

■ STUDENT FINANCE EXPLAINED

A quick note

- There is variation across the four nations of the UK.
- Figures correct for 2021 entry.
- This presentation *is in no way* designed to sell, advocate, endorse or promote the current system.
- I simply want to make sure everyone who is thinking about university (plus their parents or guardians) has a basic understanding of how student finance works.
- For full eligibility criteria, please visit:

www.gov.uk/student-finance/who-qualifies

“Ignore everything you’ve read in the papers. Ignore the political spittle that flies across Parliament. And in some cases, ignore what parents tell you too.

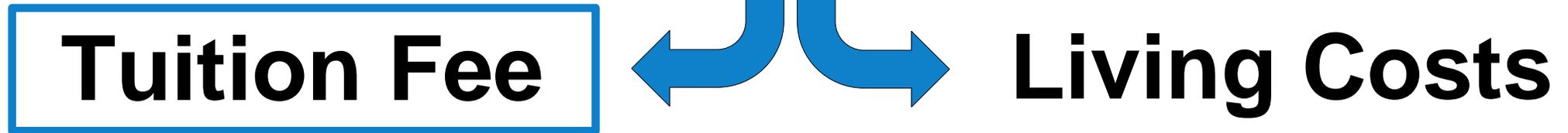
There are more myths and misunderstandings about student finance than any other subject.”



Martin Lewis

Founder and Chair of Money Saving Expert
MoneySavingExpert.com >> Students

The cost of university



Tuition Fee

- Universities can charge up to £9,250 (or £11,100 for accelerated (two year) degrees) per academic year.
- Eligible students ***will not*** have to pay any tuition fees upfront.
- Both eligible full and part-time students can have their fees covered by a Tuition Fee Loan.
- Non-means tested.
- You do not see this money.

Foundation Diploma in Art + Design

Foundation Diploma in Art and Design

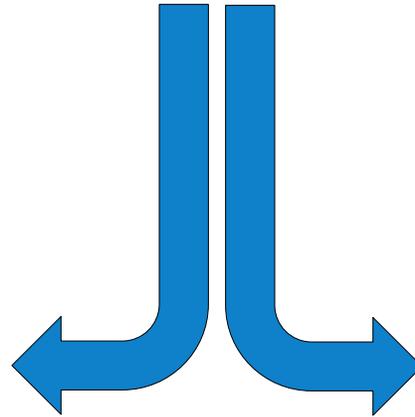


Foundation Year or Foundation Degree

- The Foundation Diploma in Art and Design is classed as a Further Education course (Level 3).
- You are therefore not eligible for funding via SLC.
- Students **under 19** on 31st August of the year of entry will not be charged a tuition fee.

The cost of university

Tuition Fee



Living Costs

Maintenance Loan

- All eligible (F+PT) students can apply for a loan to **help cover** their living costs.
- According to [Save the student](#), the average student is £340 a month short.
- Paid at the start of each term directly into your bank account.
- Amount received depends on household/family income (means tested), where in the UK you study and if you move out of your parental home.
- As a result, everyone will receive a different amount.
- You need to tell SLC if there is a change in your circumstances.
- You will not receive the first allocation of your Maintenance Loan until you have registered with your university (enrolment).

Maintenance Loan

- Student is living:

At their parental home

£3,515 - £7,987

Away from their parental home or hold Independent Student Status*

Outside Greater London

£4,421 - £9,488

Inside Greater London

£6,166 - £12,382

*Independent Student Status = care for someone under the age of 18; you are 25 or older; you are married or in a civil partnership (even if you are now divorced/separated); you have no living parents; your parents cannot be traced or contacted; you are permanent estrangement from parents; you have supported yourself financially for three or more years.

Expected parental contribution

- Rightly or wrongly, if you do not hold Independent Student Status, the amount you will receive through your Maintenance Loan is directly connected to your household income.

- MoneySavingExpert.com

[How much the Govt expects parents to give their children while at university 2020/21](#)

- Has your income dropped as a result of COVID-19?

www.gov.uk/support-child-or-partners-student-finance-application/current-year-income

Additional forms of financial support

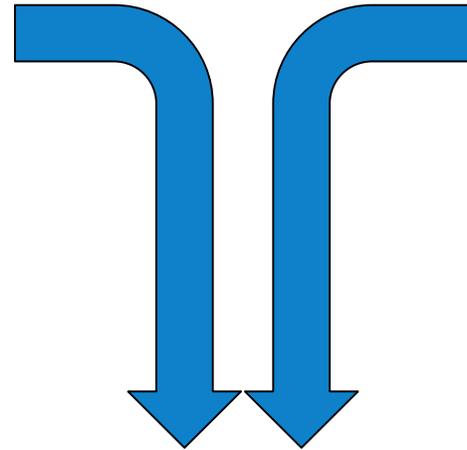
- Forms of additional financial support include (via SLC):
 - **Childcare Grant**
Help towards learning related costs if you have dependent children.
 - **Parents' Learning Allowance**
Help with your weekly childcare costs (up to 85%).
 - **Adult Dependants' Grant**
Help if you are financially responsible for another adult.
 - **Disabled Students' Allowance**
Contribution towards the essential extra costs you might have as a direct result of a disability.
- For full details, please visit: www.gov.uk/student-finance/extra-help

NHS Learning Support Fund

- From September 2020.
- All new and continuing (degree level) nursing, midwifery and many allied health students (including paramedics) will benefit from additional support through the NHS Learning Support Fund.
- Payment of £5,000 to eligible students each academic year (**Training Grant**).
- Additional payments up to £2,000 per academic year to help cover childcare costs (**Parental Support**) and a further £1,000 for students in specialist disciplines or regions struggling to recruit (**Specialist Subject Payments** and **Regional Incentives**).
- These ***do not*** need to be paid back.
- For more details, please visit: www.nhsbsa.nhs.uk/learning-support-fund

**Tuition Fee
Loan**

**Maintenance
Loan**



Student Loan

Repayment

- You will only start repaying your student loan:
 - When you are earning over £27,295.
 - The April after you graduate or leave university.
- Repayments are ***always*** dependent on your income
- Deducted by HMRC automatically from your pay.
- Monthly repayments amounts are ***not*** affected by the amount borrowed.
- Having a student loan will ***not*** affect your credit rating.
- Liability to repay is ***not*** passed on to someone else.
- After 30 years, ***any*** outstanding repayments will be written off!

The Institute For Fiscal Studies estimated that **83%** of (English) students will not clear their student loan...within 30 years.

[Institute for Fiscal Studies New higher loan repayment threshold is a big \(and expensive\) giveaway to graduates \(3rd October 2017\)](#)

Repayment Examples

- The repayment rate is 9% of earnings above £27,295.

AMOUNT ABOVE THRESHOLD:	£0	£20,000 = £0 per month
	£0	£27,295 = £0 per month
	£2,705	£30,000 = £20 per month
	£7,705	£35,000 = £57 per month
	£12,705	£40,000 = £95 per month
	£17,705	£45,000 = £132 per month

- Interest rates are charged on your student loan (RPI + (up to) 3%) and apply from the day the first payment is made to you or your university.

Repayment Examples

£20,000

£30,000

£40,000

£0

£2,434

£11,434



10 YEARS

10 YEARS

10 YEARS

After 30 years, you would have paid off £13,868

(that's £462 a year)

What if I move abroad?

- **Yes** - you are still responsible for repaying your student loan!
- Save the Student

[Repaying your Student Loan from abroad](#)

- If you are moving overseas for longer than three months then you need to contact the SLC to sort out your student loan repayments.
- Overseas Income Assessment Form.

Applying

- You must apply and reapply **every** academic year!
- Apply after submitting your UCAS application (late January/early February = normal launch), although these are not linked!
- Apply online - www.gov.uk/apply-for-student-finance
- You don't need to wait until you have a confirmed place (preferred choice)!
- Apply by the end of **May 2022** (date TBC) to guarantee your funding is ready for the start of your course.
- For specific university bursaries, you'll need to apply directly to the respective university and deadlines and eligibility will vary.

Summary

- No Tuition Fees are paid upfront (by those who are eligible).
- Tuition Fees are paid on your behalf.
- Lots of support is available to help with living costs (Maintenance Loan) and the level of support will depend on your individual circumstances.
- Repayments are manageable and are only paid when you are earning over £27,295 (completely wiped after 30 years).
- ***The (apparent) cost of university can be daunting, but do not let this be the sole reason you do not go!***