



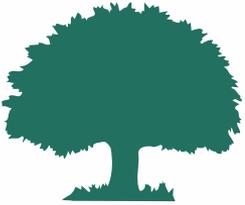
Student Loans Company



# Postgraduate Loans Awareness Seminar



Student Loans Company



## Postgraduate Loan (PGL) for Master's courses

Christine Connelly  
Policy Lead, Student Loans Company



## Autumn 2014 statement

“Autumn Statement 2014 introduces a new offer of income contingent loans for those under 30 years old wishing to undertake a postgraduate taught masters in any subject. These loans of up to £10,000, are planned to be available from 2016-17 and will be repaid concurrently with undergraduate loans. The loans are designed so that, on average, individuals will repay in full, in recognition of the high private return to individuals, but they will beat commercial rates.

The government will consult on the detail and will confirm the delivery plan. This is expected to benefit around 40,000 students, and enable around 10,000 more individuals to take advantage of the opportunity to undertake postgraduate study each year.”



## Financing Postgraduate Study

“A postgraduate Master’s qualification can help people advance their careers and provide invaluable skills to support our innovation and growth. We want anyone who has the ability to study at this level, regardless of their circumstances, to be able to do so. We are offering a new postgraduate Master’s loan of up to £10,000 to help more people do just that.”

Jo Johnson MP, Minister of State for Universities and Science



# Postgraduate Loan

- Available from AY 2016/17
- Students aged under 60
- Taught and research Master's; any subject
- Maximum £10,000 loan
- Income Contingent Repayment (ICR)
- Repaid concurrently with other student loans
- Contribution to costs; paid to student



## Application process

- Paper and online application
- Apply up to 9 months after AY start date  
(2<sup>nd</sup> AY start date where course lasts 2 or more years)
- Loan request amount changes allowed up to 1 month from AY end date



## Eligible students – residency

- Residency rules – as per undergraduate students
- EU students are eligible
- Three years address history required



## Residency – example 1

**Stuart** is a UK national who confirms that he has been living in the UK and Islands for three years prior to the first day of the first AY of the course. He gives the following address history (most recent address first):

England: 2 years

Wales: 1 year

As Stuart is a UK national who is ordinarily resident in England on the first day of the first AY of the course and who has been ordinarily resident in the UK and Islands for three years prior to the first day of the first academic year of the course, he is **eligible** for PGL.



## Residency – example 2

**Jason** is a UK national who confirms that he has been living in the UK and Islands for three years prior to the first day of the first AY of the course. He gives the following address history (most recent address first):

England: 2 months

Scotland: 2 years and 10 months

Jason's residence in Scotland is not deemed to be temporary (as he was ordinarily resident in Scotland and was not living there for a temporary purpose such as education). SFE concludes that he moved to England for the purposes of starting the course. He is therefore **ineligible** for PGL



## Residency – example 3

**Katrin** is an Estonian national who confirms that she has not been living in the UK and Islands for three years prior to the first day of the first AY of the course. She gives the following address history (most recent address first):

Germany: 2 years

Estonia: 1 year

She comes to England to start the course. She is eligible for PGL as an EU student (i.e. a non-UK EU national who has been living in the EEA / Switzerland for three years prior to the first day of the first AY of the course)



## Eligible students – age limit

**Aged under 60** before 1<sup>st</sup> day of 1<sup>st</sup> academic year:

<u>1<sup>st</sup> September</u>	Course starts 1 <sup>st</sup> August to 31 <sup>st</sup> December
---------------------------------	---

<u>1<sup>st</sup> January</u>	Course starts 1 <sup>st</sup> January to 31 <sup>st</sup> March
-------------------------------	---

<u>1<sup>st</sup> April</u>	Course starts 1 <sup>st</sup> April to 30 <sup>th</sup> June
-----------------------------	--

<u>1<sup>st</sup> July</u>	Course starts 1 <sup>st</sup> July to 31 <sup>st</sup> July
----------------------------	---



## Age limit – example 1

### Elena

- Course start date: 15<sup>th</sup> Oct 2016
- 60<sup>th</sup> Birthday: 10<sup>th</sup> September 2016
- AY start date: 1<sup>st</sup> September 2016

**Eligible**  
as she is under 60 on  
AY start date



## Age limit – example 2

### Paul

- Course start date: 10<sup>th</sup> January 2017
- 60<sup>th</sup> Birthday: 28<sup>th</sup> December 2016
- AY start date: 1<sup>st</sup> January 2017

**Ineligible**  
as he is age 60 on AY  
start date



## Eligibility – previous qualifications

No support for those with an equivalent or higher level qualification, e.g.

- Integrated Master's
- Stand alone Master's
- Doctoral degree
- Overseas equivalent



## Postgraduate qualifications level

HE qualification held*	FHEQ** level	Student eligible for PGL?
Doctoral degrees (e.g. PhD/DPhil, EdD, DBA, DClInPsy)	8	No
Master's degrees (inc. MPhil, MLitt, MRes, MA, MBA, MSc)	7	No
Integrated Master's degrees (e.g. MEng, MChem, MPhys, MPharm)		
Postgraduate Diplomas	7	Yes
Postgraduate Certificate in Education (PGCE)		
Postgraduate Certificates		

(\*Including overseas equivalent qualifications)

(\*\*Framework for Higher Education Qualifications)





## Eligibility – previous study

- Previous study (no qualification gained and no PGL awarded) is not taken into account
- No repeat PGL funding unless student has a compelling personal reasons (CPR)
- One year of extra funding for CPR; assessed on case by case basis – reasons include ill health and bereavement



# Qualifications and previous study summary

Equivalent or higher qualification achieved?	PGL previously received?	PGL available?
NO	NO	YES
NO	YES	NO*
YES	NO	NO
YES	YES	NO

(\*unless CPR awarded)



## Ineligible reasons

- Doesn't meet residency / previous study criteria
- Outstanding arrears
- Unfitted for student support
- Applies too late (9 month cut off)



## Course eligibility

- **Eligible courses:** stand alone Master's courses (taught and research, inc. professional)
- **Eligible providers:** authority funded HE Providers; *and* alternative providers with degree awarding powers
- **Eligible study modes:** in attendance and distance learning
- **Eligible course length:** full-time courses (1 or 2 years); and part-time courses (50% minimum intensity; up to 4 years)





## Part-time study intensity

**Eric** is undertaking a Master's course on a part-time basis over two years. The course is equivalent to a one year full-time course. Eric's study intensity pattern is as follows:

Year 1: 75%

Year 2: 25%

Eric is eligible for support as he is

- studying at 50% or greater intensity in year one; and
- studying at average intensity across the course of 50% or greater in year 2



## Eligible courses

Eligible Master's courses include the following:

- MSc (Master of Science)
- MA (Master of Arts)
- MPhil (Master of Philosophy) on entry
- MRes (Master of Research) on entry
- LLM (Master of Law)
- MLitt (Master of Letters)
- MFA (Master of Fine Arts)
- MEd (Master of Education)
- MBA (Master of Business Administration)



## Payment of Postgraduate Loans

- One confirmation of study required per AY
- Payments made on term one start date, then last Wed of 4<sup>th</sup> and 7<sup>th</sup> month after course start
- Payments split 33% - 33% - 34%
- Part-time courses – 50% study intensity required; payments over first 2 years of course (where course lasts 2, 3 or 4 years)



## Payment dates

**1<sup>st</sup> instalment:** Course start date

**2<sup>nd</sup> instalment:** Last Wednesday of the 4<sup>th</sup> month after the month in which the course starts

**3<sup>rd</sup> instalment:** Last Wednesday of the 7<sup>th</sup> month after the month in which the course starts



## Payment dates – examples

### **Course starts on any date in August or September 2016:**

- 1<sup>st</sup> payment: course start date (confirmation of study received)
- 2<sup>nd</sup> payment: last Wednesday in January 2017
- 3<sup>rd</sup> payment: last Wednesday in April 2017

### **Course starts on any date in October 2016:**

- 1<sup>st</sup> payment: course start date (confirmation of study received)
- 2<sup>nd</sup> payment: last Wednesday in February 2017
- 3<sup>rd</sup> payment: last Wednesday in May 2017

### **Course starts on any date in January 2017:**

- 1<sup>st</sup> payment: course start date (confirmation of study received)
- 2<sup>nd</sup> payment: last Wednesday in May 2017
- 3<sup>rd</sup> payment: last Wednesday in August 2017



## Payment split

**John** undertakes a one year course and requests a loan of £8,000

Payments are scheduled as follows:

1. **£2,640** (33% of £8,000)
2. **£2,640** (33% of £8,000)
3. **£2,720** (34% of £8,000)

New loan request (after 1<sup>st</sup> payment) – £10,000 requested

Interim payment of **£660** (£3,300 minus £2,640 already paid)

2. **£3,300** (33% of £10,000)
3. **£3,400** (34% of £10,000)



## Change of Circumstances - transfers

- Students can transfer between eligible courses (at the same or at a different HE Provider)
- Where the student transfers to a course at a different HE Provider, the new HE Provider must confirm the transfer to SLC before any future payments will be released
- If a student transfers between eligible and ineligible courses, no PGL is available for study on an ineligible course



## Change of course length

### **Change from a one year course to a two year course**

- PGL cap in year one changes from £10,000 to £5,000
- Remainder of funding up to £10,000 available in year two

### **Change from a two year course to a one year course**

- PGL cap in year one changes from £5,000 to £10,000
- Remainder of funding up to £10,000 available in year one



# Suspensions

Students may suspend study with the agreement of their HE Provider. Remaining PGL entitlement can be accessed when the student resumes their course.

- Suspends and resumes in the same payment period
  - support not affected
- Suspends and resumes in the following payment period
  - support not affected
- Suspends for a full payment period (or a full academic year)
  - missed payment made on resumption



## Withdrawal and overpayment

- Where a student withdraws from a course:
  - Future payments of PGL are cancelled
  - Previous payments are only affected if the withdrawal is retrospective
- Where a payment is made after the withdrawal date, the loan overpayment is collected separately from the main balance
- Overpayments are also due where the student was not eligible for PGL, for example because the student:
  - Does not satisfy residency requirements
  - Has a Master's degree and did not declare it on the application



# Repayment terms

- **Plan 1 loans**
  - Loans for HE courses that started pre 1<sup>st</sup> September 2012
- **Plan 2 loans**
  - Loans for HE and FE courses that started from 1<sup>st</sup> September 2012 (excluding PGL)
- **Postgraduate Loans**
  - Loans for PG Master's courses starting from 1<sup>st</sup> August 2016



## Repayment threshold

- Repayments due from April 2019
  - UK threshold £21,000
  - Overseas thresholds based on Price Level Indices
- Thresholds frozen until April 2021
- 6% of income over threshold deducted
- Voluntary repayments at any time (without penalty)



## Interest rate and write off

- RPI + 3% interest rate while the borrower is:
  - in course
  - out of course (whether making repayments or not)
- Balance written off:
  - 30 years after repayments due
  - Borrower dies
  - Borrower permanently disabled and cannot work due to disability



# Repayment – example

Income = £25,000

Tax year 2019/20	Plan 2	PGL
Threshold	£21,000	£21,000
Repayment	£30 (9% deduction)	£20 (6% deduction)
Interest rate	RPI + 0.6%	RPI + 3%



# Questions

