

How the Property Plan Works with Protected Share

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%.

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.