Guarantees your client can leave an inheritance with a Protected Share
- ▶ Cancel the Property Plan at any time by paying us the value of our share of the property (refer to Early Cancellation Charges overleaf)
- ▶ The certainty of knowing exactly what they own or is available to their beneficiaries
- ▶ Safe and secure product complies with the SHIP code of practice and is FSA authorised and regulated

Who is Retirement Plus?

Retirement Plus is a Milton Homes company which specialises in providing equity release products to homeowners aged 65 and over. Retirement Plus is authorised and regulated by the Financial Services Authority (FSA) and is a member of SHIP (Safe Home Income Plans). Retirement Plus will only accept business from customers who have received advice from their own financial adviser who must be registered with the FSA and be qualified to advise on equity release.



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How the Property Plan works

Let's say your clients are a couple aged 70. Their home is valued at £200,000 and they wish to raise £40,000 – the Amount Released through the Open Options Property Plan. In this case that's 20% of the value of their home, so Retirement Plus will have the rights to a starting percentage of 20%. Their initial share is 80%, in other words £160,000 of the value of their home.

The share of their property that we would be entitled to increases by a rate that's fixed at the beginning of the Property Plan. If this fixed rate is 0.64% per month, then our share at the end of the first year will have increased from 20% to 21.59% of the value of the property. And so on, as illustrated in the table below.

The maximum our share can grow to will be fixed. In this case, our maximum share is 53.34% – so your clients have a Protected Share of 46.66%.

Table A Illustrating the Client's Share and the Retirement Plus Share

This table illustrates how the Retirement Plus Share increases and how part of the property always belongs to your client – the Protected Share – no matter how long they live. The rate at which our share increases is 0.64% per month. The starting percentage is 20%. The protected share is 46.66%.

Start of the year	Our share at the start of the year	Their share at the start of the year	Their protected share	Their share of future value	How the share ownerships change over the years*
1	20.00%	33.34%	46.66%	80.00%	1.59%
2	21.59%	31.75%	46.66%	78.41%	1.72%
3	23.31%	30.03%	46.66%	76.69%	1.85%
4	25.16%	28.18%	46.66%	74.84%	2.01%
5	27.17%	26.17%	46.66%	72.83%	2.16%
6	29.33%	24.01%	46.66%	70.67%	2.33%
7	31.66%	21.68%	46.66%	68.34%	2.52%
8	34.18%	19.16%	46.66%	65.82%	2.72%
9	36.90%	16.44%	46.66%	63.10%	2.93%
10	39.83%	13.51%	46.66%	60.17%	3.17%
11	43.00%	10.34%	46.66%	57.00%	3.43%
12	46.43%	6.91%	46.66%	53.57%	3.69%
13	50.12%	3.22%	46.66%	49.88%	3.22%
14	53.34%	0.00%	46.66%	46.66%	0.00%
15	53.34%	0.00%	46.66%	46.66%	0.00%
16	53.34%	0.00%	46.66%	46.66%	0.00%
17	53.34%	0.00%	46.66%	46.66%	0.00%
18	53.34%	0.00%	46.66%	46.66%	0.00%
19	53.34%	0.00%	46.66%	46.66%	0.00%
20	53.34%	0.00%	46.66%	46.66%	0.00%

*Our share will increase and their share will decrease by this amount during the year.

In this example, Retirement Plus would own a 53.34% share of the property after 12 years and 10 months. The Protected Share has been rounded down to the nearest whole number to simplify this illustration.

Property Criteria

We are constantly looking for ways to improve the options available to your clients. To check out our latest offerings visit our website www.retirement-plus.co.uk/downloads.html.

Don't forget

The Protected Share is the minimum share of the property that they would own which in this case would not be reached until after 12 years and 10 months. Should they wish to sell or die before that time, we would own a smaller share – say after 5 years our share would be 27.17%. The property would be sold; we would take 27.17% of the sale proceeds, deduct the sales costs and the balance would be repaid to the applicants or in the event of their deaths, their estate.

FAQs

To make sure we always stay right up to date with what you need to know, our FAQs are constantly reviewed and can be found at www.retirement-plus.co.uk/faqf.html.

Property requirements

- ▶ The property should be of standard construction and in a good state of repair
- ▶ Freehold or leasehold (subject to a minimum lease term remaining of 85 years)
- ▶ Properties should be a single dwelling unit occupied by the applicant(s) as their main residence
- ▶ Any other occupants or business usage must be authorised by Retirement Plus
- ▶ The property must have buildings insurance covering standard perils and risks for the full re-instatement value. This must be placed in joint names with Retirement Plus at the start of the Property Plan

Valuations

- ▶ Upon receipt of the application, we will instruct a firm of surveyors to carry out an independent valuation. The firm will be aware that their valuation is subject to a binding complaints procedure that is available to us and your client and that they will owe a duty
- ▶ Alternatively, your client may choose their own suitably qualified valuer from our approved panel – please contact us for further information

Unacceptable properties

- ▶ Freehold flats and maisonettes
- ▶ Properties under 10 years old without a NHBC Certificate, Zurich Municipal Insurance, Architects Certificate or similar
- ▶ Properties of a concrete, high alumina cement, steel frame or pre-fabricated construction
- ▶ Properties that are designated defective under the consolidated Housing Act 1985 as amended
- ▶ Mobile homes or houseboats
- ▶ Farms, smallholdings or properties with agricultural restrictions
- ▶ Properties subject to any shared ownership or equity sharing arrangement
- ▶ Flats in blocks with more than seven floors of living accommodation
- ▶ Leasehold properties where the freeholder is the Local Authority
- ▶ Properties affected by planning issues such as compulsory purchase, clearance, etc
- ▶ Any property not recommended as suitable for purchase by the valuer

Properties that may be considered by prior agreement

- ▶ Properties with any form of business usage
- ▶ Properties with sub-letting or lodgers
- ▶ Timber framed pre-1965
- ▶ Thatched roofs
- ▶ Sheltered accommodation
- ▶ Flats over commercial premises

Retentions

- ▶ If the valuer states that essential repairs to the property are required, the applicant(s) will be asked to sign an Undertaking to complete these works within six months. Monies equivalent to the estimated cost of repairs will be retained from the Amount Released until such time as the works have been carried out. Once the repairs have been completed the valuer will re-inspect the property. A re-inspection fee is payable, see our Tariff of Charges. If the works have been completed to a satisfactory standard, the retained monies, less the re-inspection fee, will be paid to the applicant(s). Please note that the calculation of the Retirement Plus share will be made on the basis that the whole of the Amount Released has been paid at the start of a Property Plan

Portability

- ▶ The benefits of a Property Plan may be transferred to another suitable property, subject to terms and valuation at the time of application. If the new property is lower in value than the original, causing the Retirement Plus share to exceed its limits for the property, then Retirement Plus may need to be paid for part of its share in order to return it to an acceptable level. The residents will be charged an administration fee and will be responsible for the legal costs of Retirement Plus and all the costs incurred in the sale and move, including any SDLT

Early cancellation charges

- ▶ These are product specific and will be outlined in the KFI

Check out our calculator

– at www.retirement-plus.co.uk

It's simple to check out just how much your clients could release
– just click on the icon on the Financial Adviser homepage.

No log-in required

STEP
1

Calculator Lozenge

Calculate
the maximum
release here
No need to
register



STEP
2

CALCULATOR

Details

Applicants

ONE

TWO

Age

78

75

Male or Female

Male

Female

Estimated property value

100,000

Find the maximum amount available

OR enter the amount to raise (eg £40,000)

OR what minimum % of the property do you wish to retain as a 'Protected Share' (eg 20%)

The minimum share you can retain is 5%

Product

Open Options Property Plan

CALCULATE

Calculation

We will pay

£44,799

Our initial share is

44.80%

which increases monthly

and will take

10 years 6 months

SHOW THIS YEARLY

to reach its maximum level of

99.90%

The 'Protected Share' is

0.10%

The 'Protected Share' is the minimum share that your client will always have. At any time your client's total share will be 100% less the Retirement Plus share.

This is a guideline only

STEP
3

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CALCULATOR

Yearly Increases

The **Protected Share** is the minimum share that your client will always have

Year	Our share at the start of the year	Your share at the start of the year
1	44.80%	55.20%
2	48.36%	51.64%
3	52.21%	47.79%
4	56.37%	43.63%
5	60.85%	39.15%
6	65.69%	34.31%
7	70.92%	29.08%
8	76.56%	23.44%
9	82.65%	17.35%
10	89.23%	10.77%
11	96.33%	3.67%
12	99.90%	0.10%
13	99.90%	0.10%
14	99.90%	0.10%
15	99.90%	0.10%
16	99.90%	0.10%
17	99.90%	0.10%
18	99.90%	0.10%
19	99.90%	0.10%
20	99.90%	0.10%

This information is for general use only. Ask your financial adviser for a personal key facts illustration.

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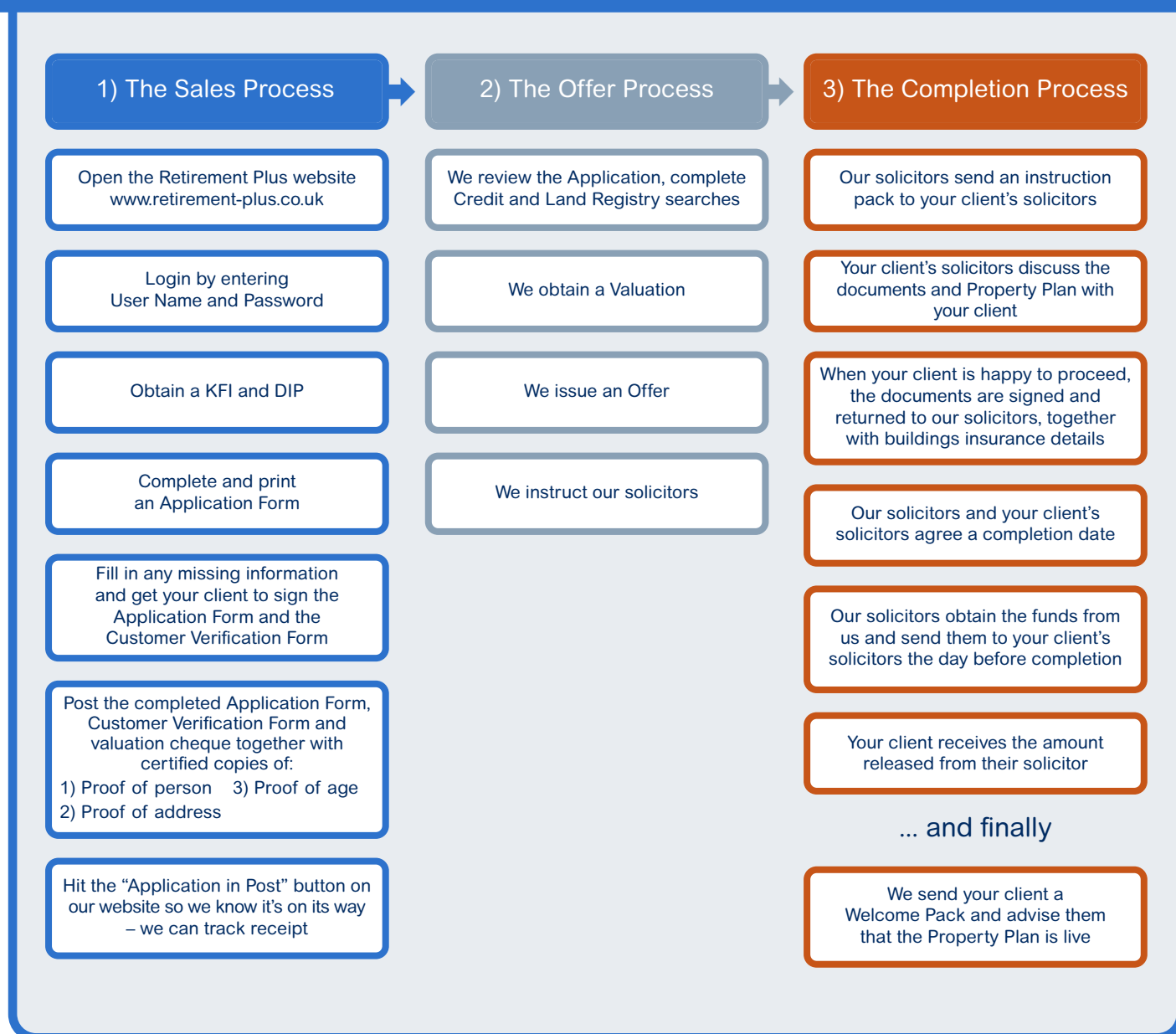
It's always your client's home

We want your client to continue to enjoy their home in the same way as they always have done. And we understand that life can change for them at any time. We strongly believe that our relationship with them is a partnership.

- ▶ If they pay for major improvements to the property that increases its value, then we will adjust our share percentage to give them the benefit of that increase
- ▶ And should they not be able to afford to maintain the property at some time in the future, we will do everything we can to help
- ▶ And subject to our consent they can:
 - ▶ Move to a new home – even some sheltered accommodation types
 - ▶ Run a business from home
 - ▶ And, we will not force them to sell if they move into long-term care – provided that care home costs are paid and we are happy that the property is well maintained, insured and secure

Simple to set up, simple to track and simple to administer

We've made everything as simple as possible. You can manage the whole process online and track your client's application. You can even track how our solicitors are doing – so you're always in control.



Want to know more?

To find out more about the Property Plan and how it can benefit you and your clients, register on our website today:

www.retirement-plus.co.uk

Broker Contact Centre

Retirement Plus Ltd, Newcombe House, 45 Notting Hill Gate, London W11 3LQ

Open Monday to Friday 9am to 5pm

 0845 850 8510