

Lifetime
RETIREMENT INCOME

Lifetime Home

Debt-Free Equity Release



This is general information and is not intended to constitute financial or investment advice or an offer of any financial products or services by Lifetime Home Limited (Lifetime).



Before you get started

We recognise the importance of providing accurate information and guidance to our clients regarding equity release options. While we cannot offer personalised advice tailored to individual circumstances, we are committed to providing comprehensive education and assistance to help clients make informed decisions.

Our role is to offer clear explanations of our equity release product Lifetime Home, including its features, benefits, and potential risks, allowing you and your family to assess their suitability based on your unique financial situation and goals.

Clients must seek legal advice from a qualified professional before we can proceed with an Agreement. We also encourage clients to seek independent financial advice for personalised guidance tailored to your specific needs and circumstances.

Our priority is to ensure transparency, clarity, and support throughout the process, empowering you to make well-informed choices that align with your objectives for retirement living.

DISCLAIMER

We encourage clients to seek independent financial advice for personalised guidance tailored to your specific needs and circumstances. Clients must seek legal advice from a qualified professional before we can proceed with an agreement.



Introducing Lifetime Home

Welcome to a new era of retirement planning with Lifetime Home - an innovative retirement income solution for retirees aged 70 and above.

Our debt-free home equity release model provides a reliable and steady income stream, ensuring you can enjoy a comfortable retirement.

Why choose Lifetime Home

Experience the freedom of debt-free equity release with Lifetime Home

Steady Income: Enjoy regular income payments to support your retirement lifestyle.

No Interest: Unlike traditional loans, Lifetime Home does not accrue interest at a variable rate, providing certainty and financial peace of mind.

Flexible Options: After ten years, homeowners have the flexibility to extend the Agreement or explore other options if they wish.

Transparent Fees: Understand the costs involved upfront, with clear information on fees and charges.

Benefits of Lifetime Home

Retirement Income: Receive a steady income stream, paid fortnightly, to supplement your NZ Superannuation.

Debt-Free Equity Release: Say goodbye to mortgages and loans. Lifetime Home provides access to your home's equity to supplement your retirement income without adding to your debt obligations.

Certainty: You will know from the outset exactly how much of your home you will still own after 10 years, providing stability and peace of mind for your retirement.

Security: Maintain the right to live in your home for life, subject to the terms of the Agreement, ensuring you can enjoy your retirement years in familiar surroundings.



How it works

Exchanging an interest in your home for retirement income

Equity Sold: As the homeowner, you sell Lifetime Home Limited normally 35% interest in your home, which accrues over a ten-year period (3.5% per annum).

Income Paid: Lifetime Home Limited buys the equity in your home, at normally 25% of the Initial Value (an agreed value with reference to an independent valuation), which is paid over a 10-year period (2.5% per annum less fees and charges). The purchase price is paid in regular income payments providing financial stability throughout your retirement.

Ownership: After ten years, you retain normally 65% ownership of your home, with the option to extend the Agreement if you desire.

Understanding the numbers

2.5%: You will receive 2.5% of the Initial Value of the home annually. This will be paid less fees, fortnightly for ten years (a total of 25% (less fees) of the Initial Value of the home).

35%: At the end of ten years Lifetime will have a 35% interest in your home.

Occupancy: After ten years, whether you choose to extend your equity release or not, you retain the right to remain in your home for as long as you wish, as long as it is safe to do so, and other terms of the Agreement are met.

Sale Proceeds: When you (or your estate) eventually sell the home, Lifetime will receive its interest of the sale price.

Shared Outcomes: When the home is sold, we share the outcome together. If the property value has increased, we normally would share the value 65% homeowner and 35% Lifetime Home Limited. If the property value has decreased, we share the value in the same proportions.

10 Years: Income payments cease after ten years; however, you can remain in your home for as long as you wish, subject to the terms of the Agreement.

0.23%: The Annual Fee paid to Lifetime Home Limited based on the Initial Value of the home at the commencement of the Agreement.

How is my retirement income worked out?

Firstly, we agree on an Initial Value (an agreed value with reference to an independent valuation). You, the homeowner, and we, Lifetime Home Limited, must agree that value.

The Initial Value of the home determines the retirement income payments. These being 2.5% p.a, less fees, of the Initial Value of the home, paid fortnightly for ten years.

For this example, we have used an Initial Value of \$1,000,000. Lifetime will be buying a 35% interest in the home, in exchange Lifetime will pay 25% less fees over 10 years.

Year	Homeowner Annual Income	Homeowner Total Income Received	Lifetime Interest in Home	Homeowner Interest in Home
One	\$22,700	\$22,700	3.5%	96.5%
<i>If the property was sold after one year, Lifetime would receive 3.5% of the sale proceeds.</i>				
Two	\$22,700	\$45,400	7%	93%
Three	\$22,700	\$68,100	10.5%	89.5%
Four	\$22,700	\$90,800	14%	86%
<i>If the property was sold after four years, Lifetime would receive 14% of the sale proceeds.</i>				
Ten	\$22,700	\$227,000	35%	65%
Eleven	\$0	\$227,000	35%	65%
Fifteen	\$0	\$227,000	35%	65%

Note the numbers represented are for demonstration only.

Lifetime Home eligibility

To qualify for Lifetime Home, you must meet the following criteria*:

Minimum Age: You (and your partner) must be over the age of 70.

Owner-Occupier: The property must be your primary residence and you are registered on the title.

Mortgage-Free: The property must be free of any mortgages or encumbrances.

Insurance: The property must be adequately insured and remain so for the duration of the Agreement.

Trusts: A home within a trust is eligible.

Currently not eligible: Leasehold, and cross-lease estates, unit title estates (including apartments and town houses), and properties that are not your primary residence, for example a rental, investment property and bach.

Talk to us at Lifetime to discuss your options.

**Regardless of the criteria, Lifetime may accept or refuse any applications at its sole discretion.*



Home for life

An Agreement with Lifetime will allow you to occupy your home for life, as long as it remains safe for you to do so, and subject to the terms of the Agreement.

Initial costs and fees

Legal Advice: The Agreement includes a certificate that must be signed by your lawyer. Lifetime will not be able to proceed without this. As the homeowner you are responsible for the legal costs.

Independent Valuation: As the homeowner, you are responsible for arranging an accredited independent valuation at your expense approved by Lifetime. Lifetime can provide a list of valuers who are accredited.

Establishment Fee: 0.20% of the Initial Value of your home (inclusive of goods and services tax).

*Lifetime can arrange for these costs to be deducted from your first year of income payments. **Talk to Lifetime for further information about this.***

On-going fees

Annual Fees: 0.23% of the Initial Value of your home (inclusive of goods and services tax) charged annually for a maximum of 10 years.

After ten years: \$1,000 per annum for the first year and for each subsequent year increased by the change in CPI for that year and for each year thereafter (inclusive of goods and services tax).

Insurance: You must at all times insure and keep insured your home and insurable improvements against fire, and natural disaster, and all other risks normally covered by a comprehensive insurance policy from a New Zealand insurer with a financial strength rating of A- or better.

Rates: You must pay all rates, taxes, utilities and any other charges from time to time payable in respect of your home by their due date.

Getting started with Lifetime Home

Education: Take the time to learn about Lifetime Home through our website and educational resources.

Assessment: Request an eligibility assessment to determine your eligibility and suitability for the product.

Family Discussion: Initiate conversations with your family to ensure everyone is informed and involved in the decision-making process.

Consultation: Arrange a formal consultation with our team to discuss your options and address any questions or concerns.

Formal Process: If both parties agree to proceed, we'll guide you through the formal process, including valuation, legal advice and financial advice.

Agreement: In consultation with your professional advisers complete the Agreement and associated documentation to start receiving your income payments.

Enjoy Retirement: Live comfortably in retirement with the knowledge of a steady income stream from Lifetime Home Limited.

GET IN CONTACT

We would love to hear from you.

Telephone: **0800 254 338**

Email: **retire@lifetimeincome.co.nz**

FAQs

Does the home have to be sold at the end of the 10-year term?

No. You have the right to keep living in your home for as long as you wish, so long as it is safe to do so and you meet the ongoing occupancy obligations and terms of the Agreement.

What happens if we are a couple and one of us dies first? Does the other continue to live in the home and still get the same payments?

When entering into the Agreement both members must be aged at least 70, the payments are paid for up to 10 years from the time the Agreement commences. If a partner dies, the same payments continue for the initial period set. The surviving partner lives in the home for as long as they wish, so long as it is safe to do so and they meet the ongoing terms of the Agreement.

Do I have to pay tax on the income payments?

No. The payments are capital payments for a share of the home and should not be taxable to the homeowner, subject to any changes in government policy or law.

If circumstances change, am I / we locked into a 10-year term?

No. You can require the whole of the Home to be sold at any time by following the process set out in the Agreement. While we have no obligation to sell our interest in your home to you, you can request Lifetime to consider a request.

Is there a minimum age to enter into a Lifetime Home Agreement?

The minimum age for a single person is 70 years. For a couple both partners must be aged at least 70 years.

Who is responsible for insuring the home?

You are responsible for keeping the home fully insured with a licensed insurer who has a credit rating of at least A- and approved by Lifetime, and the homeowner must pay the premiums.

Who is responsible for the Rates?

You are responsible for ensuring the home is maintained to a good standard, always insured, and rates are paid when due and at their cost.

Does the person(s) taking out the Agreement have to be the occupier? / Does the home have to be my primary residence?

Yes. Lifetime Home is not available for a beach house or an investment property.

What happens if I sell the house and move to a new one?

Lifetime Home is paid for its interest on sale.

Can I enter into the Lifetime Home Agreement with an existing mortgage? / Can I apply for Lifetime Home to help pay off my mortgage?

No. Your home must be free of any mortgage or encumbrances to be eligible for Lifetime Home.

Who is responsible for maintaining the home?

You are responsible for meeting the costs of maintaining the home in good condition.

Can I change my mind after signing a Lifetime Home Agreement?

Yes. We strongly believe that Lifetime Home is a life-changing product for those seniors who want to tap into their largest asset to provide a more comfortable, choice-filled retirement. We also understand that selling an interest in your home is a huge, and often emotional, decision. We want you to be sure. That's why we've included a 90-day 'cooling off' period that kicks in when you enter a Lifetime Home Agreement, allowing you to cancel at any time within this period with no penalty, you will only be required to repay any actual income received prior to cancellation.

We also encourage you to discuss Lifetime Home with your family and financial or other trusted advisers before you make your final decision. Finally, we require you to take advice from a lawyer (and preferably a financial adviser) before you sign and that your professional advisers confirm that you fully understand the contract and what it means for you.

Lifetime Home - our values

Lifetime is owned by the Retirement Income Group Limited and has adopted a Code of Conduct which applies to the Lifetime Home product. Lifetime must make all decisions regarding the Lifetime Home product in a manner consistent with the Code. The Code is set out as follows.

Code of Conduct for Lifetime Home

Our Values

Honesty, integrity, and fairness in everything we do.

Our Purpose

Develop and build retirement income products and services that enable New Zealanders to remain financially confident throughout their retirement life.

Our Mission

To help New Zealanders enjoy their retirement with the security of being able to release equity from their home. We have an affinity and passion for developing transparent, low-cost, high-value retirement income solutions that New Zealand retirees can have confidence in.

Our Team

Committed to ensuring our customers trust, value and enjoy their relationship with us.

Our Commitment to our Lifetime Home Customers

Access to information to make informed choices.

To do this we will:

- Clearly document all the costs, including both initial and on-going costs for the term of the Lifetime Home Agreement, all the implications on the homeowner, so they and their professional advisers can understand clearly all the terms, conditions and costs of entering into a Lifetime Home Agreement.
- Not enter into a Lifetime Home Agreement unless the homeowner has obtained independent legal advice.
- Recommend all potential customers seek independent financial advice before entering into a Lifetime Home Agreement.
- Recommend all Lifetime customers consider all options available to them before releasing home equity, included but not limited to:
 - Downsizing to a smaller home.
 - Family financing.
 - Purchasing a reverse mortgage.
- Ensure Lifetime Home customers understand the Lifetime Home product and the Agreement terms and conditions, and that they are aware of other options available to them and can identify where they can obtain information to help them make informed choices.

Recognition for changing circumstances.

To do this we will:

- Recognise that circumstances change and will not act unreasonably or unreasonably withhold consent to any matter that requires our approval or consent under the Agreement.
- In the event of breach of the Agreement by a homeowner resulting in a notifiable trigger event we will take all reasonable and practical steps to allow the homeowner sufficient time to remedy that matter.



Reliable Retirement Income

This information is current as at 15 April 2024. It is general information and is not intended to constitute financial or investment advice or an offer of any financial products or services by Lifetime Asset Management Limited (Lifetime). Although every effort has been made to ensure this publication is accurate, no responsibility is accepted for any inaccuracies, errors or omissions.



CONTACT US

We're here to provide clarity and support at every step of your retirement journey.

Take the first step towards a secure and fulfilling retirement today.

For more information, request an information pack, or schedule a consultation with our team.

Telephone: **0800 254 338**

Email: **retire@lifetimeincome.co.nz**

Website: **lifetimeincome.co.nz**