



STUDENT FINANCE EXPLAINED

FOR PARENTS OF STUDENTS
2013/14

sfe
studentfinanceengland
the student finance experts

Student Finance England is a Student Loans Company service, providing financial support to students on behalf of the UK Government.

For more information and to apply, visit www.gov.uk/studentfinance

For a range of helpful tools and guidance, visit www.thestudentroom.co.uk/studentfinance

Is your son or daughter going to university or college? Are you wondering how they go about applying for student finance and what they'll eventually repay? Student Finance England is here to help.

What can your child get?

While at university or college your child will have two main costs – tuition fees and living costs. The good news is they won't have to pay any tuition fees up front!

Depending on your child's circumstances, their course and where they study, they could get a range of financial support.

The main types of finance are **tuition fee loans** (which have to be paid back), and **grants** and **bursaries** (which don't).

They can get a Tuition Fee Loan of up to £9,000 to cover tuition fees, while Maintenance Loans and Maintenance Grants help towards their living costs such as rent and bills. How much student finance they can get depends on your household income — that is, the income of you, your partner and any dependants.

There's also extra support for those with special circumstances, for example, if they have children or adult dependants, a disability, long-term health condition, mental-health condition, or specific learning difficulty such as dyslexia or dyspraxia.

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What, when and how will your child repay?

Your child won't have to repay their loan amount until they've left university or college and their income is over £404 per week, £1,750 per month or £21,000 a year. They'll then repay 9% of their income over these amounts. If your child's income drops below these thresholds, all repayments stop automatically.

Employers deduct repayments through PAYE just like tax and National Insurance contributions. If they're self-employed, the amount your child repays is calculated through self assessment and is paid directly by them to Her Majesty's Revenue and Customs (HMRC).

Interest is charged on your child's loan from the day their first payment is made until their loan is repaid in full or written off, whichever is first.

The amount of interest charged is the rate of inflation based on the Retail Price Index (RPI) plus up to 3%, depending on their income.

Any loan remaining after 30 years is written off.

For more information on repayment go to:

www.studentloanrepayment.co.uk



APPLYING AND GETTING PAID

WHAT YOU AND YOUR CHILD NEED TO DO

WHO DOES WHAT?

You / Your child

Student Finance England

Your child's university or college

- 1 Your child can apply for student finance now. They don't need to have accepted a university or college place to apply.
- 2 The quickest and easiest way to apply is online at www.gov.uk/studentfinance. It's important they apply early to make sure their student finance is in place in time for starting their course!
- 3 If your child's only applying for the Tuition Fee Loan and the basic Maintenance Loan (the bit that doesn't depend on your household income), they can fill in the application and you don't have to do anything.
- 4 If your child's applying for financial support that depends on your household income, you'll need to register an online account. You can do this at the same time as your child or separately.
- 5 When you register you'll supply your National Insurance number and details of your household income, which we'll use to assess your child's entitlement to student finance.
- 6 We'll confirm your household income directly with HMRC, using your National Insurance number.
- 7 We may contact you to send us evidence or further information to support what you've told us.
- 8 Once the completed application is submitted, along with any evidence we need, we'll assess how much your child can get. We'll send them a Student Finance Entitlement letter and a declaration to sign and return to us.
- 9 Your child signs the declaration and sends it back to us.
- 10 Your child takes their Student Finance Entitlement letter to their university or college when they register.
- 11 Your child's university or college tell us your child has registered.
- 12 Once the university or college lets us know they've registered, we'll make the first of three Maintenance Grant and/or Loan payments to your child's bank account. We'll also pay the Tuition Fee Loan directly to their university or college.

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