


# Postgraduate Loan

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have a student loan? 

2017/18



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# Repaying a Postgraduate Loan

Postgraduate students will be due to start repaying their Postgraduate Loan from April 2019 – and only then if their income is over £21,000 per year.

The amount they repay will depend on their income, not how much they borrowed. They'll pay back 6% of their income over £21,000. If their income drops below £21,000 their repayments will automatically stop.

Income each year (before tax)	Monthly salary	Monthly repayment
£21,000	£1,750	£0
£22,000	£1,833	£4
£23,500	£1,958	£12
£25,000	£2,083	£19
£27,000	£2,250	£30
£30,000	£2,500	£45

Students can make voluntary repayments towards their Postgraduate Loan at any time. Any loan remaining 30 years after they enter repayment will be cancelled.

## How repayments are taken

Repayments are collected through the UK tax system, either:

- through PAYE, where repayments are collected by their 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 make repayments.

## Interest rates

Interest is charged on a student's Postgraduate Loan from the day we make the first payment to them until the loan is repaid in full or cancelled.

Interest will be charged at the Retail Price Index (RPI) plus 3%. The current interest rate until 31 August 2017 is 4.6%.

## What happens if they already have a student loan?

A Postgraduate Loan won't affect the repayment of any other student loans the student has for their undergraduate course. If they've had any other loans from SLC they'll also repay these at the same time.

How much they repay towards the student loans they already have for their undergraduate course will depend on when they studied.

# Repaying a Postgraduate Loan

## If they started their undergraduate course on or after 1 September 2012 – Plan 2

They'll repay 9% of their income over £21,000 towards any loans they borrowed for their undergraduate course and 6% of their income over £21,000 towards their Postgraduate Loan. This means they'll repay 15% of their income over £21,000 in total.

Income each year (before tax)	Monthly salary	Undergraduate loan repayment	Postgraduate Loan repayment
£21,000	£1,750	£0	£0
£22,000	£1,833	£7	£4
£23,500	£1,958	£18	£12
£25,000	£2,083	£29	£19
£27,000	£2,250	£45	£30
£30,000	£2,500	£67	£45

## If they started their undergraduate course between 1 September 1998 and 1 September 2012 – Plan 1

They'll repay 9% of their income over £17,775 towards any loans they borrowed for their undergraduate course and 6% of their income over £21,000 towards their Postgraduate Loan.

Income each year (before tax)	Monthly salary	Undergraduate loan repayment	Postgraduate Loan repayment
£17,775	£1,481	£0	£0
£21,000	£1,750	£24	£0
£22,000	£1,833	£31	£4
£25,000	£2,083	£54	£19
£27,000	£2,250	£69	£30
£30,000	£2,500	£91	£45

## If they started their course before 1 September 1998

They'll continue to repay or defer the loans for their undergraduate course and they'll repay 6% of their income over £21,000 towards their Postgraduate Loan. They can't defer their Postgraduate Loan - their repayments will stop automatically if their income is below the threshold.

All Postgraduate Loan policy is subject to Parliamentary approval.

[www.practitioners.slc.co.uk](http://www.practitioners.slc.co.uk)

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We provide financial support on behalf of the UK Government to students from England entering higher education in the UK.