

# STUDENT LOAN CHANGES

## FROM 1 JANUARY 2011

Changes to the Student Loan Scheme were announced in the 2010 Budget.

This leaflet summarises those changes and how they may affect you.

### Find out more

For more information about changes to Student Loans and Student Allowances from 1 January 2011 go to [www.studylink.govt.nz](http://www.studylink.govt.nz).



**STUDYLINK**

Hoto Akoranga

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# Performance Requirement

From 1 January 2011 a performance measure will be introduced to the Student Loan Scheme.

## How is your performance measured?

To be eligible for a Student Loan you will have to pass at least half of your course load (EFTS) over a set period.

The assessment of performance includes courses of study ending in 2009 or later.

The EFTS count starts once you have used one or more parts of the Student Loan (eg living costs, course fees, or course-related costs).

## Adjusting to tertiary study

To give students time to adjust to tertiary study a student's performance will be assessed once they have used 1.6 EFTS. This is about two years of full-time study.

## What happens if you don't meet the performance requirement?

If you do lose access to the Student Loan you can regain it by studying without a Student Loan and passing enough courses so that your total number of EFTS passed is at least equal to the number you did not pass.

If you did not pass at least half your EFTS due to reasons beyond your control, you may still be able to get a Student Loan.

For more information go to [www.studylink.govt.nz](http://www.studylink.govt.nz).

# Life-time Limit

From 1 January 2011 there will be a life-time limit of 7 EFTS for Student Loans.

There is more information about EFTS on the back of this leaflet.

## How is the life-time limit measured?

The life-time limit includes all study that you have had a Student Loan for, from 1 January 2010.

Full-time students generally have study loads of between 0.8 EFTS and 1.2 EFTS for a year. For a full-time student, 7 EFTS is equal to about 7 or 8 years of study. Part-time students use less EFTS each year.

Once any part of the Student Loan is used, such as living costs, fees, or course-related costs, the EFTS for that loan will count towards the 7 EFTS limit.

## Exceptions to the life-time limit

You can use more than 7 EFTS in some situations. These include:

- finishing a paper or course even if it takes you over the 7 EFTS limit
- up to an additional 1 EFTS to complete post graduate study
- up to an additional 3 EFTS if you undertake doctoral study.

Generally, you will not be able to receive more than 10 EFTS of Student Loan entitlement including these extensions.

For more information go to [www.studylink.govt.nz](http://www.studylink.govt.nz).

# Changes to Residency Requirements

From 1 January 2011 permanent residents and Australian citizens will be subject to a two year stand-down before they can receive a Student Loan.

## Permanent residents

To get a Student Loan you will need to:

- have lived in New Zealand for at least two years
- have held permanent residence status for at least two years, and
- be ordinarily resident in New Zealand.

## Australian citizens

To get a Student Loan you will need to:

- have lived in New Zealand for two years and
- be ordinarily resident in New Zealand.

## Ordinarily resident

Ordinarily resident means that you consider New Zealand your home, you normally live here and intend to stay here permanently.

## There are some exceptions

Some people will not need to meet the two year stand-down requirement. This includes:

- refugees
- anyone who was sponsored into New Zealand by a family member who holds refugee status
- people with protected person status (under the Immigration Act 2009).

## Did you study in 2010?

If you studied in 2010 and don't yet meet the two year requirement you may be able to continue to get a Student Loan until you complete your current qualification or for a maximum of two years – whichever occurs first.

For more information go to [www.studylink.govt.nz](http://www.studylink.govt.nz).

# Student Loan Fee Changes

From 1 January 2011 the Student Loan administration fee is changing.

## **StudyLink establishment fee**

The current StudyLink administration fee will:

- be renamed the establishment fee
- increase from \$50 to \$60.

The establishment fee will be charged every time you open a new Student Loan account.

For more information on the establishment fee go to [www.studylink.govt.nz](http://www.studylink.govt.nz).

## **Inland Revenue administration fee**

The Government has also announced that a \$40 annual administration fee will be introduced for Student Loans that are transferred from StudyLink to Inland Revenue. This fee is subject to legislation expected to be introduced later in 2010.

The administration fee will:

- not be charged in any tax year where you also had a StudyLink establishment fee charged.
- be charged each tax year from the tax year ending 31 March 2012.

# Understanding EFTS

EFTS stands for Equivalent Full-Time Student

## What is EFTS?

EFTS is a measure of the amount of study or the workload involved in undertaking a particular course and is used to decide if a course is full-time or part-time.

A year of full-time study is generally between 0.8 EFTS and 1.2 EFTS.

If you're unsure about the EFTS value of your course you should talk to your education provider.

## How to contact us

Website: **[www.studylink.govt.nz](http://www.studylink.govt.nz)**

Phone: **0800 88 99 00**

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