



Department of
Building and Housing
Te Tari Kaupapa Whare



Retirement
village residents
– information
for you



If you live in a retirement village or intend to live in one, this guide is for you. The guide outlines the important rights you have before and when you become a retirement village resident.

For residents who already live in retirement villages this guide tells you about the recent changes in the law and how they affect you.

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What are retirement villages?

Retirement villages:

- are mainly for people of retirement age
- include accommodation and services or facilities.

Residents pay a capital sum to live in a retirement village.

PEOPLE LIVING IN A RETIREMENT VILLAGE

I want to know what my rights are under the law

As a resident of a retirement village, you have the right to:

- services and other benefits promised to you in your occupation right agreement
- information relating to any matters affecting, or likely to affect, terms or conditions of your residency
- be consulted by the operator about any proposed changes in the services and benefits or the charges that you pay
- complain to the village operator and receive a response in a reasonable time
- a speedy and efficient process for resolving disputes between you and the operator or between you and other residents of the village

- involve a support person or a person to represent you
- be treated with courtesy and respect.

In turn, it is expected that you will respect the rights of others at the village and treat them with courtesy.

This is your Code of Residents' Rights.

Glossary

The **Retirement Villages Act 2003** is the law that retirement villages have to comply with.

The **Code of Practice 2006** sets out the minimum requirements of information in your occupation right agreement.

The **occupation right agreement** is your contract to live in a retirement village.

The contract may also be called a **licence to occupy**.

Residents or **existing residents** already live in retirement villages. People who are thinking about living in a retirement village are known as **intending residents**.

A **disclosure statement** is a document telling you about the ownership, management, organisation, services and facilities of the village. The disclosure statement also gives you financial information regarding entry fees, ongoing fees and exit fees.

Glossary (continued)

An **operator** of a retirement village may be the village owner. An operator may employ staff to manage the retirement village.

A **statutory supervisor** is employed to monitor the financial position of the village, look after residents' wider interests and oversee the management of the village. The statutory supervisor may be a person or a company. All retirement villages must have a statutory supervisor unless exempted.

The contract setting out the role of the statutory supervisor is called a **Deed of Supervision**. The Deed of Supervision is between the operator and statutory supervisor.

The **Registrar of Retirement Villages** is responsible for the register listing all retirement villages and can take court action against village operators that do not comply with the law.

The **Retirement Commissioner** oversees the disputes process.

The **disputes process** is one way of resolving a complaint within the village.

What does a statutory supervisor do?

A statutory supervisor:

- helps to protect investments in retirement village units
- monitors the financial position of a retirement village
- reports every year to the residents and to the Registrar of Retirement Villages.

The Retirement Villages Act 2003 requires that all retirement villages appoint a statutory supervisor (unless the Registrar grants an exemption). If your village is exempt from appointing a statutory supervisor, your operator must tell you. Only operators can apply to the Registrar of Retirement Villages for an exemption, although residents' views will be taken into consideration in reaching a decision.

What does a statutory supervisor do for me?

The statutory supervisor:

- makes sure the village is run properly
- listens to your complaints
- reports on their activities to the annual general meeting
- stops advertisements for the village if they are not correct.

How do I contact my village statutory supervisor?

Details of your statutory supervisor may be found in your contract agreement and will be in the disclosure statement. If you cannot find the information, your operator or village manager can give you the contact details of the statutory supervisor.

Something has upset me – what can I do?

If you have been upset by another resident in your village and you cannot resolve the problem, you can ask your operator or a member of their staff to get involved. Your contract will tell you how to do this. In some cases, you can make an official complaint against another resident. There are 20 working days to resolve the complaint. If the complaint is not resolved, you can lodge a formal dispute.

If you have been upset by your village operator or their staff, you can complain. You may have to put your complaint in writing. Your operator has 20 working days to respond to your complaint. You can also make a complaint to your statutory supervisor. Your contract will tell you how to do this.

If your complaint with either another resident or your village operator cannot be solved through the complaints process, you can lodge a formal dispute. An independent disputes panel will handle your dispute. The Retirement Commission oversees the disputes process and can provide you with information on how to take the issue to dispute.

I am a resident and my fees are more than I can afford to pay – what do I do?

In 2005 the rules about who can claim an accommodation supplement from Work and Income changed. Residents in retirement villages may be eligible for the accommodation supplement. The accommodation supplement is a non-taxable income and asset-tested supplement that provides assistance towards your accommodation costs. People must meet certain criteria to receive this assistance. Details of how to find out if you qualify are available on page 11.

PEOPLE INTENDING TO LIVE IN A RETIREMENT VILLAGE

I'm thinking about moving to a retirement village – what should I know?

If you intend to live in a retirement village, you also have important consumer protections. Before you buy a retirement village unit, the village operator must give you a copy of:

- the occupation right agreement
- the disclosure statement
- a copy of the Code of Residents' Rights
- a copy of the Code of Practice
(The Code of Practice is effective from 25 September 2007).

You have these rights, even if they are not stated in the occupation right agreement.

The Retirement Commission has a booklet about things you need to know about making a decision to move to a retirement village. The booklet is called *Thinking of living in a retirement village?* Copies can be obtained by calling 0800 83 62 62.

Can I cancel my occupation right agreement?

Yes – you can cancel your occupation right agreement up to 15 working days after signing the occupation right agreement. You do not have to give a reason. And, if your unit is not completed six months after the agreed completion date, you can cancel the agreement at any time after that.

You can also cancel your occupation right agreement if the village operator did not provide you with proper information before you signed the occupation right agreement. If you cancel your occupation right agreement in this way, the village operator must return the money you paid to enter the village (less any fees you paid for services or facilities received during your time living in the village) along with any costs, such as legal fees, you may have incurred in cancelling the agreement.

What law covers retirement villages?

The Retirement Villages Act 2003 governs retirement villages. (Other consumer protection laws also apply when you **purchase** an occupation right to live in a retirement village.)

Retirement villages must:

- register with the Registrar of Retirement Villages
- appoint a statutory supervisor (unless they are exempt from this requirement).

I WANT TO FIND OUT MORE – WHERE DO I GO?

The Department of Building and Housing administers the Retirement Villages Act 2003 and can answer your queries about the Act. Call 0800 83 62 62 or visit www.dbh.govt.nz/retirement-villages

The Law

Copies of the Retirement Villages Act 2003 and regulations can be bought from Bennetts (Government Book Shop) or can be viewed free of charge on www.legislation.govt.nz

Copies of the Code of Practice 2006 can be downloaded from the Department's website www.dbh.govt.nz/retirement-villages

or bought from VicBooks, by calling 0800 370 370.

If you are planning to become a resident, your village operator must include a copy of the Code of Practice in the information pack before you sign the contract.

For existing residents, your village operator must make a copy available to you.

By 1 May 2008, all existing residents must be given a copy of the disclosure statement and deed of supervision.

Accommodation Supplement (Work and Income)

The accommodation supplement is granted through Work and Income. To find out whether you qualify for the accommodation supplement, you need to ring 0800 559 009 and ask for information about the accommodation supplement.

The Retirement Commissioner

The Retirement Commissioner is responsible for putting together a list of suitable people to hear disputes. More information can be found on www.retirement.org.nz

The Commissioner can be contacted on 0800 438 767 for information about the disputes process.

The Registrar of Retirement Villages (the Companies Office)

The Registrar of Retirement Villages has the following functions.

- Approving statutory supervisors
- Receiving and checking applications for registration
- Maintaining the register of retirement villages
- Granting exemptions from the Code of Practice
- Carrying out compliance and enforcement functions

The register of retirement villages is administered by the Companies Office. More information is available on www.retirementvillages.govt.nz or phone 0800 268 269.



First edition published in August 2007
by Department of Building and Housing
PO Box 10-729, Wellington, New Zealand

This document is also available on the
Department's website at www.dbh.govt.nz

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ISBN 978-0-478-19428-9 (leaflet)
ISBN 978-0-478-19429-6 (website)