

This fact sheet will help you understand how and when you will have to repay your student loans. Student Finance England is part of the Student Loans Company. **Repayment of your student loan is handled by the Student Loans Company.**

Students who started their course before 1 September 2012 (Repayment Plan 1)

When do I have to start repaying?

If you are a new student starting before 1 September 2012 you will start to repay your Maintenance and Tuition Fee Loans the April after you leave or finish your course. Any bursaries and grants do not have to be paid back if you complete your studies.

You will only start repaying your student loan when you earn over £15,795 each year.

How much do I repay?

A student loan is 'income contingent' so how much you repay depends on what you earn, not how much you borrowed.

You will only start to repay when your income goes over the repayment threshold of £303 a week, £1,316 a month or £15,795 a year. Once you earn over £15,795 you will pay 9% on everything you earn over this amount. If your income drops below £15,795 all repayments will automatically stop.

Take a look at the examples below to see how it might work for you:

Income each year before tax	Monthly earnings	Monthly repayment
£15,795	£1,316	£0
£18,000	£1,500	£16
£21,000	£1,750	£39
£24,000	£2,000	£61
£27,000	£2,250	£84
£30,000	£2,500	£106

Do I pay interest on my loan?

Yes, you are charged interest on your loan from the day the payment is made until you pay your loan back in full. If you started your course before 1 September 2012 the interest rate on your loan will be fixed at RPI or the Bank of England base rate plus one per cent, whichever is lower.

New students who started their course on or after 1 September 2012 (Repayment Plan 2)

When do I have to start repaying?

If you are a new student starting in September 2012 you will not have to pay anything towards your Maintenance or Tuition Fee Loans until April 2016, even if you leave your course early.

Any bursaries and grants do not have to be paid back if you complete your studies. You will only start repaying your student loan when you earn over £21,000 each year.

How much do I repay?

A student loan is 'income contingent' so how much you repay depends on what you earn, not how much you borrowed.

You will only start to repay from April 2016 or later depending on the length of your course. You only start to repay when your income goes over the repayment threshold of £404 a week, £1,750 a month or £21,000 a year.

Once you earn over the threshold you will pay 9% on everything you earn over this amount. If your income drops below £21,000 all repayments will automatically stop.

Income each year before tax	Monthly Salary	Monthly repayment
£21,000	£1,750	£0
£24,000	£2,000	£22
£27,000	£2,250	£45
£30,000	£2,500	£67
£33,000	£2,750	£90
£36,000	£3,000	£112

Do I pay interest on my loan?

You are charged interest on your loan from the time you get your first payment until you pay your loan back in full.

The interest rate charged depends on the Retail Price Index (RPI). If you are a new student starting on or after the 1 September 2012 the interest rate on your loan will be calculated as shown in the table below:

	Interest rate
While you are studying	RPI plus 3%
If you finish or leave your course before April 2016	RPI plus 3% until after you leave your course and then RPI
From April 2016 (unless you are still studying)	Interest will be based on your income £21,000 or less- RPI £21,001 to £41,000- RPI plus up to 3% depending on your income £41,001 and over- RPI plus 3%

Part-time students will enter repayment at start of the tax year on 6 April, 4 years after the 1st day of their 1st year of study or the April after they leave the course (whichever happens first).

All Students

How are repayments collected?

For most people, repayments are made through the UK tax system. Your employer will automatically take 9% of what you earn above either of the £21,000 or £15,795 thresholds ((including the weekly/monthly equivalent and depending on the date you started your course) from your earnings through Pay As You Earn (PAYE). If you are self-employed, HM Revenue and Customs (HMRC) will collect your repayments through the tax self-assessment system.

What if I go abroad?

You still have to repay your loan if you go abroad to live or work. If you are overseas and therefore not covered by the UK tax system, you will make repayments direct to us. It is important that you contact us before you leave the UK, and fill in the Overseas Income Assessment Form so that we can work out a repayment schedule for you. This form is available on the website at www.studentloanrepayment.co.uk.

To take account of differences in living costs, the repayment threshold in a foreign country will not necessarily be the same as in the UK. If you go abroad when you finish studying and think you may not be in regular contact while you are away you can give someone else Power of Attorney. This allows them to act on your behalf and we would recommend you consider doing this.

Top tips



You can get more information on repaying your loans by visiting our repayment website at www.studentloanrepayment.co.uk.