

# **Student Finance**

## **2020/2021**

**Guidance for students /  
parents**

**Durham Johnston Comprehensive  
School**

# Income and Expenditure

Income	Expenditure
Tuition Loan	Tuition fees
Maintenance Loan	Accommodation
Bursaries (linked to personal circumstances / household income)	Living expenses (food etc)
Scholarships (linked to academic results or sporting / musical ability)	Books & materials
Earnings	Travel
Overdrafts	Servicing debts
	Etc.

# Student Loans

Tuition fee loan	Maintenance loan
<ul style="list-style-type: none"><li>• Up to £9,250 pa.</li><li>• Not means tested.</li><li>• Paid directly to university.</li></ul>	<ul style="list-style-type: none"><li>• Depends on whether living with parents or not, and where studying e.g. maximum £9,203 living away from parents, outside London.</li><li>• Minimum Maintenance Loan £5,137.</li><li>• Paid directly into student bank account.</li><li>• Paid in three instalments over the year.</li><li>• Loan written off after 30 years.</li></ul>

# Living away from home & studying outside London – package of support for 2020/2021

Household income	Maintenance loan
£25,000 or less	£9,203
£30,000	£8,544
£35,000	£7,884
£40,000	£7,225
£42,875	£6,845
£45,000	£6,565
£50,000	£5,905
£55,000	£5,246
£60,000	£4,586
£62,250	£4,289

- The £9,203 (or £12,010 for London, £7,747 if living at home) reduces on a sliding scale (higher household income entitled to lower loan amount).

***University study is still free at point of entry.***

# Interest Rates

Earnings	Interest Rate
While studying	Rate of inflation (RPI) plus 3%
After graduation – if earning below £25,725 pa	Interest applied at rate of inflation
Income between £25,725 and £46,305	Interest applied between RPI +3% on a gradual scale
Income above £46,305	Interest at RPI +3%

*It is effectively an extra income tax on graduates.*

# Repayment

- Tuition Fee Loans and Maintenance Loans are added together.
- Repayments start after leaving course when earning over £25,716 a year or £2,143 per month.
- Collected by HMRC through PAYE.
- Rate is 9% of earnings above £25,716 a year.
- Written off after 30 years.

# Repayment examples

## Annual income – monthly repayment

**Student earning £25,716 ---**

**Will pay 9% of £0 which is £0 per month**

**Student earning £30,000 ---**

**Will pay 9% of £4,284 which is £32.13 per month**

**Student earning £40,000 ---**

**Will pay 9% of £14,284 which is £107.13 per month**

# Final Points

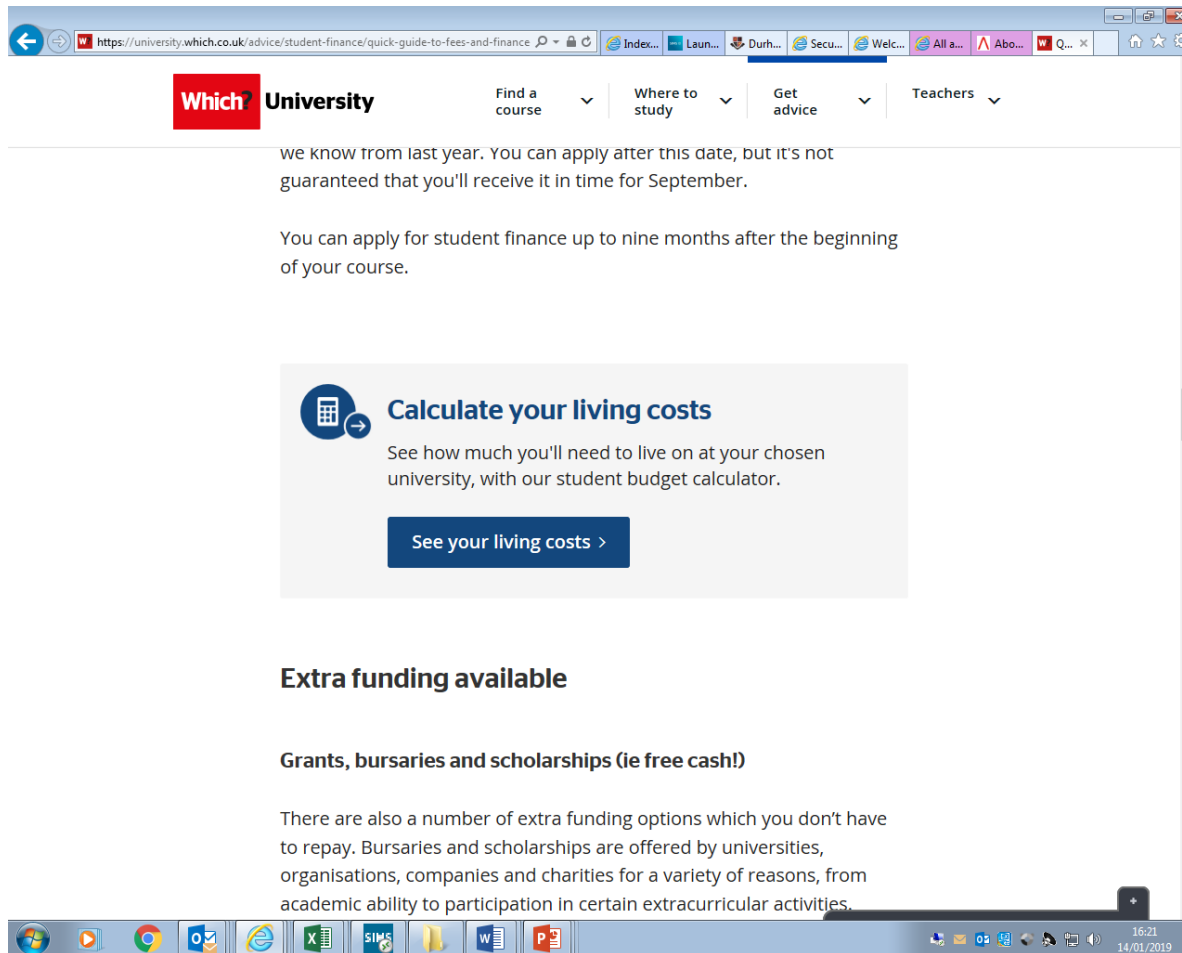
- University study is free at point of entry.
- Tuition Loan and Maintenance Loan added together.
- Interest accrued on loan does not mean you pay back more *each month*.
- No impact on credit rating – but....
- Most people will not re-pay (30 years expiry).
- **Effectively it's a graduate tax.**



# What's in a name?

- “I can't go to university because I'll get into £50,000 debt” – OR
- “I'm not going to university because if I'm a high earner afterwards, they'll ask me for a contribution to my education”

# Help available (pre-uni)?




The screenshot shows a web browser window with the URL <https://university.which.co.uk/advice/student-finance/quick-guide-to-fees-and-finance>. The page features the Which University logo and navigation menus for 'Find a course', 'Where to study', 'Get advice', and 'Teachers'. The main content area includes text about applying for student finance and a call-to-action to 'Calculate your living costs'. The Windows taskbar at the bottom shows the date as 14/01/2019 and the time as 16:21.

**Which University** Find a course ▾ Where to study ▾ Get advice ▾ Teachers ▾

we know from last year. You can apply after this date, but it's not guaranteed that you'll receive it in time for September.

You can apply for student finance up to nine months after the beginning of your course.

 **Calculate your living costs**  
See how much you'll need to live on at your chosen university, with our student budget calculator.

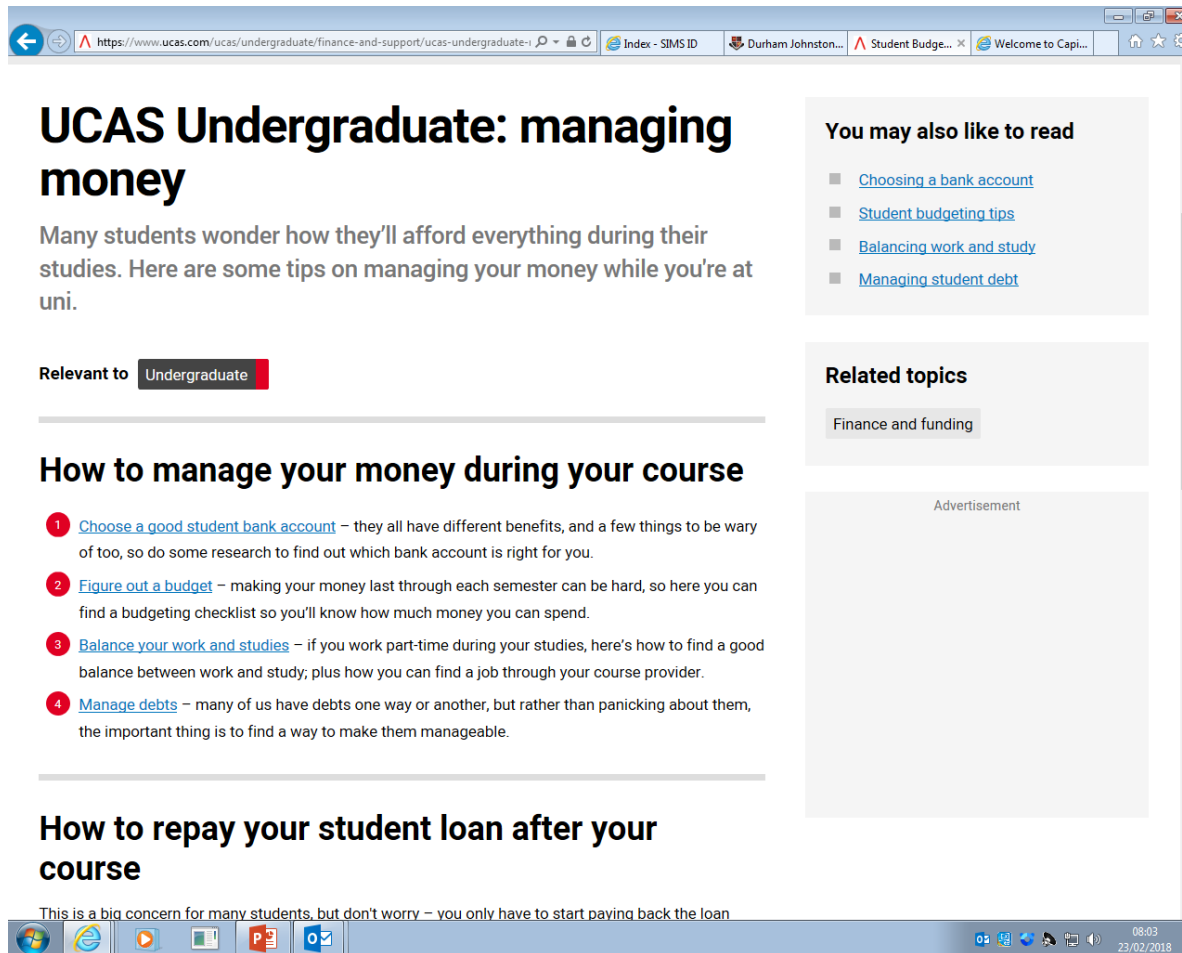
[See your living costs >](#)

**Extra funding available**

**Grants, bursaries and scholarships (ie free cash!)**

There are also a number of extra funding options which you don't have to repay. Bursaries and scholarships are offered by universities, organisations, companies and charities for a variety of reasons, from academic ability to participation in certain extracurricular activities.

# Help available (uni)?



**UCAS Undergraduate: managing money**

Many students wonder how they'll afford everything during their studies. Here are some tips on managing your money while you're at uni.

Relevant to **Undergraduate**

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## How to manage your money during your course

- 1 [Choose a good student bank account](#) – they all have different benefits, and a few things to be wary of too, so do some research to find out which bank account is right for you.
- 2 [Figure out a budget](#) – making your money last through each semester can be hard, so here you can find a budgeting checklist so you'll know how much money you can spend.
- 3 [Balance your work and studies](#) – if you work part-time during your studies, here's how to find a good balance between work and study; plus how you can find a job through your course provider.
- 4 [Manage debts](#) – many of us have debts one way or another, but rather than panicking about them, the important thing is to find a way to make them manageable.

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## How to repay your student loan after your course

This is a big concern for many students, but don't worry – you only have to start paying back the loan

**You may also like to read**

- [Choosing a bank account](#)
- [Student budgeting tips](#)
- [Balancing work and study](#)
- [Managing student debt](#)

**Related topics**

Finance and funding

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08:03  
23/02/2018

# Key Figures

Key figure	What is it?
£9,250	Maximum tuition fee a university can charge per annum.
£25,716	Level of graduate annual salary, after which, debt repayment will be deducted.
9%	Loan will be repaid at 9% of earnings over £25,000.
£39,050	At this annual salary, the monthly repayment will be £100 (9% of £13,334)
30 years	Any remaining debt expires – is written off.

# How to apply

- Applications open – approx. March.

<https://www.gov.uk/apply-online-for-student-finance>

- Any questions – call into the office.