

Student Finance England (SFE) is a partnership between the Department for Business, Innovation and Skills and the Student Loans Company (SLC).

For more information on repayment go to

www.studentloanrepayment.co.uk

WHAT, HOW AND WHEN TO REPAY 2013/14

sfe
student finance england
the student finance experts

HOW REPAYMENTS ARE CALCULATED

How much you'll repay

You'll have money taken off your salary where your earnings, before tax, are over the weekly or monthly threshold.

The thresholds for repayment are £404 per week, £1,750 per month or £21,000 per year. A student loan deduction will be made even if you don't earn £21,000 a year but exceed the weekly or monthly threshold at any point in the year (for example if you work overtime).

You pay 9% of your income over the threshold.

If you're paid monthly and earn £2,250 before tax you'd repay 9% of the difference between what you earn and what the threshold is:

$$£2,250 - £1,750 = £500$$

$$9\% \text{ of } £500 = £45$$

So your student loan repayment would be **£45 in that month**.

Example repayment amounts

Income each year before tax	Monthly income	Monthly repayment
Up to £21,000	£1,750	£0
£22,000	£1,833	£7
£25,000	£2,083	£30
£30,000	£2,500	£67
£35,000	£2,916	£105
£40,000	£3,333	£142

If your income changes, either rising or falling, your repayment amounts will automatically change to reflect this.

Repayment facts for new students starting university or college on or after 1 September 2013

- **Full-time students** - Repayments start the April after you leave your course and only when your income is over £404 per week, £1,750 per month or £21,000 a year.
- **Part-time students** - You'll be due to start repaying your loan the April four years after the start of your course or the April after you leave your course, whichever comes first. But you'll only start making repayments when your income is over £404 per week, £1,750 per month or £21,000 a year.
- If you leave or finish your course before April 2016, you won't start making repayments until after this date.
- If you're employed, your employer will take your repayments directly off your salary along with tax and National Insurance contributions.
- If you stop working, your repayments will stop, only starting again when your income is more than £404 per week, £1,750 per month or £21,000 a year.
- Repayments are based on your income, not what you borrowed.
- Interest is charged from the day we make your first payment until the loan is paid off in full. For the latest interest rates go to www.studentloanrepayment.co.uk
- If you're planning to travel or work abroad for more than 3 months after you finish or leave your course, you should fill in an Overseas Income Assessment form. You can download a form from www.studentloanrepayment.co.uk
- Any loan remaining 30 years after you're due to start making repayments will be written off.

For more information on repayment go to

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REPAYMENT JOURNEY FOR NEW STUDENTS

STARTING THEIR COURSE ON OR AFTER 1 SEPTEMBER 2012

13/14

START

1

Full-time students

You'll be due to start repaying your loan the April after you finish or leave your course.

Part-time students

You'll be due to start repaying your loan the April four years after the start of your course or the April after you leave your course, whichever comes first.

If you leave or finish your course before April 2016, you won't start making repayments until after this date.

2

You must tell your employer if you have a student loan.

If you're self-employed, go to www.studentloanrepayment.co.uk for more information on how you repay your student loan.

3

Is your income more than £404 per week, £1,750 per month or £21,000 a year?

No

Yes

4

You don't have to make repayments.

4

You begin making repayments.

Repayments are 9% of your income above £404 per week, £1,750 per month or £21,000 a year.

5

Your employer automatically takes repayments from your salary.

6

Your employer tells HMRC how much student loan you've repaid.

7

HMRC tells the Student Loans Company (SLC) how much you've repaid in the previous tax year.

8

SLC sends you a statement after the end of each tax year, when we get your repayment information from HMRC.

9

HMRC lets your employer know when to stop taking repayments.

10

Any loan remaining 30 years after you're due to start making repayments will be written off.

TOP TIPS

You can monitor your repayments by logging on to your account at www.studentloanrepayment.co.uk

WHO DOES WHAT?

Student Loans Company

- Maintains and updates loan accounts
- Issues statements
- Handles all repayment queries

HMRC

- Collects student loan repayments from employers through the UK tax system

Employer

- Collects student loan repayments on behalf of HMRC
- Takes repayments direct from salaries in a similar way to tax and National Insurance contributions

For more information go to
www.studentloanrepayment.co.uk