STUDENT FINANCE MATTERS TO ME

HOW YOUR CHILD REPAYS THEIR LOAN

2014/15

student finance england
the student finance experts

Tuition Fee Loans + Maintenance Loans + Interest

When will they repay?

No student starting in the 2014/15 academic year will go into repayment until 2016, even if they leave their course and their income is over £21,000 before this date.

How much will they repay?

The amount they'll repay will depend on their income not what they borrowed. When their income is over £404 a week, £1,750 a month or £21,000 a year they'll pay 9% of their income over this threshold.

The table below shows some examples of what the expected monthly repayment amount would be.

Income each year before tax	Amount repaid per month
£21,000	£0
£24,000	£22
£27,000	£45
£30,000	£67
£33,000	£90
£36,000	£112
£40,000	£142

If at any point your child isn't working, or their income falls below £21,000 a year, repayments will automatically stop.

Any loan remaining 30 years after the student is due to start repaying will be written off.

Student Finance England is a service provided by the Student Loans Company. We provide financial support on behalf of the UK Government to students from England entering higher education in the UK.

How do they repay?

The repayments are collected through the UK tax system, either:

- through PAYE, where payments are deducted by the employer in the same way as income tax and national insurance; or
- calculated through self assessment and paid directly by the student
- your child can make voluntary repayments at any time

Or, if your child lives or works abroad

- paid by another arrangement agreed with the Student Loans Company

Interest

The amount of interest charged is based on the rate of inflation (Retail Price Index (RPI)) and will vary depending on your child's circumstances:

	Interest rate
While studying	Retail Price Index (RPI) + 3%
If a student withdraws from a course before April 2016	RPI + 3% until the April after they withdraw and then as shown below
From the April after the student leaves or finishes their course	Interest will be based on their income: £21,000 or less – RPI Between £21,000 and £41,000 = RPI + up to 3%, depending on income £41,000 and over = RPI + 3%

Interest is charged from the day we make the first loan payment until the loan is repaid or written off, whichever is first. Any loan remaining 30 years after the student is due to start making repayments will be written off.

Remember — no student who starts their course in 2014/15 will have to make repayments until April 2016, even if they finish or leave their course before then.

You can get more information about repayment at: **www.studentloanrepayment.co.uk**