

Introduction to Postgraduate Loans 2016/17

www.gov.uk/studentfinancesteps

Thinking about starting a postgraduate Master's course?

A Postgraduate Loan is now available to help you pay for your Master's course.

Student Finance England is a service provided by the Student Loans Company (SLC).

We provide financial support on behalf of the government to students in England studying in the UK.

Can I get a Postgraduate Loan?

To get a Postgraduate Loan:

- you have to be studying a taught or research Master's course,
- you can be studying at a university or college or by distance learning,
- you have to be under 60 at the start of the first academic year of your course, and
- you must normally live in England.

If you're studying full time your course can last for one or two years. If you're studying part time you can study for two years (for the equivalent one year full-time course) or up to four years (for the equivalent two year full-time course).

If you're an EU national, but don't normally live in England you may be able to get a Postgraduate Loan for a Master's course in England.

What can I get?

You can apply for a loan of up to £10,000 as a contribution towards your course and living costs. If your course is longer than one year you can get up to £5,000 in your first year and the rest in your second year. If you're studying part time you can only get payments in the first two years of your course. The loan will be paid into your bank account in three instalments during the academic year.

If you have a disability, including a mental-health condition or specific learning difficulty, such as dyslexia or dyspraxia, you might be able to get Disabled Students' Allowances. These don't have to be paid back.

When can I apply?

You can apply for a Postgraduate Loan from summer 2016. You'll only have to apply once, even if your course is longer than one year.

Will I be charged interest on my loan?

Interest is charged at the Retail Price Index (RPI) plus 3% from the day we make your first payment until your loan is paid in full.

How do I repay my loan?

You have to repay any loan you borrow, but not until you've finished or left your course and your income is over £21,000 a year.

Repayments will be based on your income, not what you borrow.

If you're studying full time you'll start making repayments the April after you finish or leave your course. If you're studying part time you'll start making repayments the April two years after the start of your course or the April after you finish or leave your course, whichever comes first.

However, no repayments will be taken before April 2019 and you'll only start making repayments once your income is over the current threshold of £404 a week, £1,750 a month or £21,000 a year.

You'll repay 6% of what you earn over the threshold. So if you're paid monthly and earn £2,500 before tax you'll repay 6% of the difference between what you earn and the threshold (£1,750):

$$£2,500 - £1,750 = £750$$

$$6\% \text{ of } £750 = £45$$

So your Postgraduate Loan repayment would be £45 that month.

What if I already have a student loan?

If you've had any other loans from the Student Loans Company for your undergraduate course, you'll also repay these loans. For example if you took a loan for your undergraduate course that started after 1 September 2012, you'll repay 9% of your income over £21,000 towards that loan and 6% of your income over £21,000 towards your Postgraduate Loan. So you'll repay 15% of your income over the threshold in total.

| Income each year (before tax) | Monthly salary | Undergraduate loan repayment* | Postgraduate Loan repayment |
|-------------------------------|----------------|-------------------------------|-----------------------------|
| £21,000 | £1,750 | £0 | £0 |
| £25,000 | £2,083 | £30 | £20 |
| £30,000 | £2,500 | £67 | £45 |
| £35,000 | £2,916 | £105 | £70 |
| £40,000 | £3,333 | £142 | £95 |
| £45,000 | £3,750 | £180 | £120 |

* If you're repaying a student loan for your undergraduate course that started on or after 1 September 2012

A student loan repayment will be taken even if you don't earn £21,000 in a year but exceed the weekly or monthly threshold at any time, for example if you work overtime or get a bonus.

Any loan remaining 30 years after you're due to start making repayments will be written off.

All 2016/17 policy is subject to Parliamentary approval.

For more information about Postgraduate Loans, visit SFE's dedicated student finance zone on The Student Room at www.thestudentroom.co.uk/studentfinance

When it's time to apply search for Postgraduate Loans at www.gov.uk/studentfinance