

For further information or to apply for student finance visit

www.direct.gov.uk/studentfinance

SFE/REPAYFF/V12

STUDENT FINANCE... WHAT, WHEN AND HOW TO REPAY 2012/13



HOW REPAYMENTS ARE CALCULATED

How much you will repay

You will have money taken off your salary to repay your student loan during any pay period where your earnings, before tax, are over the weekly or monthly threshold.

The thresholds for repayment are £403 per week, £1,750 per month or £21,000 per year. 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, then a student loan deduction will be made.

You pay 9% of anything you earn over the threshold.

For example, if you are paid monthly and earn £2,250 before tax you would 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 a month**.

Example repayment amounts

| Income each year before tax | Monthly Salary | 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 | £2,917 | £105 |
| £40,000 | £3,333 | £142 |

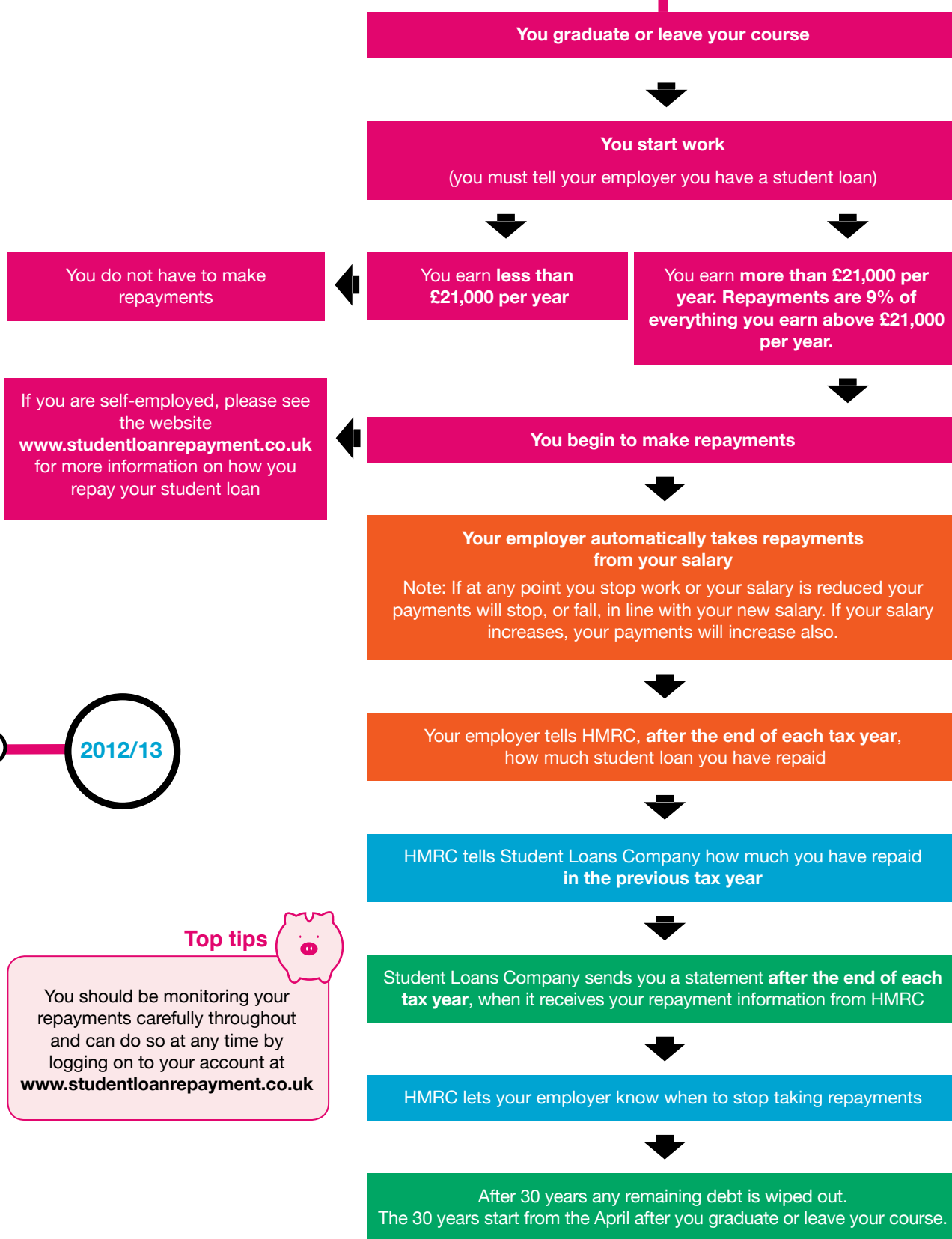
If your income changes during the year

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

Repayment fast facts for students starting at university or college in September 2012

- You apply for student finance online from Student Finance England which is a partnership between the Department for Business, Innovation and Skills and the Student Loans Company (SLC) at www.direct.gov.uk/studentfinance.
- Repayments only start once you have left university or college and are earning more than £21,000 per year.
- If you are employed, your employer will take your repayments directly off the payroll as they do with tax and National Insurance Contributions (NICs).
- If you stop working, your repayments will stop and only start again when you are earning more than £21,000 a year.
- If your salary drops or rises, your repayments will automatically be adjusted in line with this.
- Repayments are based on your future earnings and not on what you borrow, so your monthly repayments don't depend on what you owe or how much your course fees are.
- After 30 years any remaining debt is wiped out. The 30 years start the April after you graduate or leave your course.
- If you are planning to travel or work abroad for more than 3 months at any point after graduation up until you've repaid your student loans or the 30 year deadline is past, you just complete an Overseas Income Assessment. This provides SLC with evidence of your income during this time in order for them to work out a repayment schedule for you. If you are working abroad and not paying tax through the UK tax system, different repayment rules will apply.

For more information on all aspects of student finance and tools to help you in your student finance journey go online to www.direct.gov.uk/studentfinance.



WHO YOU DEAL WITH

- **You**
- **Student Finance England**
 - Processes student finance applications
 - Pays loans and grants to students
 - Pays Tuition Fee loans direct to university and colleges on behalf of students
- **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 (PAYE) and national insurance Contributions (NICs)

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