



Repaying student loans

Repayments 

Interest rates 



Repaying student loans

Full-time students will be due to start repaying their loans in the April after they finish or leave their course – and only then if their income is over £21,000 a year, £1,750 a month or £404 a week.

The amount they repay depends on their income and not how much they borrowed. They'll pay back 9% of their income over the threshold, and if their income falls below the repayment threshold, their repayments will automatically stop.

Income each year before tax	Monthly income before tax	Approximate monthly repayment
£21,000	£1,750	£0
£22,000	£1,833	£7
£23,500	£1,958	£18
£25,000	£2,083	£29
£27,000	£2,250	£45
£30,000	£2,500	£67

Repayments



Repayments are collected through the UK tax system, either:

- through PAYE, where payments are deducted by the employer in the same way as Income Tax and National Insurance; or
- through self-assessment if the student is self-employed.



If the student lives or works abroad when they finish their course, they need to contact us before they leave the UK so we can make arrangements for them to repay. Due to differences in living costs, the repayment threshold in the destination country may be different to the UK threshold.

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Interest rates



Interest is charged on a student's loan from the day we make the first payment until the loan is repaid in full. Any loan remaining after 30 years will be cancelled.

The amount of interest charged will vary, depending on the student's circumstances.



	Interest rate
While the student is studying up until the April after they finish or leave their course	Retail Price Index (RPI) plus 3%
From the April after they finish their course	Interest will be based on their income: £21,000 or less = RPI Between £21,000 and £41,000 = RPI plus up to 3%, depending on their income £41,000 and over = RPI plus 3%

For more information, visit the repayment website at www.slc.co.uk/repayment

www.practitioners.slc.co.uk

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Student Finance England is a service provided by the Student Loans Company. We provide financial support on behalf of the UK Government to students from England entering higher education in the UK.

