

## A guide to terms and conditions



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## 1. What this guide is about

This guide applies to learners who take out a 24+ Advanced Learning Loan for eligible courses starting on or after 1 August 2013.

It explains what you're committing to when you take out a 24+ Advanced Learning Loan. **It's important you carefully read and understand this guide** as it contains information about the terms of your loan and repayment. **Please save a copy.**

From time to time government regulations change and these changes could affect the terms of your loan. This guide will be updated to reflect any changes and it's your responsibility to make sure you have the most up-to-date version. Check **gov.uk/advancedlearningloans** regularly to make sure you have the most up-to-date version.

If, on reading this guide, you still have questions about your loan, visit: **studentloanrepayment.co.uk**. Alternatively you can contact the Student Loans Company (SLC) using the contact details on page 4.

## Making the right choice

It's important you consider your own circumstances and look into all options for paying for your course before choosing to take out a loan. You can get impartial money advice from the Money Advice Service at **moneyadviceservice.org.uk**

## 2. Who does what?

### a. Department for Business, Innovation and Skills

Your 24+ Advanced Learning Loan contract is with the Secretary of State for Business, Innovation and Skills (BIS). Please see the declaration on the loan application form for more details.

### b. Student Loans Company

The Student Loans Company (SLC) are a non-profit government organisation acting as an agent for BIS.

SLC are responsible for:

- paying your loans to your college or training organisation;
- keeping details of your account, including adding interest and collecting repayments;
- sending you a statement each year (once you've started making repayments) and answering questions about your loan.

### Student Finance England

24+ Advanced Learning Loans are administered by Student Finance England (SFE), a service provided by the Student Loans Company.

#### Useful SLC contact details:

Remember to have your Customer Reference Number (CRN) to hand when you contact SLC

Customer Support Centre (CSC)

Can help with:

- repaying your loan;
- the application process and timetable; and progress in assessing your application

Call **0845 24 02 024**

8am - 8pm Monday to Friday

9am - 5.30pm Saturday and Sunday.

or write to:

24+ Advanced Learning Loans

PO Box 302

Darlington

DL1 9NQ

For further information on repayment go to: [studentloanrepayment.co.uk](http://studentloanrepayment.co.uk) or call 0845 073 8891

### c. HM Revenue & Customs

HM Revenue and Customs (HMRC) collect student loan repayments from employers through the UK tax system.

### d. Your employer

If you're employed, your employer collects student loan repayments on behalf of HMRC and takes repayments direct from your salary in a similar way to tax (PAYE) and National Insurance contributions (NICs). If you have any questions about how your repayments are collected through the tax system, speak to either your employer or HMRC.

### 3. Your responsibilities

**The 24+ Advanced Learning Loan agreement is a contract.** When you take out a 24+ Advanced Learning Loan, you'll sign a declaration form confirming you've read and understood the terms and conditions. You must agree to repay your loan in line with the regulations that apply at the time the repayments are due and as they're amended. The regulations are subject to change.

#### You need to provide complete and correct information

You must make sure you provide complete and correct information when you take out the loan and **you must tell SLC about any changes to these details** during the application process; while you're at college or training organisation and **until you've repaid your loan in full.**

If you don't give SLC accurate and up-to-date information, you may have to pay a penalty charge or repay the loan as well as any interest and penalties in one lump sum. If you don't keep in touch, or fail to advise SLC of changes to any of your personal details, an interest rate of RPI + 3% will be applied to your loan after April 2016, whatever your income.

For example, you must let SLC know if you:

- change your name, phone number or address;
- change your college or training organisation;
- change your course of study;
- have a change to the start or end dates of your course;
- don't begin to study or leave your course;
- suspend your studies for any reason;
- plan to leave the country; or
- change your employment status (from employed to self-employed).

#### You need to repay your loan in line with the regulations

If you're employed, you must tell your employer that you have a 24+ Advanced Learning Loan (which is an Income Contingent Repayment Plan 2 loan (ICR Plan 2)). As you'll only start making repayments in April 2016, **don't tell them before this date.** Repayments will be collected through the UK tax system by employers taking amounts from their salary through the Pay As You Earn (PAYE) system. If you're a self-assessment customer or are self-employed, you'll make repayments through the tax self-assessment process. If you live abroad, you'll repay your loan direct to SLC. The Repayment section which starts on page 6 covers the process in more detail.

The 24+ Advanced Learning Loan is an **Income Contingent Repayment Plan 2 loan** (ICR Plan 2)

#### Liabilities

You'll be liable for any 24+ Advanced Learning Loan paid to your college or training organisation regardless of whether you finish your course or gain a qualification.

#### Top tips

- **Provide SLC with complete and accurate information from the day you take out your loan until it's repaid in full**
- **Keep details of your income, such as payslips or P60s. This is similar to the information** you'll need to keep for general tax purposes and will help to make sure you repay the right amount. Your payslips and P60s will also show the amount of any student loan repayments your employer takes from your salary.

## 4. Repayment

**You must repay your 24+ Advanced Learning Loan in line with the contract and the regulations.**

### When you'll repay

You'll be due to start repaying your loan in the April after you complete or leave your course. However, if you complete or leave your course before April 2016, you won't start making repayments until after this date.

You'll only start making repayments when your income is over £404 a week, £1,750 a month or £21,000 a year. If your income falls below these thresholds, repayments will stop and only re-start when your income is over these thresholds.

**You can make voluntary repayments at any time to pay off your loans more quickly.**

### What you'll repay

**Repayments are based on your income, not on what you borrow** or the number of student loans you have. This is known as an 'income contingent' repayment.

**You'll repay 9% of your income over £21,000 a year.** Even if your income doesn't exceed £21,000 a year but is over **£404 a week or £1,750 a month** at any point in the year (e.g. if you work overtime) then a loan deduction will be made.

For example, if you're paid monthly and earn £2,250 before tax you'd repay 9% of the difference between what you earn and what the threshold is:

$$£2,250 - £1,750 = £500$$

$$9\% \text{ of } £500 = £45$$

So your student loan repayment would be £45 in that month.

If your income changes, either rising or falling, your repayment amounts will automatically change to reflect this. A different threshold may apply if you move to live in a country outside the UK. Page 10 explains this in more detail.

Example repayment amounts		
Annual Income before tax	Monthly income	Monthly repayment
Up to £21,000	£1,750	£0
£22,000	£1,833	£7
£25,000	£2,083	£30
£30,000	£2,500	£67
£35,000	£2,916	£105
£40,000	£3,333	£142

## How much interest you'll pay

You'll be charged interest on the loan from the day your first payment is made to your college or training organisation until your loan has been repaid in full. **The interest on your loan will be based on inflation (Retail Price Index (RPI)). The table below shows how interest is calculated.**

If you don't keep in touch, or fail to advise SLC of changes to any of your personal details, an interest rate of RPI + 3% will be applied to your loan after April 2016, whatever your income.

	Interest Rate
While you're studying and until the April after you complete or leave your course, whichever happens first.	Retail Price Index (RPI) plus 3%
If you complete or leave your course before April 2016	RPI plus 3% until the April after you leave your course then RPI until April 2016
From April 2016	Interest will be based on your income.  £21,000 or less – RPI  £21,000 - £41,000 – RPI plus up to 3%, depending on income  £41,000 and over – RPI plus 3%

For the latest interest rates go to [studentloanrepayment.co.uk](http://studentloanrepayment.co.uk)

## How you'll repay

24+ Advanced Learning Loan repayments will be collected through the tax system from April 2016.

### What happens when you're employed

If you're an employee paying UK tax, your employer will take repayments from your pay, along with tax and National Insurance contributions. Your employer will take repayments from your salary and these will be shown on your payslip as a Student Loans Company deduction.

SLC will tell HMRC when you finish or leave your course and give them details such as your name and National Insurance number. HMRC will check to see if you're working and if you are, they'll tell your employer you have a loan (but not the amount).

Employers may also be told they need to make deductions through normal tax forms. When you change your job or start work, you'll have to notify your new employer that you're responsible for student loan repayments.

### How do employers know how much to take from your pay?

HMRC will give your employer information so they can work out how much to take from your pay. If your pay is above the threshold in the pay period, your employer will take repayments and pass them to HMRC. Your employer will round down the amounts they take from your pay to the nearest pound.

HMRC take this information from your employer and let SLC know the amount of repayments made. SLC will then update your account. It'll take some time after the end of each tax year to update your account. The repayments you've made will be used to pay off your loan. SLC will make sure the correct amount of interest has been added to your account. You won't pay any extra interest even if your repayment details take some time to reach SLC.

Repayments taken by your employer will be worked out on 'individual pay periods' and not on your total income for a whole year. Tax credits don't count as income for working out your student loan repayment.

HMRC will only know the total amount your employer has taken over the whole tax year after the end of the tax year. The scheme works in a similar way to tax deductions. You need to keep track of what's being taken from your pay each month, because SLC will not know what you still owe on your loan until HMRC have passed the information to SLC.

Employers have a responsibility, by law, to send HMRC the correct amounts of student loan repayments. They may have to pay fines if they don't do this.

24+ Advanced Learning Loans will not be eligible for repayment before April 2016, so don't tell your employer before this date.



## Changing jobs

After April 2016, you must tell your employer you're responsible for making student loan repayments and have a 24+ Advanced Learning Loan (which is an Income Contingent Repayment Plan 2 loan (ICR Plan 2)). If your repayments don't start when they should, you should first tell your employer. If your employer can't sort the matter out, you should contact SLC to help you.

The 24+ Advanced Learning Loan is an **Income Contingent Repayment Plan 2** loan (ICR Plan 2)

## Refunds of repayments made when income is below the threshold

It's possible you'll make some repayments during the course of a tax year even though your total income for that year is less than the threshold. In certain circumstances, you might be able to apply for a refund at the end of the tax year, for example if you got a bonus and you had a deduction taken, even though your annual salary was below the threshold.

SLC won't make refunds unless you ask them to do this and will be unable to make refunds until HMRC have confirmed your total earnings and total repayments after the end of the tax year. Of course, you may not want a refund because these repayments will reduce the amount you owe so you'll pay off your loan more quickly. SLC don't refund any repayments you've made voluntarily.

## Employees who are asked to make self-assessment returns by HMRC

If you're an employee who also gets a tax return under the self-assessment (SA) system, you may have to make some loan repayments with the return, as well as those taken by your employer. The total amount of student loan you have to repay for the year will be based on your total income for the year – that is, all your PAYE income plus any extra self-employed income and any unearned income (if it's above £2,000 a year). You can get credit in your tax return for any student loan amounts your employer has already taken during the year so you don't repay too much.

Like PAYE, the SA system will work out your loan repayments based on your income above the threshold, at a rate of 9%. Any SA payment will be due on 31 January following the tax year of your assessment. You can find information on how to fill in your SA return in the guidance and booklets provided by HMRC.

If you pay UK tax and you get a self-assessment tax return, you should use this to declare student loan repayments. You must fill this form in correctly and return it on time. You must also pay your tax and student loan repayment on time. If you don't do this, you may have to pay interest and financial penalties. This is because student loans will be treated in the same way as tax for the purposes of self assessment.

## What happens if my employer goes out of business or doesn't pay my deductions to HMRC?

As long as you have evidence deductions have been taken, such as your payslips, SLC will credit the full amount of the repayments to your account.

## What happens when you're self-employed

If you're self-employed, you'll have to send HMRC a tax return each year under the self-assessment (SA) system. Your student loan repayments will be due as part of your SA bill for your tax. The student loan repayment will be based on all your gross income over the threshold, including all your unearned income (for example, dividend income from shares) if it's more than £2,000 a year. There are some general points to remember when working out your income each year.

- the income of your husband, wife, partner, parent or any other relative won't be taken into account;
- income from Child Benefit and disability benefits, including Employment and Support Allowance, won't be taken into account;
- tax credits won't be taken into account;
- if you make voluntary repayments, you'll still have to make repayments through the SA system.

## What happens if you're planning to travel or work abroad

If you don't pay UK tax or you plan to leave the UK for more than three months at any point after you complete or leave your course (whether this is temporarily or because you live in another country), you'll make repayments direct to SLC. After October 2015, you must let SLC know before you leave the UK. If you don't, they can charge penalties on your loan and where necessary, ask you to repay the full amount of loan plus interest and penalties in one lump sum.

SLC will ask for details of your income and will work out how much you should repay each month. SLC will write to you with more details about your repayment options when you're due to start repaying (after 2016) although you can make voluntary repayments at any time. They'll change your income into pounds sterling and tell you the amount you need to repay each month in British pounds sterling. Your monthly repayment schedule is worked out using the same rules as for those who stay in the UK. So, you'll repay 9% of your income over the repayment threshold. However, it's possible the income threshold for the country you're living in won't be the same as in the UK, it could be higher or lower. SLC will ask you to make repayments in pounds sterling. You'll be responsible for any costs involved in converting the currency and you'll have to pay any charges your bank makes to transfer funds to SLC.

If you move abroad or are no longer responsible for paying UK tax and you fail to make repayments that are due or fail to give SLC the information they ask for, you may have to pay penalties. There are three specific instances when these penalties may apply:

- if you fail to let SLC know you're going abroad, you may be charged further penalties if you then don't respond to requests for information;
- you may have to pay the costs of any agents which SLC employ to find you;
- if you fail to give SLC full information on your yearly income, your repayments will be a fixed amount.

You may have to repay the total loan in a lump sum and will be charged the maximum interest rate of RPI + 3%.

If you don't give SLC details of your income, you may be charged a fixed amount depending on where you live, which may be higher than the repayment amount due based on your actual income. If you don't repay this amount the SLC may take legal action against you.

## What will happen if you have more than one loan

### More than one 24+ Advanced Learning Loan

After completing your first course, you may want to study another course. If you're eligible for, and take out, a 24+ Advanced Learning Loan for this further study, and your income while you're studying is higher than £404 a week, £1,750 a month and £21,000 a year, you'll continue to make repayments on your original loan.

Although SLC will deal separately with the loan for your next course while you're studying, you'll only get one statement each year covering all of your loans. Statements will only be issued once you start to repay.

### A mixture of 24+ Advanced Learning Loans and other HE Student Loans

In most circumstances, you'll have to repay the loans you took out for each course in line with their terms and conditions which may mean that you'll continue to make repayments on your original loans while you're studying.

#### For example:

A student has an 24+ Advanced Learning Loan for a Level 3 Certificate in French and a 'post 2012 HE reforms' loan for a degree in Business Administration both of which are in repayment status. The student makes a voluntary repayment of £100 but does not specify which loan balance the repayment should be allocated to.

The voluntary repayment will be split proportionally across both loans according to the outstanding balance of each type of loan. In this example, the outstanding balance of the 24+ Advanced Learning Loans is £4,000, and the outstanding balance of the 'post 2012 HE reforms' loans is £6,000. The repayment will be split as follows: £40 will be allocated to the 24+ Advanced Learning Loans and £60 will be allocated to the 'post 2012 HE reforms' loans.

### When will loans be cancelled?

There are circumstances where your loan may be cancelled and you'll never have to pay it back, such as if you die before you pay the loan off or if you become disabled and permanently unfit for work.

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

You must have made all repayments based on your income until that date. If not, in some cases, SLC may recover any amounts you still owe up to that date.

If you would like to know more about the circumstances in which loans will be cancelled, visit: [studentloanrepayment.co.uk](http://studentloanrepayment.co.uk)

### What happens if you take out a loan for a QAA Access to HE Diploma

If you chose to take out a loan for a QAA Access to HE Diploma and then progress to a Student Finance England funded higher education (HE) course, SLC will write off the balance of your first 24+ Advanced Learning Loan, once you complete your HE qualification. You must complete your HE course, and at least one QAA Access to HE Diploma to get the balance of your QAA Access to HE Diploma loan written off. You cannot get your loan written off if you've only ever withdrawn from a QAA Access to HE Diploma. However, if you complete one QAA Access to HE Diploma, any other loans for QAA Access to HE Diplomas you've withdrawn from, will also be written off. If you self-fund an HE course eligible for SFE funding, you may also be eligible to get the balance of your QAA Access to HE Diploma loan written off.

### Making extra repayments

You can pay off your loan more quickly by making extra repayments voluntarily. You can do this anytime (including prior to April 2016) at: [studentloanrepayment.co.uk](http://studentloanrepayment.co.uk)

If you do choose to make additional voluntary repayments directly to SLC, you'll repay your loan off more quickly. However, any voluntary repayments you make won't affect the amount collected through the tax system. So, if you're employed, your employer will still have to take amounts from your salary. If you're a self-assessment customer, you'll still have to repay the amount due based on your income for the year. You can't get a refund of any amounts you repay voluntarily, unless you've finished paying off your loan and repaid too much.

## Yearly statements

The student loan repayment system has been set up to use the tax system to collect your repayments. As a result, SLC can only update your account once a year, after getting your repayment information from HMRC.

When you've started to make repayments, you'll get a statement as follows:

- If you're making all of your repayments through your employer under the PAYE system, you'll get a statement at some point after the end of the tax year. If you've more than one job, you may get more than one statement for a tax year. These statements will be clearly identified as the 'interim statement' and the 'final statement'. This is because SLC may be told at different points about your loan repayments from your different jobs.
- If you're making repayments direct to HMRC through the Self Assessment (SA) system, you'll get a statement when your account has been updated with repayments made. However, if you're late with your self-assessment return, you'll get your statement at the end of the month in which HMRC let SLC know about your income.
- If you're outside the UK tax system (for example, if you live and work abroad), you'll get a statement after 5 April each year. This means statements will arrive some time after the end of the tax year, and will only include repayments made up until the end of that year.

If you keep your statement, along with your P60 and your payslips, which contain details of each of your repayments, you can use these to work out how much you have left to repay. If you've any questions about your account, or would like help to work out how much you have left to repay, visit: [studentloanrepayment.co.uk](http://studentloanrepayment.co.uk) or call SLC using the contact details on page 4.

## Coming to the end of repaying your loan

When you're near the end of your repayments, SLC will contact you to discuss moving to repaying by direct debit. However, if you know you're getting near this point, you should get in touch with SLC to arrange to repay your balance in this way.

This is a voluntary scheme which lets you opt out of making your repayments through PAYE and instead make direct debit repayments directly to SLC. It's recommended you do this to help make sure you don't over repay your loan. You'll have to pay your direct debit every month on the agreed date. If you fail to make the payment, SLC may remove this option and you'll have to go back to repaying your loan through PAYE.

To find out more about the direct debit scheme go to: [studentloanrepayment.co.uk](http://studentloanrepayment.co.uk)

It's important you keep track of your repayments. If you don't, then there's a chance you could pay back more than required.

Your payslips will give you a regular update of what you're repaying and your P60 form will show your total repayments in a given year. As SLC don't get this information until after the end of the tax year, it's important you keep hold of them, just as it's important to keep them safe for tax purposes.

## Over repayment

If you repay more than you actually owed on your loan, you'll get a refund, including any interest due to you.

If you have money left in your student loan account when your loan has been repaid in full, interest will accrue at the rate of RPI. After the end of the tax year, SLC will write to you to advise that interest will accrue for a further 60 days at RPI. After the 60 days have passed, no further interest will be added to the money in your credit balance.

For more information go to [studentloanrepayment.co.uk](http://studentloanrepayment.co.uk)

## Sharing information

HMRC can legally give SLC information about your repayments. However, HMRC can't give SLC any information about your tax affairs, as these are confidential. Also, neither your employer or HMRC will get any details about your loan account, other than that you have a loan and which threshold you're on. The Data Protection Act covers personal information passed between SLC, HMRC and the Department for Work and Pensions. The Student Loans Company (SLC) are a Data Controller under the Data Protection Act 1998. The Secretary of State for Business, Innovation and Skills is a joint Data Controller for your information. For more detailed information about how your application will be processed and with whom your information will be shared and for what purpose, go to [gov.uk/advancedlearningloans](https://www.gov.uk/advancedlearningloans)

## Other deductions from income

There may be other deductions from your income that need to be considered when your repayments are worked out. For example, if a court or a local authority has placed an Attachment of Earnings Order (AEO) on you, or if the Child Support Agency has placed a Deduction from Earnings Order (DEO) on you.

If one of the orders is to collect Council Tax or Community Charge, your employer won't take student loan repayments until that order has been cleared. Orders to collect child support, fines or maintenance are dealt with before the student loan amount. And, the amount of student loan taken may be limited so your take-home pay (your pay after deductions) doesn't fall below any protected level set by the court. Any court orders to collect other debts are dealt with after the student loan amount has been taken.

**However you repay your loan, if you continue to withhold information SLC ask for and as a result you fail to make repayments that are due, they have the right to take legal action to recover your debt. This means SLC can get a court order to make you repay the total loan plus interest and penalties in a single payment.**

**This can be enforced through the courts as a civil debt whether you're in the UK or living abroad.**

## 5. What to do if you're not satisfied

### Complaints

If you're not satisfied about the way your repayments are being collected, you should contact SLC. You can register a complaint by calling 0845 073 8908, by emailing: **customer\_complaints@slc.co.uk** or by writing to Customer Relations Unit, Student Loans Company, 100 Bothwell Street, Glasgow, G2 7JD.

If, having done this, you're still not satisfied, you can have your case independently reviewed. Independent reviews are usually dealt with by:

- the Student Loans Assessor for services provided by the Student Loans Company;
- the Adjudicator for services provided by HMRC;
- the Parliamentary Ombudsman for services provided by the UK government, such as BIS (for details, see: **ombudsman.org.uk**)

### Appeals

These are different from complaints. You may be happy with the way your account has been handled but you may feel that a decision about your account is not correct and you want to appeal. As in the case of complaints, SLC have procedures for dealing with appeals and you should follow these. Appeals against services provided by SLC are also dealt with by the Student Loans Assessor.

In certain circumstances you may consider using the legal system, for example, a county court, to sort out your problem. If you want to do this, you should first get independent legal advice, for example from a solicitor, a legal advice centre or a Citizens Advice Bureau.

## 6. Other useful information

You'll find full details of the conditions for getting student loans in the relevant Student Support Regulations. The conditions for repaying Income Contingent Loans are included in the Education (Student Loans) (Repayment) Regulations 2009 No 470 and as amended (which may be replaced by later regulations).

You can read these regulations online at: **legislation.gov.uk** or order them from The Stationery Office (TSO) Ltd (phone order line 0870 600 5522). Or order them online at **tsoshop.co.uk**

### Braille or large print

You can order forms and guides in Braille, large print or audio by emailing with your name, address, customer reference number along with what form and format you require to: [brailleandlargefonts@slc.co.uk](mailto:brailleandlargefonts@slc.co.uk) or you can telephone 0141 243 3686.

Please note: the above email address and telephone number can only deal with requests for alternative formats of forms and guides.

### For more information

- Visit [gov.uk/advancedlearningloans](http://gov.uk/advancedlearningloans)
- Visit [nationalcareersservice.direct.gov.uk/advancedlearningloans](http://nationalcareersservice.direct.gov.uk/advancedlearningloans)
- Speak to your college or training organisation

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