

## CHAPTER 7: SECTION 4 - RETIRED PERSONS OF INDEPENDENT MEANS

### ANNEX G - RETIRED PERSONS OF INDEPENDENT MEANS - FINANCIAL REQUIREMENTS

#### 1. INTRODUCTION

This provision of the Rules is for retired persons who are *financially independent* and who have no need or any intention to support themselves or supplement their income by working, or any need to depend on any other form of support from, for instance, friends, relatives or the state.

#### 2. FINANCIAL REQUIREMENTS

The applicant must have a net income of his *own* of *not less* than **£25,000 a year** which is under his *control* and *disposable in the United Kingdom*. He must also be *able and willing* to maintain and accommodate himself and any dependants from his own resources with no assistance from any other person and without taking employment or having recourse to public funds.

##### 2.1. Evidence of actual income

The evidence *must* be in the form of *actual income*. It is not acceptable for an applicant to show, say, a capital sum of £300,000 and assert that it will produce £25,000 a year in interest. The income of not less than £25,000 a year should be income net of any overseas tax. This means that the applicant must be able to bring *not less than £25,000 here*.

##### 2.2. Under his control

"Under his control" means that the person *must* be able to transfer and dispose of the income freely and that no other person has a controlling interest. Income belonging to the husband or wife of the applicant, or jointly to the applicant and spouse may be counted as under the applicant's own control, but *only* if *both* husband and wife are applying to come here.

##### 2.3. Disposable in the United Kingdom

"Disposable in the United Kingdom" means that all the income required to qualify must be freely transferable to the United Kingdom and convertible to sterling. Many countries have strict currency control. If there is any doubt about the applicant's ability to transfer his money here, he should be asked to produce evidence, such as a letter from his bank or from the authorities of the country concerned confirming that he is able to do so.

##### 2.4. Maintenance and accommodation

Although an applicant may have the required annual income he still needs to satisfy the requirement that he can support the number of dependants who will accompany him and meet the costs of any accommodation required. Care should be taken to ensure that he is able to do this either from the income which is disposable in the United Kingdom or with additional capital or income which he has in his possession.

##### 2.5. Without working

"Without working" means without working either in the United Kingdom or abroad. Care should be taken to ensure that *all* employment links abroad have been cut. The application should be refused if the applicant intends to base his or her spouse and children in the United Kingdom while maintaining them from money he or she earns by living or working abroad. Applications should also be refused where the applicant intends to continue to run a business abroad. This, however, should not be confused with cases where the applicant may need to make *short* business trips to oversee *business interests* he has abroad. Caseworkers should take a flexible approach in such cases, provided the applicant is *not employed or taking an active interest* in the business. Where it is evident that the applicant wishes to take an active interest in his business interests, he should be advised of the "Investor" category of the Rules.

Persons of independent means are allowed to undertake a limited amount of voluntary work for charitable organisations, provided it is *unpaid* and *does not amount to full time employment*.

##### 2.6. From his own resources

"From his own resources" means without assistance from other people, such as relatives or friends. This does not preclude mortgages, bank loans etc. But loans cannot be counted as part of the capital or income.