

Repayment Rules and Obligations

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Verification Operations & Repayment Recoveries

March 2019



Introduction

Verification Operations

- Journey to repayment
- Repayment Partners
- When do you start repaying your student loan?
- What repayment plan are you on?
- How much will you repay?
- What should you do if you think you're repaying too soon?
- Repaying from overseas
- How much interest is charged on customers student loan?
- 18/19 Service Enhancements



provides financial support on behalf of the UK Government, through



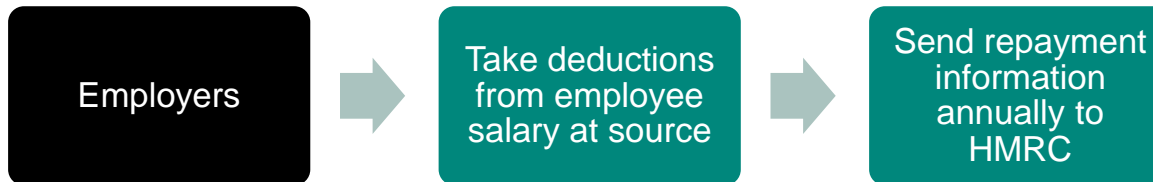
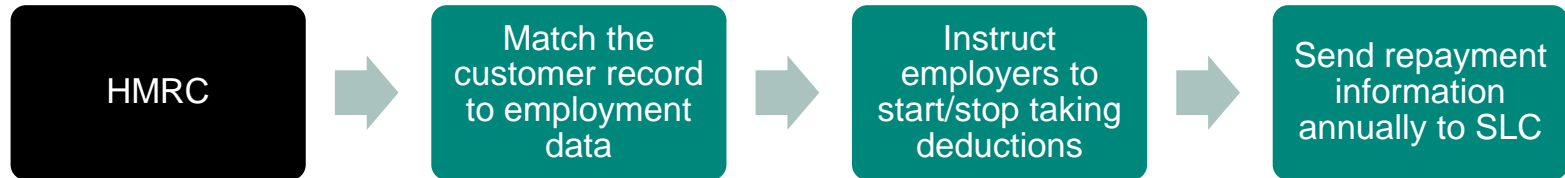
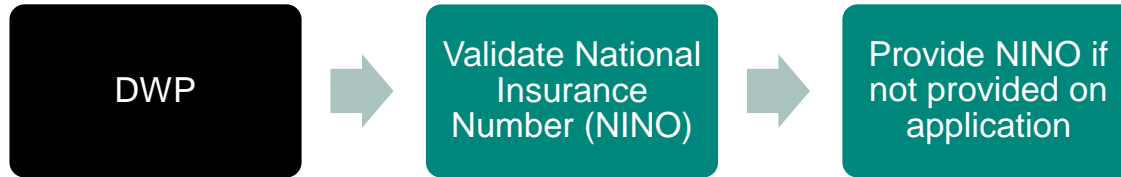
Repayments are usually made through your salary or self assessment to HMRC.



SLC apply the repayments to your balance.



Repayment Partners



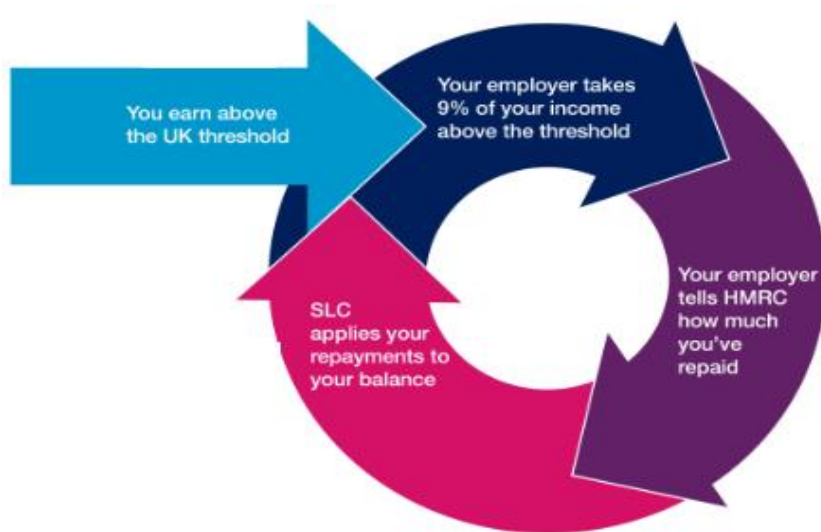
When do you start repaying your student loan

If your course is full time

- You are due to start repaying your loan the April after you finish or leave your course

If you are a part-time student

- If you study part-time, you are due to start repaying the April four years after the start of your course, or the April after you finish or leave your course, whichever comes first



How much will you repay?

Income each year before tax	Monthly income before tax	Approximate monthly repayment
£25,000	£2,083	£0
£27,000	£2,250	£15
£29,500	£2,458	£33
£31,000	£2,583	£45
£33,000	£2,750	£60
£37,000	£3,083	£90



Repayments will be taken if customers earn over the weekly or monthly threshold at any point in the year, for example if they work overtime or get a bonus. If at the end of the tax year their overall income has been below £25,000, they can contact SLC to apply for a refund

This information is for Plan 2 loans. If the customer started their course before 1 September 2012 they'll have a Plan 1 loan.

Employed and earning over the current threshold of £25,000 a year, £2,083 a month or £480 a week

Your employer will automatically take repayments from your salary

Self employed and earning over the current threshold of £25,000 a year

You'll make repayments at the same time as you pay tax through self assessment

Living or working overseas

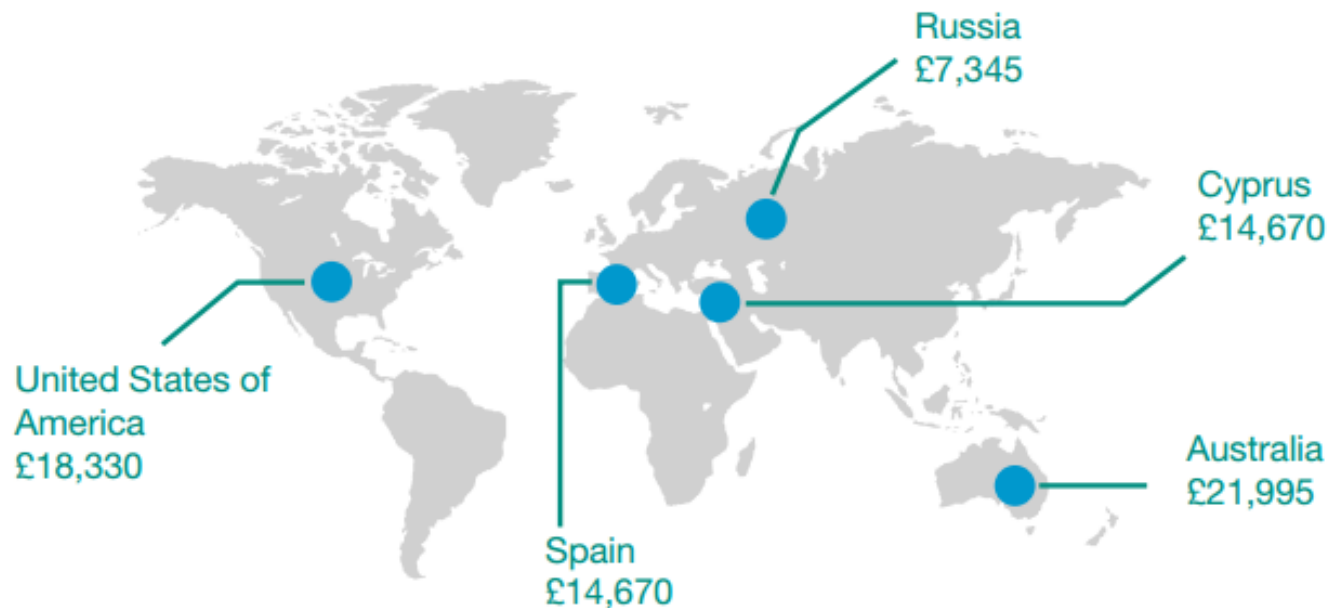
If you're going overseas for more than three months you need to let us know before you go. You may have to make repayments to us if your income is over the threshold for the country you go to.

Not in employment

You won't have to make repayments yet. You may have to send us evidence to show how you're supporting yourself.

Repaying from Overseas

- Customers also need to provide evidence of their income or how they're supporting themselves if they're not earning
- SLC send a repayment schedule showing how much the customer is required to pay each month



How much interest will I pay?

While you're at uni or college

RPI plus 3%

April after you finish or leave your course

Interest will be based on your income:

- £25,000 or less = RPI
- £25,000 to £45,000 = RPI plus up to 3% depending on your income
- Over £45,000 = RPI plus 3%

30 years

Any remaining loan is cancelled

This year



£50.00

Next year



£51.55

What repayment plan are you on?

Repayment Plan 1 – if you started your course before 1 September 2012

Repayment Plan 2 – if you started a full-time or part-time undergraduate course on or after 1 September 2012

PGL – if you started a Postgraduate Master's degree or Doctoral course on or after 1 August 2016

Plan 1 and Plan 2 loans

If your income is between £18,935 and £25,725 you'll make repayments towards your repayment Plan 1 loan only. However, if your income is more than £25,000 your repayments will be spread across your Plan 1 and 2 Loans

Plan 2 and PGL

If your income is over £21,000 you'll make repayments Towards your PGL loan only. If your is over £25,000 You'll also make repayment towards your Plan 2 loan. You'll repay 9% of your income over £25,000 towards your plan 2 loan and 6% of your income over £21,000 towards your PGL loan

Summary

- The amount you'll repay will be based on your income, not what you borrowed



- If your income changes, either rising or falling, the amount you repay will change too



- The interest you're charged is based on your income



- You'll still need to repay if you move overseas and your income is above the country's repayment threshold



- Your loan will be cancelled 30 years after you're due to repay



- It's important you keep your details up to date or we won't be able to keep you up to date about your loan, and you could be charged more interest than you should be



Introduction

Repayment Recoveries Agenda

- 1 Overseas Arrears

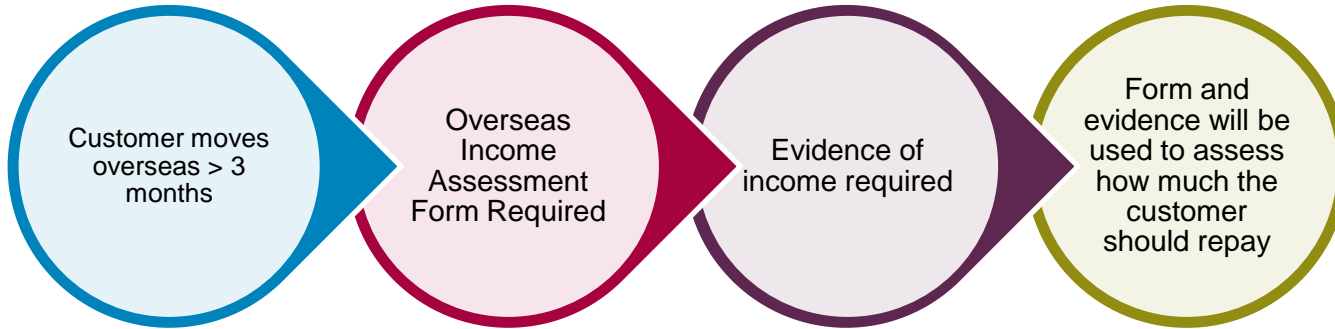
- 2 Overpayments

- 3 Overview of Repayments Recovery

- 4 Repayment Recoveries Stats

- 5 Summary

Overseas Arrears



A customer will fall into arrears when they:-

- Fail to provide the Overseas Income Assessment Form and supporting evidence
- Fail to maintain scheduled monthly repayments

How Overpayments Occur

Grant and Loan Overpayments occur for the following reasons:

Eligibility

- Course de-designated
- Residency

Change of Circumstances (CoC)

- Estimates vs actuals
- Assessment error

Withdrawal/Suspension

- Student unable to complete course

Grant and Loan Overpayment Methods of Recovery

Recovered by
the Awarding Authority
i.e. Student Finance England

- In course Recovery
- Return to Study

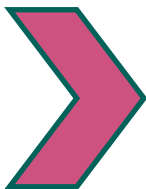
Recovered by SLC
Repayments Recoveries
Department

- End of Course
- After End of Course
- Withdrawal

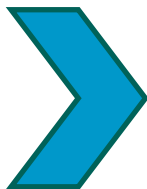
Any overpayments that occurred/remained during 2016/17 were not clawed back in the 2017/18 academic year. These will become repayable when the student graduates or withdraws.

Advice for students with Overpayments

Students with in-course overpayments should:-



- Be aware of the impact an overpayment may have on their current and future entitlement whilst they remain in study



- Contact their Awarding Authority immediately if they wish to dispute the overpayment



- Return any requested evidence as soon as possible

Advice for students with Overpayments

Students who have an overpayment due to withdrawal or after they graduate should :-



Contact SLC as soon as possible
to discuss repayment

New Changes to the Overpayment Process

Changes made as of 2017/18 :-

Loan Overpayments will now be recovered in all instances. Prior to 2017/18 Loan Overpayments were only recovered when a student withdrew from their course

Loan Overpayments will now be deducted from future funding in the same way Grant Overpayments have been while a student remained in course

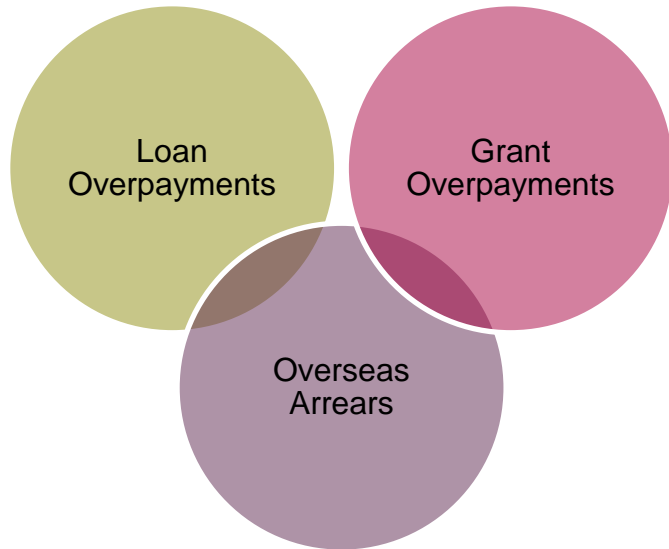
If a customer withdraws and returns to study, loan and grant overpayments will be recovered from future funding

There is now helpful and informative information available online regarding overpayments (links below)

http://www.studentloanrepayment.co.uk/portal/page?_pageid=93,3867087&_dad=portal&_schema=PORTAL
<http://www.practitioners.slc.co.uk/media/1522/change-of-circumstances-guidance-chapter.pdf>
<https://www.studentfinancewales.co.uk/media/196444/change-of-circumstances-inc-overpayments-version-2.pdf>

Repayment Recoveries

Repayment Recoveries deal with incoming calls and written communications from customers who have:-



We contact customers by letter, telephone and SMS/Email. We work with customers in order to have a positive resolution on their account, such as:-

Clear the amount in full

Repay over a period of time

Complete an Overseas Income Assessment Form

Refer to Free Debt Management Service where required

Repayment Recoveries

- ❑ SLC's Repayment Staff are trained in line with the Financial Conduct Authorities principals of Treating Customers Fairly
- ❑ SLC's Repayment Staff are trained in line with Credit Services Code of Practice
- ❑ SLC's Repayment Recoveries Department received Company Accreditation in 2018 - all staff completed the Collector Accreditation Initiative
- ❑ SLC's Repayment Recoveries Management Team have completed the CSA Level 3 Diploma in Debt Collection Industry
- ❑ SLC have a dedicated team to assist vulnerable customers
- ❑ SLC's Repayment Staff will direct customers to the free Debt Advisory services where appropriate and as of 2018 letters will include an advice insert that directs customer's to free Debt Advisory services such as:



Repayment Recoveries

The insert provided with letters also advises on how to make a direct repayment:-



By phone using a debit or credit card

Call the number on your letter and have your reference number and card details ready. We accept Visa Debit, Visa Electron, Maestro and Mastercard Debit. If you make a payment using a non UK debit card, your bank may charge you an additional fee.



Direct Debit

Call us to set up a Direct Debit.



Cheque

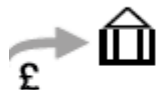
Should be made payable to **Student Loans Company Limited** and have the correct reference number written on the back.



Online using a debit or credit card

Go to www.studentloanrepayment.co.uk

Have your reference number and bank details ready.



Bank transfer and standing order

You can transfer money to us as a one-off bank transfer or set up a regular standing order. You'll need the following details:

Sort Code: 60-70-80

Account No: 10027254

If you're transferring money from overseas, you'll need the following details:

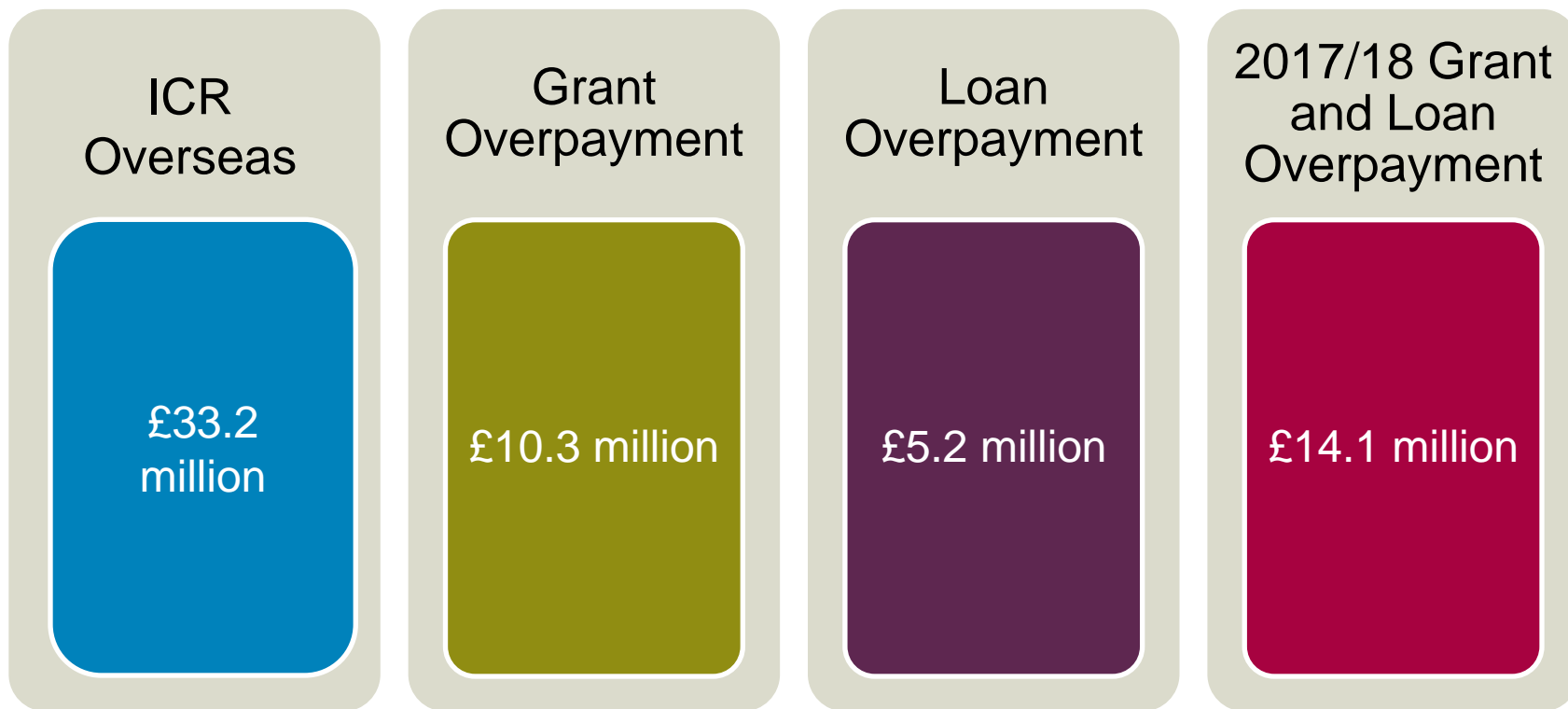
IBAN No: GB37NWBK60708010027254

SWIFT: NWBKGB2L

You must include the correct reference number so we can apply the payment to your account.

Repayments are allocated in accordance with the Student Loans Company standard allocation rules, For more information on this please visit www.studentloanrepayment.co.uk

Repayment Statistics – Direct Collections 2018/19



Total recovered in direct collections up to the end of January 2019 is £62.8 million

Overpayments Summary

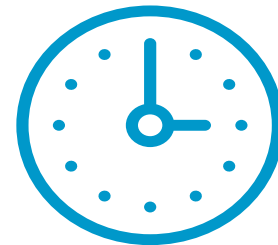


Will overpayments be recovered from other types of funding?

What happens if a student leaves their course?



Financial Hardship
(whilst in or returning to study)



Please support us by highlighting the importance of letting SLC know as soon as possible about any change in circumstances which may affect funding entitlement

Submission of timely withdrawal, suspension and other change of circumstances notifications are essential in order to minimise the risk of overpayments made to students

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www.slc.co.uk
www.studentloanrepayment.co.uk

The background features several decorative elements: a teal and yellow geometric shape in the top left; a blue triangle in the top right; a grid pattern in the bottom left; a red and purple geometric shape in the bottom right; and a vertical orange bar on the left side.

Thank you