

If you are overseas you will make student loan repayments directly to the SLC. You will need to complete an Overseas Income Assessment Form to enable them to calculate how much you need to repay. On this form you should provide details of your circumstances and prospective income. You will also be required to provide evidence of your income or means of support. The SLC will then send you a repayment schedule showing how much you need to pay each month. Your monthly payments will be based upon the earnings threshold for your destination country.

**Please note:** the form should only be completed and returned to the SLC once your account enters repayment. Repayments begin in the April following your graduation date or the date you leave your course. Please also ensure that you have written your name and customer reference number on the form before sending it.

## What should I do if my circumstances change?

If your salary changes you do not need to do anything as your employer will only deduct 9% of your salary before tax over the repayment threshold.

If you change your employer they should give you a P45 form with box 5 marked with a Y. This is an instruction to your new employer to deduct repayments from your salary once it exceeds the repayment threshold.

If your previous employer has not given you a P45 form you can ask your new employer for form P46 and you should mark the relevant box on this to show you are eligible to make student loan repayments.

HM Revenue & Customs will advise the SLC you are no longer in employment and they will then issue you with a Confirmation of Customer Details Pack requesting you supply details of your circumstances at that time.

## What if I'm still studying?

Please return the 'Confirmation of Customer Details UK form' to the SLC if you are currently in receipt of financial support from the Student Loans Company. Write your Customer Reference Number on the form for the grant or loan applicable to the current academic year.

If you are not in receipt of further support from SFE, please provide evidence of your means of support while you are studying, e.g. 3rd party support letter, a clear photocopy of a bank loan agreement, a clear photocopy of a grant award letter, a clear photocopy of a letter from your HEI confirming your place on a course or a clear photocopy of your Student Card providing it covers the current academic year.

## Finally

Full information on all repayments and income thresholds can be found on the SLC repayments website: [www.studentloanrepayment.co.uk](http://www.studentloanrepayment.co.uk)



# Repaying your student loans

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## Student Funding Team

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## When will I have to repay my loans?

When you leave university you will need to know how to repay any student loans you may have taken out. You usually start making repayments through the PAYE scheme from the April following the date you graduate or leave your course.

If you took out a student loan from 1 September 1998 onward, you will make repayments based on how much you *earn*. Interest will be added from the moment you take out your loan.

## How do I find out how much I owe?

You can log into your student loan account and use the balance calculator to work out how much you have left to pay. The balance calculator will show you what information you need to supply to get an accurate balance:

[www.studentloanrepayment.co.uk](http://www.studentloanrepayment.co.uk)

Before you are due to start repaying your loan you will receive a statement to advise you of your outstanding balance. Once you are repaying your loan you will receive a statement when HMRC have notified the Student Loans Company (SLC) of the payments you have made. This means you may not receive a statement annually. Repayment deductions from your salary will be shown on your pay slips or your P60.

## How do I repay my loans?

If you have an employer, you will have repayment deductions taken directly from your pay. These deductions will show on your pay slip. To keep a record of the repayments you have made, always keep your pay slips and P60s (given to you by your employer(s) at the end of each tax year).

If you are self-employed, you will need to complete a self-assessment (SA) form and return it with any payment by 31 January following the relevant tax year. This means that they will be included in your 31 January balancing payment each year. They are not included in the SA payment-on-account figures calculated during the year. For more information go to: [www.hmrc.gov.uk/leaflets/csl1.pdf](http://www.hmrc.gov.uk/leaflets/csl1.pdf)

## What is the income threshold to start repaying?

The earnings threshold for **pre-2012** students is £17,335 pa which is:

|                       |   |                          |   |                          |
|-----------------------|---|--------------------------|---|--------------------------|
| <b>£333</b><br>a week | = | <b>£1,444</b><br>a month | = | <b>£17,335</b><br>a year |
|-----------------------|---|--------------------------|---|--------------------------|

The earnings threshold for **NEW post-2012** students is £21,000 pa which is:

|                       |   |                          |   |                          |
|-----------------------|---|--------------------------|---|--------------------------|
| <b>£403</b><br>a week | = | <b>£1,750</b><br>a month | = | <b>£21,000</b><br>a year |
|-----------------------|---|--------------------------|---|--------------------------|

## How much will I have to repay?

You pay 9% of anything you earn over £17,335 (or £21,000) gross per year. For example, if you are paid monthly and earn £1,900 gross per month, you would repay 9% of the difference between what you earn and what the threshold is:

- £17,335 threshold;  
£1900 - £1444 = **£456**  
9% of £456 = repay **£41.04** per month

If you have unearned income of more than £2,000 a year, e.g. interest on savings, you may have to make additional student loan repayments.

- £21,000 threshold:  
£1900 - £1750 = **£150**  
9% of £150 = repay **£13.50** per month

If you started your course **after** September 2012, any loans you take out and are unable to repay will be written off after 30 years.

## What is the current interest rate?

Rates may vary if the bank base rate is increased or decreased. Since 1 September 2014 interest is currently charged at:

- 5.5%** (2012 entrants)
- 1.5%** (pre-2012 entrants)

This can change annually. This rate applies to all income-based loans, including those paid out to students currently studying at university. For full up-to-date information, go to:

[www.studentloanrepayment.co.uk](http://www.studentloanrepayment.co.uk)

The interest rate that applies to your loan is based on the UK **Retail Price Index (RPI)**, and it can vary depending on your circumstances.

## Can I make a lump sum payment?

You can make additional payments by credit or debit card at any time, directly to the SLC. Your employer will continue to deduct 9% of your earnings above the threshold, regardless of whether you have made additional payments. However, you will pay off your loan more quickly.

## Do I have to repay if I move overseas?

If you are going abroad for more than three months, and are out of the UK tax system, you must contact the SLC with as much advance notice as possible before you leave the UK.

**If you do not inform them you are living overseas, you may be subject to penalties.**