



# LIVE IN NEW ZEALAND

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## IMMIGRATION ARTICLE

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### TEMPORARY RETIREMENT AND PARENT RETIREMENT POLICIES

On 10 March 2010 Immigration New Zealand (INZ) released the details of the new Temporary Retirement Category and Parent Retirement Category (Residence). Both policies will become effective on 29 March 2010.

In the writer's view, quite significant interest will be shown in these policies, and from an economic and benefit perspective to the New Zealand public, these policies are well overdue and simply put in place a legal framework for a controlled migration programme demonstrating common sense in this area.

### TEMPORARY RETIREMENT CATEGORY

The new retirement category has been designed to allow applicants to live in New Zealand on a renewable basis as long as the benefit to New Zealand clearly outweighs any detrimental effects (such as provision of health services for example).

The policy is aimed at applicants who have retired, and wish to live in New Zealand on a long term basis without necessarily converting to New Zealand permanent residence.

To be approved for a Temporary Retirement Category Visa the following (among other things) will be required of the applicant:

- 1 be over 65 years of age at the time of application (main applicant only);
- 2 invest a minimum of NZ\$750,000.00 in an "acceptable investment" in New Zealand for the duration of their stay (refer definition of "acceptable investment" below);
- 3 demonstrate that they have sufficient funds for their maintenance and accommodation during the temporary stay period by proving assets of NZ\$500,000.00 and an annual income of at least NZ\$60,000.00 as at the date of submission of the application;
- 4 hold comprehensive medical insurance for the duration of their stay; and
- 5 meet standard immigration health and character requirements.

Successful applicants under the policy will be issued a two year multiple entry visitor visa which is renewable (on an ongoing basis) as long as all requirements set out above continue to be met.

### RESIDENCE PARENT RETIREMENT CATEGORY

A new Parent Retirement Category has been introduced by INZ to offset the issue that has been encountered by parents of New Zealand residents who are required to wait to apply for New Zealand residence until their sponsoring child has held New Zealand permanent residence for three years. The issue of course is not so much the sponsorship wait time, but also, importantly, applications for Parent Category applications are currently taking in excess of 18 months and are anticipated to take much longer in the future (demand exceeds supply of quota places). It will not be unusual therefore in the future that parents who have children who have obtained New Zealand residence will be expected to wait well in excess of five years before being able to reside in New Zealand with their children (and grandchildren).

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### RESIDENCE PARENT RETIREMENT CATEGORY (con't.)

The new Parent Retirement Category will allow certain parents of New Zealand residents a fast track method to obtain New Zealand residency.

In order to qualify; a parent will be required to demonstrate that they satisfy the INZ center of gravity of test. That means (in most instances) that the main applicant will be required to demonstrate that they have no dependant children and the number of their adult children lawfully and permanently in New Zealand is equal to or greater than those lawfully and permanently in any other single country, including the country in which the main applicant is lawfully and permanently residing.

In addition to satisfying this test, the following must also be met in order to obtain New Zealand residency under the Parent Retirement Category:

- 1 demonstrate ownership of and undertake to invest NZ\$1million in an “acceptable investment” in New Zealand for four years (refer definition of “acceptable investment below”);
- 2 demonstrate settlement funds (i.e. funds available to maintain the applicant in New Zealand) of NZ\$500,000.00 and an annual income of at least NZ\$60,000.00 at the time of submission of the application; and
- 3 meet standard immigration health and character requirements.

### ACCEPTABLE INVESTMENT

The term “acceptable investment” referenced in the above policies is the same “acceptable investment” definition provided under Migrant Investment Policy.

An “acceptable investment” means an investment that:

- i is capable of a commercial return under normal circumstances; and
- ii is not for the personal use of the applicant(s); and
- iii is invested in New Zealand in New Zealand currency; and
- iv is invested in lawful enterprises or managed funds that comply with all relevant laws in force in New Zealand; and
- v has the potential to contribute to New Zealand's economy; and
- vi is invested in either one or more of the following:
  - bonds issued by the New Zealand government or local authorities; or
  - bonds issued by New Zealand firms traded on the New Zealand Debt Securities Market (NZDX); or
  - bonds issued by New Zealand firms with at least a BBB- or equivalent rating from internationally recognised credit rating agencies (for example, Standard and Poor's); or
  - equity in New Zealand firms (public or private including managed funds); and

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**Note:** For the purposes of this policy convertible notes are considered to be an equity investment.

- is not (directly or indirectly) invested in residential property development or deposit taking financial institutions (e.g. banks or finance companies).

### PRACTICAL APPLICATION OF POLICIES

Despite simple appearances these policies are complicated, and quite stringent and detailed policy requirements apply underneath the surface.

Although not confirmed, most likely these applications will also be processed by the specialist Business Migration Branch in Wellington (only) and significant information and documentation will be required in order for an applicant to secure these types of visa.

This article contains personal opinion and is by way of general summary only and therefore should not be relied upon as comprehensive detailed legal advice. For more detailed information on these policies and how policies could potentially apply to your circumstances please contact **Mark Williams** of Lane Neave Lawyers on **+64 3 379 3720** or email **liveinnewzealand@laneneave.co.nz**

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