

Retirement Visas - Subclass 405 Investor Retirement Visas

Changes to Immigration legislation have seen the replacement of the Retirement Visa (subclass 410-Temporary) by the *Investor Retirement Visa* (subclass 405 – Temporary). This came into effect on 1 July 2005. However, those holding a current or former temporary Retirement Visa (Subclass 410) will still be able to apply for a renewal or rollover their Subclass 410 visa if certain criteria are satisfied.

The Investor Retirement Visa is designed to encourage investment in areas of Australia with low growth / regional areas and non-regional / non-low growth areas. This Article will discuss the criteria and process of application for the new Investor Retirement Visa.

Please note that the Investor Retirement Visa may be applied for in every state except New South Wales (i.e. Sydney is excluded).

Investment Retirement Visa (405)

The Investment Retirement Visa (Subclass 405) came into effect on 1 July 2005. It is the new program which replaces the now closed Subclass 410 Retirement Visa.

This visa is specifically aimed for those who are retired professionals or business entrepreneurs with the ability to invest their assets and money into Australia. It only provides for *temporary* residence in Australia and does not lead to citizenship or permanent residency. Successful applicants can enter and stay in Australia initially for 4 years. After the initial 4 years, the applicant can apply for further stays of 4 years at a time.

The investor retirement visa requires sponsorship by a State or Territory government in Australia as well as an investment made in that sponsoring state or territory government treasury bond (governmental sponsorship is not available in New South Wales).

At the time of sponsorship, the applicants are required to nominate whether they intend to settle in a regional / low growth area.

General Requirements

To be eligible for an Investor Retirement Visa, the following general requirements must be satisfied:

1. Primary applicant must be 55 years of age or older. (Note that no other dependants of the primary applicant are allowed except for a spouse. The spouse can be under the age of 55.)
2. Work rights – under an Investor Retirement Visa, the applicant is allowed to work for a maximum of 20 hours a week.
3. Health insurance – private health insurance is to be obtained for the duration of the stay in Australia.
4. Self support in Australia must be ensured by sufficient assets.
5. Each applicant must have no other dependent apart from their spouse.

Financial Requirements

More specific requirements and characteristics of the Investment Retirement Visa are as follows:

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1. Assets (or combined assets if the applicant has a spouse) capable and available for transfer to establish themselves independently to the net value of \$750,000 if settling in a non-regional area and \$500,000 if settling in a regional area;
AND
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Revised July 2009
Visa Application Charges (VAC) are reviewed on 1 July each year and this may increase the cost of visa applications.
2. The main applicant must make a minimum designated investment (“DI”) in a state or territory treasury bond (except for NSW), which pays interest. The designated investment is based on where the applicant chooses to settle.
 - a. Non regional or non-low growth area (e.g. Melbourne City, Brisbane City, Adelaide City or Perth City):
\$750,000 for the initial visa
\$500,000 for a second or subsequent visa
 - b. Regional or low growth area (areas outside metropolitan cities):
\$500,000 for the initial visa
\$250,000 for a second or subsequent visa
AND
3. The main applicant must also show evidence of a net income stream based on pension rights and / or capital for investment. Their income stream is allowed to be combined with their spouse’s income stream. Minimum income streams:
 - a. Non regional or non-low growth area:
\$65,000 a year for the initial visa
\$65,000 a year for second or subsequent visa
 - b. Regional or low growth area:
\$50,000 a year for the initial visa
\$50,000 a year for the second or subsequent visa
4. First visa application charge is \$230.00. A second visa application charge of \$10,440.00 per person also applies.

Comasters is able to advise on Retirement Visas and can prepare applications on behalf of clients to the Department of Immigration.

Important: This is not advice. Clients should not act solely on the basis of the material contained in this paper. Our formal advice should be sought before acting on any aspect of the above information.

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