

Guidance on Paying for University 2013-2014

Since September 2012, universities and other higher education institutions are now able to charge tuition fees of up to £9,000 a year for their courses. If you are from England and are studying for your first degree (or other higher education course) then you do not have to pay tuition fees upfront. In addition to this, the government guarantees to provide a loan to cover your tuition fees and a separate maintenance loan to support your living costs.

No upfront costs

- You do not have to pay tuition fees upfront.
- You can get a loan to cover the full cost of your tuition, which you are only required to start paying back when you are earning more than £21,000 a year.

Maintenance loan

- A maintenance loan is available to help with your living costs such as food, accommodation and travel.
- The amount you can borrow depends on where you live and study, and your household income.
- A loan of up to £5,000 a year will be available if you live away from home and study outside London.
- A larger loan of up to £7,675 a year will be available if you live away from home and study in London.
- A loan of up to £4,375 a year will be available if you live with your parents.

Non-repayable grants

- Grants are available to help with your living costs such as food, accommodation and travel.
- Grants never have to be repaid.
- The amount you receive depends on your household income.
- If your household income is £25,000 a year or less then you will be entitled to a full grant of £3,250 a year.
- If your household income is between £25,000 and £42,600 a year then you will be entitled to a grant, the size of which ranges from £50 a year (for those with higher household income) up to £3,250 a year (for those with lower household income).

Package of support for 2012/13 – (Based on living away from home and studying outside London)			
Household income	Maintenance loan	Non-repayable grant	Total
£25,000 or less	£ 3,875	£ 3,250	£ 7,125
£30,000	£ 4,330	£ 2,341	£ 6,671
£35,000	£4,784	£ 1,432	£ 6,216
£40,000	£ 5,239	£ 523	£ 5,762
£42,600	£ 5,475	£ 50 (min. grant size)	£ 5,525
£42,875	£ 5,500 (max. loan size)	£ 0	£ 5,500
£45,000	£ 5,288	£ 0	£ 5,288
£50,000	£ 4,788	£ 0	£ 4,788
£55,000	£ 4,288	£ 0	£ 4,288
£60,000	£ 3,788	£ 0	£ 3,788
Over £62,125	£ 3,575	£ 0	£ 3,575

How loan repayments are expected to work

- You are only required to start paying back your loan(s) when you are earning more than £21,000 a year.
- If your income falls below £21,000 a year then your repayments stop - for instance, if you take a career break or are unemployed – until you start earning more £21,000 a year again.
- You must repay 9% of any income above £21,000.
- The amount you repay depends on how much you earn. For example, if your salary was £25,000 a year then the 9% repayment would only apply to the £4,000 above £21,000 a year. In this case you would have to repay £30 a month.
- All of your student loans are added together – for instance, if you have a tuition fees loan and a maintenance loan - and a single repayment will be automatically deducted from your salary through the tax system.
- After 30 years all outstanding debt on student loans is written off and you no longer have to repay anything.

Rates of interest

- While you are studying and up until the April *after* you leave university, interest will be applied to your student loan at the rate of inflation plus an additional percentage of up to 3%.
- From the April after you leave university, interest will be applied to your student loan at:
 - The rate of inflation (If you are earning below £21,000 a year).
 - The rate of inflation + up to 3% (If you earn between £21,000 and £41,000).
 - The rate of inflation +3% (If you earn more than £41,000 a year).

The table below includes example salaries and the corresponding expected repayment:

Salary	Salary from which the 9% will be repaid	Monthly repayment
£ 25,000	£ 4,000	£ 30.00
£ 30,000	£ 9,000	£ 67.50
£ 35,000	£ 14,000	£ 105.00
£40,000	£ 19,000	£ 142.50
£ 45,000	£ 24,000	£ 180.00
£ 50,000	£ 29,000	£ 217.50
£ 55,000	£ 34,000	£ 255.00
£ 60,000	£ 39,000	£ 292.50