



Completing an income assessment for RIO

How to input the figures
into the system

Example

To illustrate how to input an income assessment, we'll use the example of Janet and Alan, both aged 69.

Janet and Alan are both semi-retired and would like to know if they could be eligible for a RIO mortgage.

The couple are both still working and in receipt of state pensions, with additional pensions not yet in payment.



Step 1

- Understand what income is going to be received by the clients for life, including all sources of income (ie income from permanent employment, income from self-employment, income from fixed term contract employment, income from pensions and income from investments, including rental income).
- In addition to the income payable for life, determine what income is currently being received, now that won't be payable for life.
- Of this income, determine what will be paid to the clients in future years. (This should include pension income currently in payment.)

Step 2

- If pensions are in payment, refer to the 'Pensions in payment' sales aid, to understand how to convert their pension fund value to an annual income (ie drawdown facilities where clients are or are not yet taking withdrawals) and what's required to evidence any pensions in payment and relevant spousal benefits or nominated beneficiary payments.

Step 3

- If pensions are **not yet** in payment, refer to the 'Pensions not yet in payment' sales aid to understand how to convert their pension fund value to an annual income. Consider any relevant spousal benefits or nominated beneficiary payments.

Step 4

- Manually calculate the salary multiples, which are based on the lower of the couple's current and future household income. Please note that salary multiples cannot exceed the stated amounts below.

Customer Household Income (Single/Joint)	Multiplier
£0-24,999	8.0x
£25,000 - £50,000	8.25x
Above 50,000	8.5x

- Now enter the applicant details into our RIO affordability calculator, which will give you an indication of the amount your clients could borrow.

www.legalandgeneral.com/adviser/RIO-calculator/

Now you have completed an initial assessment of your clients' income, you need to enter the details into the RIO portal.

Step 5

- Input both applicants' details into the RIO portal. Although both applicants have state pensions in payment, they are both still working, so in the **'Applicant Employment Details'** screen the 'Employment status' of the applicants must be **'Employed, Self-employed or Fixed term contract'**.
- Now answer **YES** to **'Does the applicant have any sources of Other income?'** to input any other sources of income they currently receive, that are not a form of employment income (identified in Step 2). You will then be prompted to enter their state pensions.

Applicant Employment Details

Primary Employment status

Employment status *

More than 20% share owner * Yes No

Secondary Employment status

Does the applicant have any secondary employment? * Yes No

Other sources of income

Does the applicant have any sources of Other Income? * Yes No

Income changes

Is the applicant aware of any adverse changes to their income and expenditure that are likely to affect their ability to meet their mortgage payments? * Yes No

* Mandatory fields

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Permission

- > Decision Result
- > Fees
- > Case Summary

Other Income

Does the applicant have any sources of Other Income? * ? Yes No

Other Income

Source *	Annual Amount *	Spousal Benefit (%) *	Delete
Select			<input type="checkbox"/>

Delete -
Add +

- To include the clients' pensions that are not yet in payment (identified in Step 3), answer **YES** to '**Does the applicant have any sources of income into retirement**' This opens the '**Lending into Retirement?**' table.

- ✓ Applicant Address Details
- Applicant Income Summary
- > Applicant Commitments
- > Applicant BTL Portfolio
- Household Expenditure
- > Property Details
- > Product Selection
- > DPA & Credit Search

Lending into Retirement

Does the applicant have any sources of income into retirement? * ? Yes No

Lending into Retirement

Source *	Annual Amount *	Spousal Benefit (%) *	Delete
Select			<input type="checkbox"/>

Delete -
Add +

Legal and General Home Finance's Lending into Retirement Policy can be viewed [here](#)

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DA732 / LG003404 / 04/22

