Mature Students' Guide

YOU CAN AFFORD TO GO TO UNI

Student finance for 25+ year olds and independent students in England

2016

Who should read this guide?

If you're 25 or older or independent from your parents, things work slightly differently than for typical school leavers going to university. If you're thinking of starting in 2015 and you fall into any of the following categories, then this guide is for you.

- Are 25 or older
- Have a child
- Have ever been married or in a civil partnership
- Have been financially independent for 3 years or longer
- Are estranged from your parents
- Have no living parents

Mature students often already have degrees so you will also need to check that you are eligible for the student finance support on offer.

The information in this guide is for mature students in England starting a higher education course in 2016 with no previous history of higher education studies. If you have previously studied on a higher education course, contact the advisory service at the university you are applying to.

Information in this booklet is correct at time of writing (September 2015) and is subject to change.

Provided by MoneySavingExpert.com and Universities UK.

If you only read the newspapers you'd believe all students were single 18-year-olds who have just got their A-level results, and are ready to spend three years in the student bar binge drinking.

Yet few of those stereotypes are true (though some I'm sure may still like the odd pint). Many at university are substantially older, have children or are financed independently. In fact some universities now see mature students as the majority. Therefore it's crucial to get the message out to everyone that people of ANY age can afford to go to uni.

This may sound strange coming after the mass publicity blasting out the fact you're likely to leave with "£50,000 debts". That alone is enough to put anyone off. And while I can't tell you it isn't true, I can say that for most people the figure is irrelevant – it's not about the notional amount you'll borrow but what you'll repay that counts. For some this will be nowt, for a few higher earners it will be many times more than £50,000.

This guide isn't here to sell the system, nor the political solution behind it, but quite simply to try and ensure every student who goes to university at least has an understanding of how it works for them in practical financial terms. After all, if you don't know how much it costs – how can you work out if it's worth it?

MARTIN LEWIS

Money Saving Expert

The trebling of tuition fees doesn’t always mean tripling costs

The size of tuition fees can be scary, but it’s often not as frightening as it sounds as the repayments are solely based on earnings, not on the amount borrowed. It’s important that you know the following key facts:

1. You don’t need the cash to pay for university

Absolutely no money is needed up front. Your fees are paid by the Student Loans Company and you will only need to repay them if you earn enough once you’ve left university. If you’re saying “but I don’t want to be in debt”, please read “Think of it more like an extra tax, not a loan!” in section 4.

2. The nightmare scenario – borrowing elsewhere to fund fees

Student loans are one of the cheapest and least risky forms of long-term borrowing possible (more on why later). Their massive advantage over normal borrowing is you only repay if you earn enough and if you lose your job repayments stop. To get a commercial debt to replace a student loan is almost always a bad decision. Be very careful.

3. You only repay if you are earning enough

Once you leave university, you will only repay the loan if you are earning above a certain threshold. For those starting in 2012 and after, this amount is currently £21,000 a year. And if you never earn enough (although we hope you do) you'll never have to repay a thing.

You will repay 9% of everything earned over £21,000

Once you leave university, you start repaying the following April, provided you are earning above a certain threshold in that year.
If you're starting university in 2015, this amount in your first year will be £21,000.

KEY FACT

If you hear other people talk about the funding system and tell you their experiences, do remember it completely changed for new 2012 starters in England – anyone who started university before then was on a different system.

4. Part-time fees are rising, but tuition fee loans are now available

Part-time students, often forgotten, make up about a third of all undergraduates. Fees for part-timers have increased very substantially from 2012, with all universities being able to charge up to £4,500 a year – and some £6,750, provided they offer help to students whose incomes are lower. However, that coincided with, for the first time, tuition fee loans being available to part-timers on the same basis as full-timers – for most first time undergraduates.

THIS PRESENTS AN OPPORTUNITY FOR SOME MATURE STUDENTS THINKING OF STUDYING PART-TIME AS NOW YOU DO NOT HAVE TO FIND THE CASH UP FRONT TO PAY FOR YOUR TUITION FEES. IF THIS IS INTERESTING FOR YOU PLEASE TAKE A LOOK AT OUR PART-TIME STUDENTS' GUIDE.

5. There may be no increased cost of a £9,000 course over £6,000

Monthly repayments are the same whether you take a £6,000 or £9,000 course as they depend solely on earnings. Also because the debt will be wiped after 30 years, and many students won't repay in full in that time at the £6,000 level, there may be no additional total cost to £9,000 courses (this is explained in full in part 3). So don't automatically plump for the cheaper course if it's not the right one.

6. Paying the fees upfront may be throwing the money away

Even if you have the money saved, it may be a mistake to pay the tuition fees up front. The obvious example is if you paid the maximum three-year £27,000 fees, yet afterwards you never earn over the £21,000 threshold or you retired soon after completing your degree – that means you would've cleared fees that you'd never have needed to repay.

A less extreme example is that you may need to repay some of the fees but not all, in which case you still could be onto a loser. If you are considering using your funds to pay the fees, more info on how to decide can be found at: www.mse.me/payupfront. As a mature student the decision can be easier as you may have a better idea of your aspirations and earning potential after graduation.

There is a range of financial support out there for those wanting to go into higher education. This falls into two main categories – government support and direct money from universities and colleges. The amounts available often depend on household income – which usually means your unearned income, and the taxable income of any partner that lives with you.

i. Government funding – Loans and grants for tuition AND living

Government funding is assessed by Student Finance England, part of the Student Loans Company (though it is up to the student to decide whether they want to apply for all of it – it isn't compulsory to take it all).

1. Tuition fee loan

For first time, full-time undergraduates this covers the entire tuition fees charged by the university or college. The amount does not depend on your household income and is paid direct by the Student Loans Company to the university or college. It is available to anyone of any age, whether 18 or 800 (yes Methuselah that includes you).

2. Maintenance loans (Living cost loans)

The second type of loan – also from the Student Loans Company – is for when students start their course and is to help cover day-to-day cost of living, such as food, rent and travel. These loans are usually paid in three instalments (one at the start of each term) directly into your bank account. The amount you can apply for depends on whether you study in London or elsewhere in the UK.

OVER 60S GET LOANS NOW TOO TEXT

It used to be these loans were only available to the under 60s. Now, over 60s can apply for loans for living costs too. They'll get up to £1,863 if they stay at home, £2,483 for living away from home and £3,487 if it's in London and £2,940 for overseas.

Grants have been scrapped and replaced by larger loans for 2016/17 starters and beyond

The amount students get still depends on their family's household income, though under the new, larger loans system, only 45-50% of the loan is guaranteed (depending where you study) with the remaining proportion income-assessed, meaning for those studying outside London, only £3,821 of the £8,200 is guaranteed.

In 2016/17 the maximum annual loan for mature students is £8,200 (£10,702 in London or £9,391 if living overseas).

THE AMOUNT IS DICTATED BY TWO ELEMENTS:

1. The Guaranteed bit. Up to 65% of the maximum living cost loan is available to all eligible students in 2016 regardless of their household income.

2. The Income Assessed bit. The remainder is means tested depending on your and your partner's residual income (i.e. gross income minus disregards for pension contributions and for children living with you). The rule of thumb is, the higher the income the less you're entitled to, although...

This means everyone eligible will be entitled to a loan, regardless of how much their parents' earn, although only those with a household income of £25,000 or under will be able to get the maximum amount of:

Living at home: £6,904/year (currently £4,565/year)

Living away from home, outside London: £8,200/year (currently £5,740/year)

Living away from home in London: £10,702/year (currently £8,009/year)

HOW IS HOUSEHOLD INCOME CALCULATED?

Income used for student finance calculations is called residual income. For mature students this is based on your income (and/ or your partner's income, if you've had one for the last complete tax year).

The good news is that if you decide to take a part-time job while you study, this won't count towards your residual income, though your partner's earnings and any 'unearned income', such as interest on your savings, will.

Any money paid into a pension is not counted either and a further £1,130 will also be disregarded for each dependant child you have.

See www.gov.uk/student-finance for more information.

You may be entitled to other grants if you've got children or adult dependants

Other support may be available if you've got kids or you're responsible for looking after an adult, such as an elderly relative. These are often means tested and include:

- Parents' Learning Allowance. If you're a full-time student with at least one child then you may be eligible for up to £1,573.

- Childcare Grant. You may eligible for a grant covering 85% of the cost of childcare, up to a total of £266.15 a week.

Your university MAY be able to pay for the remaining 15% that the Childcare Grant doesn't cover – you'll need to contact the university's money advisor for more information.

Remember, if you do decide to claim the child grant then you won't be able to claim any childcare costs from the Working Tax Credit.

- Adult Dependants' Grant. If you have a partner or other adult member of your household with an income of £3,796 or less, you may qualify for an additional grant of up to £2,757.

If you think any of these may apply, then it's worth spending five minutes on http://www.studentparents.org to check it out.

How do you apply for a loan?

Application forms can be filled in online at **www.gov.uk/student-finance**

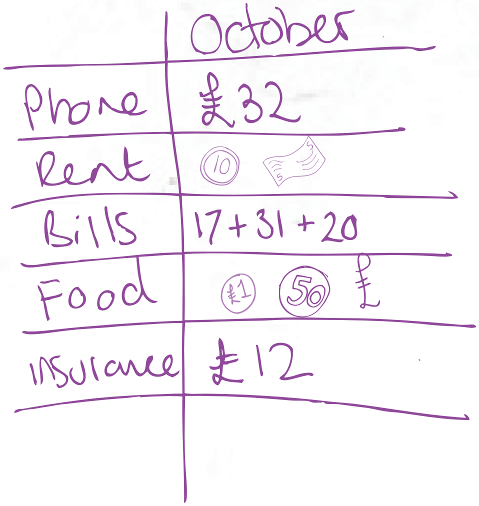
But you don't need to wait until you've been formally offered a place – you can apply once you've sent your UCAS application off. The funding application period usually starts in the January before your course begins.

Budgeting while at uni

A working person shouldn't spend more than they…
OK that's easy – the answer is EARN. Now answer this:
What shouldn't a student spend more than?
It's this piece of the budgeting jigsaw many people miss, but it's crucial – without knowing your income you can't budget.

So here's an easy rule of thumb – you shouldn't spend more than the total amount of your student living loan, any grants and any income from working.

It's worth noting that this means we're in the rare financial situation that a loan is counted as income – but that's because it's a special type of loan.



ii. Money from universities - Fee waivers and bursaries

As part of the conditions for being allowed to charge fees above £6,000, many institutions have to put money aside for students from homes with lower incomes and those who would be considered less likely to attend university.

If your household income is low or you would be considered unlikely to attend university, you may be offered further incentives to go. But amounts and eligibility vary from institution to institution, so it's worth checking wherever you intend to study.

Generally, the money is likely to be given in one of three ways and could be worth up to £3,000 for some full-time students.

- Fee Waiver A reduction of your first year's tuition fees meaning the loan needed is reduced.
- Bursary This is some form of cash, or gift in kind. It could range from £1,000 in cash or help with living costs depending on your situation. Only available to full-time students
- Scholarship Similar to a bursary, it is usually a form of cash or gift in kind. But getting it depends on your academic ability (usually A-level grades, or equivalent) rather than income.

FEE WAIVER OR BURSARY? GO FOR THE BURSARY!

If given a choice, and some universities will, and with everything else being equal, it is usually far better for a prospective student to pick a bursary over a fee waiver.

The reason for this is quite simple, as will be explained in the next section. Many graduates will never repay in full even at the £6,000 level – so in real terms, unless they're a higher earner, the fee waiver is unlikely to significantly reduce the amount repaid, if at all.

So while it may feel like the fee and debt is lower (and does therefore have some psychological advantages) a fee waiver has no material impact on a graduate's pocket. Contrast this to a bursary that provides definitive cash now, which is a boon and could reduce the need for any commercial borrowing.

Student loans must be repaid when you have left the course and started work, and are earning over £21,000 – whereas grants and bursaries do not need to be repaid (unless you leave your course early in some circumstances). Students starting at English universities in 2016 could graduate with loans of anything up to £50,000 if they take both tuition fee loans and maintenance loans.

Graduates repay 9% of their pre-tax annual earnings above £21,000.

This means, no matter how much you take out in loans – you'll pay the same back each month.

Example: If you earn £22,000 a-year, you'll repay £90 a year or £7.50 a month (9% of the £1,000 earned above £21,000). If you earn £31,000, you'll pay £900 a year (£75 a month). Earn under £21,000 and you never repay.

You'll repay 9% of everything above the £21,000 threshold. But if you never get a job earning over this threshold, then you'll never repay. And if you lose your job or take a pay cut when you have already started repaying the loan, repayments simply stop or drop accordingly, until your income exceeds the threshold again.

Repayments are always calculated using your personal income, not your partner's – the loan agreement is between you and the Student Loans Company, so they can't ask your partner to contribute.

After 30 years any remaining debt is wiped out

You stop owing when you've cleared the debt or 30 years pass (from the April after graduating or leaving university), whichever comes first. If you never get a job earning over the threshold, you'll never repay.

In the horrid circumstances that you were to die or become permanently incapacitated (in receipt of disability benefits and unable to take on any work) the debt is also wiped out, so it doesn't pass on your dependants

No debt collectors!

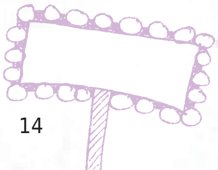
Most student loans are repaid through the payroll – the money is taken off just like tax, so never gets into your hands.

Thus unlike with commercial loans, no debt collectors will ever be involved with student loans and if you ever earn under the threshold amount, or lose your job or take a career break, your payments will simply stop – no questions asked.

A boon for older students

If you're nearer white hair than nappies, the structure of repayments may be a real boon for you. Those who have less than thirty years until retirement should factor this into the equation. As unless you've a seriously big pension pot, you are unlikely to be earning over the £21,000 threshold at that point – therefore your repayments will stop.

Take the example of someone retraining aged 55, on a three-year course – by the time it finishes there is less than a decade's worth of repayments to make, which could make it very cheap indeed.



'Above-inflation' interest will be charged

One other major change to the student finance system is that a higher interest rate is now charged. For the first time, students won't just pay for the cost of their education – sadly they'll pay for financing it too.

However, it is important to understand that this interest is just added to the 'amount owed'. It doesn't change repayments. Therefore, if a student will never repay in full in the 30 years before their debt is wiped, the added interest is irrelevant. But if they are a higher earner it will mean they are repaying for longer and repaying more. See www.studentfinancecalc.com for more information.

While studying:
Students will accrue RPI inflation plus 3% on the outstanding balance. This starts as soon as you get the loan and continues until the 1st April after your studies end when it changes to...

After studying and earning under £21,000:
Accrue RPI inflation.

After studying and earning £21,000 - £41,000:
The interest rate will gradually rise from RPI to RPI plus 3% the more that is earned (the interest rises 0.00015% for every extra pound you earn or, put another way, if you earn £1,000 more, you accrue 0.15% extra interest).

After studying and earning over £41,000:
Accrue RPI inflation plus 3%.
This, coupled with the fact the new system requires you to pay less at any given income when compared to the old arrangements, stretches even further the time it will take you to repay. But as those on lower incomes are unlikely to ever repay the loan, for them at least, this won't have an impact.

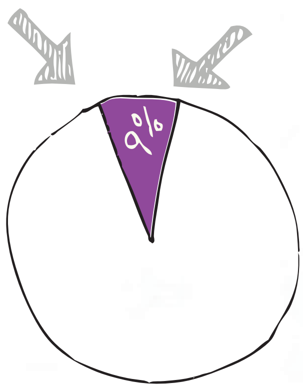
AN EASY WAY TO EXPLAIN INFLATION

Inflation is a measure of the rate at which prices change over time. Usually, though not always, they are increasing. So if inflation is 4%, then a basket of shopping costing £100 this year will cost £104 next year. Therefore, if the interest on a loan is set at the rate of inflation it's like saying you were lent a 'basket of shopping' worth a certain amount this year, but when it comes to repaying you'd only have to give the cash that'd buy that same basket back. This means your actual spending power hasn't been diminished by taking out the borrowing so it hasn't cost you anything.

With the new student loans, when interest is above inflation, it's the above inflation bit that is the real cost. Do remember though that this only affects you if you will repay in full in the 30 years before the debt is wiped, otherwise it's just adding to the 'nominal' amount you owe rather than impacting what you actually repay.

Monthly repayments are the same on £6,000 and £9,000 courses

Whether choosing a course that costs £6,000 or £9,000, you will repay the same amount each month, as that purely depends on what you earn (9% above £21,000). Of course, the more you borrow, the longer you could be repaying.



This is the crucial question and one of the many fears that are putting people off going to university – the 'how will I afford to live with this debt?' question. The answer is different for everyone, but the following three points should help clear it up.

1. You will repay LESS than current graduates

Many people worry that with much higher levels of student debt their cash will be too tightly squeezed to live on once they graduate. In fact the reality is that new students will have MORE cash in their pockets each month than those who've already graduated.

Graduates who started their course before September 2012, repay 9% of everything earned above £16,910. Those starting in 2012 and beyond see that increased to £21,000. That means those earning above the £21,000 threshold will have £368-a-year more in their pockets.

CALCULATE HOW MUCH YOU'LL PAY

You can use this tool to find out a rough estimate of how much you will repay based on your tuition fee loans, living loans and estimated starting salary. Look at whether the amount changes as you move the sliders depending on what tuition fee loan and what maintenance loan you take out www.studentfinancecalc.com

This means those earning above the £21,000 threshold will have £368 more in their pockets every year than now. This chart helps demonstrate this.

EARNINGS	OLD SYSTEM		NEW 2012 SYSTEM	
	Annual repayment	Monthly pay packet reduction is equivalent to	Annual repayment	Monthly pay packet reduction is equivalent to
£16,000	Nothing	Nothing	Nothing	Nothing
£17,000	£8	66p	Nothing	Nothing
£21,000	£368	£35	Nothing	Nothing
£22,000	£458	£31	£90	£7.50
£30,000	£1,178	£98	£810	£67.50
£40,000	£2,078	£173	£1,710	£142.50
£50,000	£2,978	£248	£2,610	£217.50

2. You WILL owe money for longer and MAY pay a LOT more

The obvious flip-side of repaying less every month due to the £21,000 threshold (increased from £16,910 for pre-2012 university entrants) is that it will take much longer for you to pay off the loan than current graduates. This is compounded by the fact that the original debt is bigger and the interest rate higher. The cost is effectively being spread over a much longer period – and most will pay more, though those who gain least financially from their education may find their total repayments are less due to the higher threshold.

For many there's no additional cost of doing a £9,000 course

Even if you START work on a salary of £30,000, which is well above average, and with good salary progression after that, you would not repay in full at £6,000 course fees and the maximum living away from home maintenance loan.

That means there is no additional cost in opting for a £9,000 course. The calculator (www.studentfinancecalc.com) and table opposite can show this in more detail. Overall it means no one should be scared of opting for a higher fee course, if it's the right one for them.

3. Many people will NEVER repay in full

However, it is important to remember a student loan is not like a conventional debt – you should really concentrate on how much you are required to pay on a monthly basis (and on the fact that this amount is flexible according to your circumstances), rather than worrying about what you owe in total.

Calculations show the lower repayments and higher borrowing means all but high earners will be making repayments for the entire thirty years before the debt is wiped out, and won't come close to repaying in full what they borrowed plus the interest.
Take a look at the examples opposite of what a graduate on a £9,000-a-year course would expect to repay, depending on salary:

ESTIMATE OF TOTAL REPAYMENTS IN TODAYS MONEY.

Based on £9,000 annual fees and £5,740 maintenance loan

Starting salary (Sep 2017)	Total amount repaid (in todays prices)	Will I fully repay it?
£10,000	Nothing	No
£20,000	£4,260	No
£30,000	£39,000	No
£40,000	£75,000	No
£50,000	£70,000	Yes - 21 years

ASSUMPTIONS:

RPI 3%, graduate salary increases by RPI + 2%, tuition loan and maintenance loan are £9,000 and £5,740. Average earnings assumed to grow by RPI + 2% (based on ONS figures 2000–2010). Source: www.studentfinancecalc.com

Think of it more like an extra tax or graduate contribution not a loan!

The maximum possible loan, combining tuition fees and maintenance, is £19,700 a year, or £59,000 over a three-year course. This is a frightening amount, and indeed many are frightened of it. But it may help to think of it as being like facing an additional tax or graduate contribution rather than a loan, for the following reasons:

- It's repaid through the income tax system.
- You only repay it if you earn over a certain amount.
- The amount repaid increases with earnings.
- It does not go on credit files.
- Debt collectors will not chase you for it.
- Bigger borrowing doesn't increase repayments.
- Many people will continue to repay for the majority of their working life.

In summary, you can basically view repayments as a form of tax or graduate contribution but one that either ends after 30 years, or once you've repaid what you borrowed plus interest – whichever comes first. The reason for stressing this concept is because you may wrestle with 'how will I pay to go to university?' and then risk your own financial solvency and security to do so.

The system is set up so that the cost is met by the beneficiary of the education – you may politically think the state should pay – but that isn't how it works. You are responsible. When this is referred to as a 'loan' you may wish to avoid getting into debt, even though you may not need to repay all of it.

Yet if we'd called this system a form of tax or graduate contribution would you still feel compelled to avoid paying a higher tax rate? Of course there is a balance to be struck, but it's worth thinking this through to judge your own reaction.

Student loans do not go on credit files

When people borrow from a bank for a credit card, loan or mortgage, to evaluate whether they'll make money from them, lenders look at three pieces of information: their application form, any previous dealings they've had with them, and crucially the information on their credit reference files. Most normal financial transactions and credit relationships are listed on these files – yet student loans are not included (with the exception of students who started university before 1998 under the old loans system and have defaulted).

WHY HAS THE SYSTEM CHANGED?

The funding that used to be provided to universities has been radically cut by the government (sometimes by more than the extra fees received will make up for). Education has to be paid for by somebody – and universities have buildings to maintain, staff to pay and administration costs to think about too. In the past the bulk of the cost was met by the taxpayer, so everybody who worked and paid tax helped fund the cost for those who went. The new government policy has decided to shift this cost onto the individual students who benefit from the education.

There are different views on whether this is a good idea or not, but it is important to understand how the changes affect anyone considering university.

IS UNIVERSITY WORTH THE COST?

Going to university is an individual choice. While on average graduates are higher earners than those who don't go to university, there are no guarantees. Yet higher education is about more than just financial gain – it can be an incredible and enjoyable experience both socially and culturally. After the heated political debate about tuition fees, it is vital that potential students can make informed choices about going to university based on the facts about the new system.

No one can decide for you if it's right for you or not by explaining the likely cost, we can help you work out the value.

WILL IT BE POSSIBLE FOR GRADUATES TO REPAY STUDENT LOANS EARLY?

No charges or so-called early redemption penalties will be imposed on graduates who decide to pay off their student loan early. This means if you do run into cash after university and want to clear your debt earlier to avoid further interest costs, you can. However, just because you can repay without penalties, that doesn't mean you should. For some who won't pay off their loan in its entirety, making extra payments could simply be throwing money down the drain as it won't make any difference.

For more information on how this works visit http://www.moneysavingexpert.com/students/student-loans-repay

WHAT HAPPENS TO REPAYMENTS IF YOU HAVE OTHER FORMS OF INCOME?

If you have additional income of £2,000 or more from savings interest, say, or shares and dividends, then this will also be treated as part of your income for repayment purposes and you'll need to repay 9% of that too through the self-assessment tax system.

WHAT ABOUT SCOTTISH, WELSH AND NORTHERN IRISH STUDENTS?

Scottish, Welsh and Northern Irish students, including those who decide to study in England, receive their financial support from

their "home" devolved administration.
It's a matter for the devolved administrations to decide how they wish to support their students.

Scotland:
Scottish students studying full-time in Scotland do not pay any tuition fees, and could be eligible for a living cost loan and bursary.

Fees for English, Welsh and Northern Irish full-time students studying in Scotland will be set by each higher education institution. English, Welsh and Northern Irish students will receive the same level of means-tested grants as if they were studying in their home countries.

Further information can be found on www.saas.gov.uk

Wales: Tuition fees at Welsh universities followed the English pattern and have been increased to up to £9,000. However, the Welsh Assembly will cover the increase for Welsh resident students – i.e. they won't have to pay any more than the current cost plus inflation, likely to be £3,810.

Further information can be found at
www.studentfinancewales.co.uk

Northern Ireland:
Fees for Northern Irish full-time students studying in Northern Ireland will be set by each higher education institution, up to £3,805. Students will be able to access a loan to cover living costs and may be eligible for a grant and bursary.

Fees for English, Welsh and Scottish full-time students studying in Northern Ireland will be set by each higher education institution up to £9,000. English, Welsh and Scottish students will receive the same level of means-tested grants as if they were studying in their home countries.

For further information can be found on www.studentfinanceni.co.uk

WHAT OTHER FORMS OF FUNDING ARE THERE?

In addition to "official" financial support, other funding sources are also available from scholarship sites such as
www.scholarship-search.org.uk
www.family-action.org.uk
www.turn2us.org.uk
www.studentcashpoint.co.uk
www.unigrants.co.uk

You should always ask your university or college what additional funding they provide.

If I have a disability, can I get any extra financial support?

If you have a disability or specific learning difficulty– which could mean anything from a mental health condition to dyslexia – you can get extra financial help. The Disabled Students' Allowances (DSAs) are for those who face added costs because of a disability or other condition. DSAs are paid on top of the standard student finance package and even better, they are not dependent on income and do not have to be repaid.

IF I WANT TO DO A DISTANCE LEARNING COURSE – CAN I GET A LIVING COST LOAN?

In this case you can't. From September 2012, if you begin a full-time distance learning course you can get a loan to cover the full amount of the tuition costs, but cannot apply for living cost loans.

WHAT HAPPENS IF I DITCH MY COURSE?

If you leave your course early for whatever reason, any loans you have had up to the point of leaving for either tuition fees or maintenance costs will still need repaying. The repayments and interest work in the same way as if you completed the course – in other words you repay 9% of everything earned above £21,000 starting in the April following the three years after you started. Any payment of grant which relates to a period you weren't attending will need to be repaid immediately.

CAN I APPLY FOR FUNDING EVERY YEAR WHILE STUDYING?

Yes, you can normally apply for a loan for tuition for every year of your course. There are some exceptions, for example for longer courses such as medical degrees where different packages of support are available in later years. You should check with your university or college if you are unsure what support is available to you.

WHAT HAPPENS IF I LOSE MY JOB OR TAKE A CAREER BREAK?

If after university you are working and your salary falls below £21,000 a year then repayments stop. So if you take a career break or are unemployed then repayments will be suspended until you are earning over £21,000 again.

HOW DO THOSE WHO ARE SELF-EMPLOYED REPAY THE DEBT?

If you set up your own business or work for yourself, your repayments will be collected via HMRC's Self Assessment scheme. This means you will need to make payments by the appropriate deadline to fulfil your legal obligations. If you do not pay, HMRC will pursue you for any amounts overdue.

DO YOU STILL HAVE TO REPAY IF YOU MOVE ABROAD?

Yes is the simple answer. You're still obliged to repay the student loan based on 9% of all earnings above the equivalent of £21,000 in the country you are in and can face a fine if you don't. By taking out the loan you have a contractual relationship to repay it. You may have heard that some people don't repay loans when they move abroad. If that happens it's because there are practical difficulties in the government pursuing their repayments – but that doesn't stop them owing the cash.

FURTHER READING

BRIGHT KNOWLEDGE

www.brightknowledge.org
- the essential guide to careers, education and student life

THE STUDENT ROOM

www.thestudentroom.co.uk/studentfinance
- information about applying for student finance

NASMA

www.NASMA.org.uk
- the National Association of Student Money Advisers who work in universities, students' unions and further education colleges

NUS

www.nus.org.uk
- National Union of Students, a voluntary membership organisation which represents the interests of students

UCAS

www.ucas.com
- the organisation responsible for managing applications to higher education courses in the UK

MONEYSAVINGEXPERT.COM

www.moneysavingexpert.com/students2016
- key facts and figures about student finance and tuition fees

See our part-time student guide for further details