

Change of Circumstances and Overpayments

Higher Education Student Finance in England

Academic Year 18/19 – Version 1.0 December 2018

This guidance applies to full-time (FT) and part-time (PT) students and those who are treated as FT and PT students for the purposes of the Education (Student Support) Regulations 2011, as amended by -

- The Education (Student Fees, Awards and Support) (Amendment) Regulations 2012, The Education (Student Support and European University Institute) (Amendment) Regulations 2013,
- the Universal Credit (Consequential Supplementary, Incidental and Miscellaneous Provisions) Regulations 2013,
- the National Treatment Agency (Abolition) and the Health and Social Care Act 2012 (Consequential, Transitional and Savings Provisions) Order 2013,
- the Further and Higher Education (Student Support) (Amendment) Regulations 2014,
- the Special Educational Needs (Consequential Amendments to Subordinate Legislation) Order 2014,
- the Education (Student Support) (Amendment) Regulations 2014,
- the Education (Student Support) (Amendment) Regulations 2015,
- The Education (Student Support) (Amendment) Regulations 2016
- The Education (Student Fees, Awards and Support) (Amendment) Regulations 2016
- The Education (Student Fees, Awards and Support) (Amendment) Regulations 2017
- The Education (Student Fees, Awards and Support) (Amendment) Regulations 2018
- The Education (Student Support) (Amendment) (No. 2) Regulations 2018
- The Education (Student Support) (Amendment) (No. 3) Regulations 2018
- The Education (Postgraduate Doctoral Degree Loans and the Education (Student Loans) (Repayment) (Amendment) (No. 2) etc.) Regulations 2018

These Regulations are referred to throughout as “the Regulations”. Nothing in this guidance can replace the Regulations and if there is any difference between this guidance and the Regulations, the Regulations prevail.

This guidance is based on Regulations applying to the academic year (AY) which begins on or after 1 August 2018. If you have any enquiries on this guidance, please contact:

| Name | Telephone | E-mail |
|--------------------------|---------------|------------------------|
| SLC Student Support Team | 0300 100 0618 | SSIN_queries@slc.co.uk |

For guidance on Postgraduate (PG) Loan change of circumstances, please refer to the separate “Postgraduate Loans” guidance chapter.

CONTENTS

| | |
|---|-------------------------------------|
| Introduction | 5 |
| Withdrawal Policy | 5 |
| Definitions | 5 |
| Withdrawals (Tuition fee payments)..... | 6 |
| Suspensions (Tuition fee payments) | 7 |
| Transfers (Tuition fee payments) | 8 |
| Current System Students – Tuition fee loans | 8 |
| Grants and loans for living costs (general) | 9 |
| Grants for living costs..... | 10 |
| Loans for living costs | 11 |
| Transfers and part-time maintenance loan FOR IIVING COSTS | Error! Bookmark not defined. |
| Reassessment of a student’s loan entitlement resulting in an underpayment | 12 |
| Extra weeks loan/ Long courses loan for full-time courses..... | 13 |
| The household contribution towards living costs | 14 |
| Suspensions..... | 16 |
| Circumstances when a student may suspend their studies | 16 |
| Reassessments for students who are absent from their course | 17 |
| Extending student support to students who suspend their studies | 17 |
| Benefit provision for students who have suspended their studies | 18 |

| | |
|---|-----------|
| Students without financial support..... | 18 |
| Procedures for suspending study..... | 18 |
| Students suspending their studies and returning later in the same term (tuition FEE payments) | 19 |
| Grants and loans for living costs | 19 |
| Students suspending their studies and returning later in the same AY | 19 |
| Part-time loan for living costs and changes to intensity | 20 |
| Part Year Repeats | 20 |
| Overpayments | 22 |
| Overpayments of FULL-TIME grants for living and other costs | 23 |
| Disabled Students' Allowances paid to third parties | 24 |
| Equipment supplied before the student starts the course / delivered after the student has left the course | 24 |
| 'Worker' status | 25 |
| Overpayments of loan for living costs or long courses loan | 25 |
| Overpayments made as the result of an internal error | 25 |
| ANNEX A UPDATES LOG | 26 |



ABBREVIATIONS

| Abbreviation | Full |
|---------------------|-----------------------------------|
| ALF | Access to Learning Fund |
| ADG | Adult Dependants' Grant |
| AFIP | Armed Forces Independence Payment |
| AY | Academic Year |
| CCG | Childcare Grant |
| DfE | Department for Education |
| DLA | Disability Living Allowance |
| DSA | Disabled Students' Allowance |
| DWP | Department for Work and Pensions |
| EEA | European Economic Area |
| EMA | Educational Maintenance Allowance |
| FE | Further Education |
| FT | Full-time |
| FY | Financial Year |
| HE | Higher Education |
| HEP | Higher Education Provider |
| HND | Higher National Diploma |
| JSA | Jobseekers Allowance |
| LCL | Long Courses Loan |
| LLC | Loan for Living Cost |
| MG | Maintenance Grant |
| PG | Postgraduate |
| PGL | Postgraduate Loan |
| PTML | Part-Time Maintenance Loan |
| PIP | Personal Independence Payment |
| PLA | Parents' Learning Allowance |
| PT | Part-time |
| SFE | Student Finance England |
| SLC | Student Loans Company |
| SSG | Special Support Grant |
| TG | Travel Grant |
| UC | Universal Credit |
| UG | Undergraduate |
| UK | United Kingdom |

INTRODUCTION

This chapter provides policy guidance on the changes in students' circumstances that may have an impact on their entitlement to support in academic year (AY) 2018/19, and on the recovery of overpayments of grants and loans from students who have received support under the Education (Student Support) Regulations 2011 as amended (the Regulations).

This chapter deals with the following subjects:

- students who have withdrawn from their course;
- students who have abandoned their course;
- students who have suspended their study;
- resuming payment of support; and
- recovery of overpayments of loans and grants.

An 'overpayment' occurs, for example, when a student's entitlement is reassessed, and the result of this reassessment is that the annual entitlement to support is reduced to an amount less than that which the student has already been paid. A student's entitlement can be reassessed for various reasons such as a change to the student's eligibility or financial assessment, a suspension, abandonment of or withdrawal from the course.

Policy guidance on previous study, including termination of eligibility and SFE discretion can be found in the 'Assessing eligibility' chapter. That chapter should also be referred to for further policy guidance relating to students transferring courses

WITHDRAWAL POLICY

DEFINITIONS

Abandonment: Abandonment occurs where an eligible student does not return to a later academic year of an eligible course and does not notify their HE Provider or SLC. Abandonment is considered a termination of a student's period of eligibility; if they wish to return to study in the future, they will be considered a new student.

Attendance: Attendance on a course means active and ongoing engagement with the activities and learning opportunities made available by the HE Provider within the course duration, including, but not limited to, scheduled learning and teaching activities.

Effective date: The effective date of a change of circumstance is the date on which the student's status with the HE Provider changes.

Payment period: The payment period is the period of time in respect of which student support is paid as long as the student remains an eligible student.

Resumption: Resumption occurs where an eligible student resumes attendance on a designated course they have previously suspended from, with the approval of their provider. A student can resume study at any time after they have suspended, i.e. within the same academic year or in a later academic year.

Suspension: A suspension occurs where an eligible student, with the agreement of their HE Provider, ceases to attend a designated course, with the intention of returning to the same course at a later date (normally within one academic year of ceasing to attend the course). The student remains an eligible student during the period of absence.

Transfer: A transfer occurs where an eligible student ceases to attend one designated course and starts to attend another designated course (or ceases to attend one designated PT course and starts to attend another designated PT course), either at the same HE Provider, or a different HE Provider. In order to be considered a transfer, the student must agree the transfer to another course with the old HE Provider and communicate the transfer to the SLC.

Withdrawal: A withdrawal occurs where an eligible student, with the agreement of their HE Provider, ceases study on an eligible course with no intention of returning. A withdrawal is considered a termination of a student's period of eligibility, if they wish to return to study in the future they will be considered a new student.

WITHDRAWALS (TUITION FEE PAYMENTS)

There are separate provisions in the Education (Student Support) Regulations 2011 (as amended) that govern payment of tuition fee support and living cost support where a student has withdrawn from the course. These are summarised below.

Tuition fee payments (FT (including FT distance learning courses) starting on or after 1 September 2012)

From AY 12/13 onwards, tuition fee loans have been paid to HE Providers in three termly instalments. The first payment is made early in the AY with the remaining two payments being paid shortly after the start of the second and third terms. FT students become liable to repay each instalment of tuition fee loan at each of the three liability dates – the first day of each term. The student's liability for the tuition fee loan extends at each liability date – they become liable for the full AY amount if in attendance at the third and last liability date. HE Providers will have to confirm attendance to SLC at each of the three liability dates to receive payment of each instalment.

The tuition fee loan payment is split into instalments of 25%, 25% and 50% of the total tuition fee loan amount requested for the AY.

No tuition fee loan is payable unless the HE Provider confirms that the student is in attendance, i.e. if they withdraw before the course starts or never actually enrol no payment will be made. Only 25% of the tuition fee is payable in the form of a loan if the student withdraws during the first term, 50% if they withdraw during the second term and the full 100% if they withdraw during the third term.

Where a student withdraws from their course in AY 18/19, the Department for Education (DfE) expects HE Providers to charge that student a fee amount which is no greater than the amount of tuition fee loan the student is liable to repay up to the date of withdrawal from the course.

Tuition fee payments: PT tuition fee loans (students who commence a PT course on or after 1 September 2012)

No payment of PT tuition fee loan will be released until the HE Provider has confirmed that the student has been undertaking their course for two weeks in each AY of the course.

The PT tuition fee loan is paid to the HE Provider in three instalments per AY; each of the three payments will be released following receipt of an attendance confirmation from the HE Provider confirming that the student is still undertaking the course. (Note that three attendance confirmations per AY, rather than one, are required in respect of PT tuition fee loan from AY 18/19.) A payment will not be made if the HE Provider does not confirm the student's attendance or confirms that the student has withdrawn or suspended their studies before the start of the subsequent payment period.

Where a student withdraws from their course during an AY, the HE Provider should notify SLC as soon as reasonably possible before the next liability point so that the next instalment of tuition fee loan is not paid. The student will only be liable to repay the tuition fee loan instalments paid whilst they were an eligible student.

Students continuing on PT courses that started prior to 1 September 2012 remain on the fee and course grant support package, so the above paragraphs do not apply. The entitlement of these students following a change of circumstances should be assessed as detailed in the specific guidance chapter 'Support for part-time students AY 18/19'.

SUSPENSIONS (TUITION FEE PAYMENTS)

If a student suspends their studies, the HE Provider should notify SLC as soon as reasonably possible before the next liability date. The following rules apply to tuition fee loan payments where a student has suspended study.

A student who suspends their studies during one term and resumes their studies either before the start of the next term or during the next term will be liable for the tuition fee loan instalment for both terms. For example:

- **Student A** starts a course on 1 September 2018 and the first tuition fee loan payment (25% of the tuition fee loan request amount for the AY) is made to the HE Provider. The student suspends their studies on 1 November 2018. The student resumes their studies before the second liability point. The second 25% tuition fee loan instalment is paid to the HE Provider.
- **Student B** starts a course on 1 October 2018 and the first tuition fee loan payment (25% of the tuition fee loan request amount for the AY) is made to the HE Provider. The student suspends their studies on 1 December 2018. The student resumes their studies after the second liability point but before the third liability point. The second 25% tuition fee loan instalment is paid to the HE Provider.

A student who suspends their studies during the first term, remains suspended during the whole of the second term and resumes their studies during the third term (on or after the third liability date) will be liable for the first and third tuition fee loan instalments but not the second tuition fee loan instalment. For example:

- **Student C** starts a course on 1 September 2018 and the first tuition fee loan payment (25% of the tuition fee loan request amount for the AY) is made to the HE Provider. The student suspends their studies on 1 November 2018. The student resumes their studies after the third liability point. The second 25% tuition fee loan instalment will not be paid to the HE Provider. However, the third 50% tuition loan instalment is paid to the HE Provider.

Where a student suspends their studies before a liability point and informs the HE Provider, but the HE Provider does not notify SLC of this suspension until after the liability point (giving the effective date of suspension as occurring before the liability point) the payment made should be clawed back from the HE Provider on receipt of the suspension notification.

Where a student decides to suspend their studies before a liability point but does not inform their HE Provider that they are no longer undertaking the course, and the next payment of tuition fee loan for a PT course is automatically made to the HE Provider the student would be liable for that instalment of the tuition fee loan.

TRANSFERS (TUITION FEE PAYMENTS)

CURRENT SYSTEM STUDENTS – TUITION FEE LOANS

Where a student transfers course and/or HE Provider after the start of the AY to a course with a different tuition fee amount, the total tuition fee loan which can be paid in the AY will never exceed the highest tuition fee available in that AY. Note that this rule applies where both the old and new courses have the same AY start date; if the student transfers to a course with a later AY start date, a new AY of tuition fee loan funding will become available.

Where students transfer courses between HE Providers, it will be up to the HE Providers to agree between them how to apportion the tuition fee for that term (but subject to the annual tuition fee that applied at the start of that term and the maximum tuition fee loan instalment paid for that term). Any change in the annual tuition fee for the new course will only be applied at the start of the next term; the amount already paid for the term in which the student transfers will not be adjusted.

Where a student transfers to a course at a new HE Provider during an AY, the HE Provider to which they transfer will only receive a percentage of the maximum tuition fee loan for that course. The amount paid to the new HE Provider will depend on when the student transfers. For example, if the student transfers after the start of term one, the new HE Provider will only receive 75% of the tuition fee loan for the second course. If the student transfers after the start of term two the new HE Provider will only receive 50% of the tuition fee loan for the second course, and if the student transfers after the start of term three, the new HE Provider will not receive any further tuition fee loan payment until the start of the following AY.

For example:

Student A starts a PT course in September 2018; the tuition fee for that AY is £6,000. Student A's attendance for the first term is confirmed and the first instalment of the tuition fee loan of £1,500 is paid.

During the first term, Student A transfers to a new PT course at a different HE Provider (HEP2) which has the same tuition fee of £6,000.

HEP2 will only receive 75% of the £6,000 tuition fee (£4,500) in the form of a loan for the second course. This total amount will be split 33% and 67% for instalments two and three respectively. (This equates to 24.75% and 50.25% of £6,000.) Note that these figures are a slight variance on the normal 25% / 50% instalment split where a student studies on only one course during the AY; the revised split is necessary to accommodate SLC's systems.

Student A's attendance is confirmed by the new HE Provider for the second term and the second instalment of £1,485 is paid to HEP2.

Student A's attendance is confirmed for the third term and the third instalment of £3,015 is paid to HEP2.

Student B starts a FT course in September 2018, for which the tuition fee is £6,000. Student B's attendance for the first term is confirmed and the first instalment of the tuition fee loan of £1,500 is paid.

Student B's attendance for the second term is confirmed and the second instalment of the tuition fee loan of £1,500 is paid.

Student B transfers during the second term to a new FT course at a different HE Provider, which has a higher tuition fee of £9,250.

HEP2 will only receive 50% of the £9,250 tuition fee loan (£4,625) for the second course.

Student B's attendance for the third term is confirmed and the third instalment of the tuition fee loan of £4,625 (50% of new tuition fee amount) is paid.

Student C starts a FT course in September 2018, for which the tuition fee is £6,000. Student C's attendance for the first term is confirmed and the first instalment of the tuition fee loan of £1,500 is paid.

Student C's attendance for the second term is confirmed and the second instalment of the tuition fee loan of £1,500 is paid.

Student C's attendance is confirmed for the third term and the third instalment of tuition fee loan of £3,000 is paid.

Student C transfers during the third term to a new FT course at a different HE Provider, which has the same tuition fee of £6,000. As the third liability date passed, no tuition fee loan payment is made to the new HE Provider.

GRANTS AND LOANS FOR LIVING COSTS (FT ONLY)

The loan for living costs and the long courses loan are paid in respect of three academic quarters in the AY (which is defined in regulation 2(1) as a period of 12 months). An academic quarter usually corresponds to a term. The three academic quarters may not necessarily comprise 75% of the AY. For courses other than compressed degree courses, the loan for living costs does not cover the academic quarter in which the longest vacation falls. For compressed degrees (as defined in regulation 2(1)), the loan for living costs does not cover any one of the four academic quarters. The long courses loan is not payable for any one of the four academic quarters. Regulation 107(b) defines a 'payment period' as a period in respect of which an instalment is payable, or would have been payable if the student's period of eligibility had not terminated.

Both loans for living costs and long courses loans are paid in three instalments. Where the first instalment is paid in the first quarter of an AY, the loan is payable in three instalments of 33% for the first quarter, 33% for the second quarter and 34% for the third quarter. Where the first instalment of loan is paid in the second quarter, the whole amount for the AY is paid in two instalments and where the first instalment is paid in the third quarter, the whole amount for the AY is paid in one instalment.

Where students withdraw part way through a payment period, regulations 109(14) and 109(15) give SFE discretion to determine whether a payment of grant for living costs should be made in respect of the whole of that payment period or only for the portion of that period during which the student was undertaking the course.

Regulation 109(11) provides that no grants for living and other costs are payable in respect of a payment period beginning after an eligible student's period of eligibility terminates. This covers cases where the student has withdrawn from, abandoned or been expelled from their course; cases where students' eligibility has been terminated because they have shown by their conduct that they are unfit to receive support; and cases where students' eligibility has been terminated because they have failed to provide requested information or who

have knowingly provided materially inaccurate information. SFE does not have discretion to determine otherwise in these circumstances; discretion is limited to the payment period during which the student withdraws from the course.

Regulation 116(4) provides that the first instalment of a loan for living costs or long courses loan (or in cases where the support is not being paid in instalments, any payment of a loan) must not be paid to an eligible student before the HE Provider has sent an attendance confirmation, unless an exception applies. Regulation 116(5) provides that an exception applies if SFE determines that owing to exceptional circumstances it would be appropriate to make a payment without receiving an attendance confirmation.

Regulation 116(11) provides that no loans for living costs or long courses loan are payable in respect of any payment period beginning after an eligible student's period of eligibility terminates.

Any student who has been a prisoner within the AY will not be entitled to living costs support whilst they are in prison. Living costs support will be calculated on a prorated daily basis, excluding the time in prison (see regulations 38(10) and 116(9)).

GRANTS FOR LIVING COSTS

Maintenance Grant or Special Support Grant are payable to eligible full-time students who started their courses before 1 August 2016.

Adult Dependants' Grant (ADG), Childcare Grant (CCG) and Parents' Learning Allowance (PLA), collectively referred to as 'dependants grants', are payable in respect of a full AY (which is defined in regulation 2(1) as a period of twelve months) and are intended to support students for this whole period of 365 days. (This differs from the loan for living costs which is paid in respect of three academic quarters in the AY. Note that the three academic quarters may not comprise 75% of the AY).

Maintenance Grant, Special Support Grant, Adult Dependants' Grant and Parents' Learning Allowance are paid in three equal instalments by SFE at the start of each term. (The first Childcare Grant payment of the AY is based on estimates of costs, with future payment amounts being amended once actual costs are confirmed – see below for further information.) Where a student withdraws from their course part-way through a payment period, a reassessment of these grants should normally be based on the number of days that the student was undertaking, or can be treated as undertaking, the course from the first day of the AY to the date of withdrawal. However, under regulations 109(14) and 109(15) SFE has discretion, taking into account the student's circumstances, to extend the student's eligibility in respect of grants for living and other costs to the end of the payment period in which the student leaves the course. For example:

Student A's entitlement to PLA for AY 18/19 (starting 1 September 2018) is £900.

Student A leaves the course on 25 October 2018; the first term end date is 13 December 2018.

SFE determines that PLA should not be paid beyond the date of withdrawal. Therefore, the number of days of entitlement for reassessment purposes is 55 (1 September – 25 October).

$$(55/365) \times £900 = £135.62$$

If a student who has attended their course in the AY ceases to attend that course as a result of going to prison, all payments should cease from the time of withdrawal and no discretion is to be given.

Disabled Students' Allowances (DSAs), Childcare Grant (CCG) and Travel Grant (TG) are based on a student's actual requirements. Where the student withdraws part way through a payment period SFE has discretion under regulations 109(14) and 109(15) to extend the student's eligibility in respect of grants for living and other costs to the end of the payment period. However, the very nature of these grants are that they are based on a student's actual requirements in respect of expenditure incurred whilst undertaking the course. Therefore, the fact that support may be extended to the end of the payment period in which the student withdraws from the course does not mean that these three grants should continue to be paid.

If a student ceases to be eligible for any of the grants for living or other costs part way through an AY, they should be reassessed from that point onwards, for example, a person ceases to become an adult dependant during the AY, which could occur if the adult dependent becomes an eligible student or receives a statutory award themselves. For example:

Student B starts a course on 1 September 2018. Student B's partner has been deemed a dependant of the student and the student has been awarded the maximum ADG amount of £2,925.

Student B's partner subsequently starts an HND (Higher National Diploma) on 2 January 2018. ADG cannot be claimed in respect of a partner who is also an eligible student.

ADG eligibility is assessed based on the number of quarters in which the student remains eligible (other than the one quarter during which the longest of any vacation occurs). Therefore ADG should not be paid in any quarter where the partner is also an eligible student.

As the partner became an eligible student within the second AY quarter, Student B is only entitled to ADG for one quarter of the AY.

Therefore the revised entitlement to ADG is as follows:

$$£2,925/3 = £ 975$$

LOANS FOR LIVING COSTS

Where a student withdraws at the end of a term, it will not be necessary for SFE to reassess the amount of loan payable if the loan amount was properly calculated. The system will calculate the student's revised loan entitlement on the basis of a third of the assessed loan where the student leaves the course at the end of the first term, two thirds at the end of the second term and 100% if the student completes the third term. The loan will be recovered in the normal way through the income contingent repayment procedure. This applies to all students, including those who cease to attend that course on commencement of a custodial sentence - all payments should cease from the date of withdrawal.

Loans for living costs should not be paid beyond the date of withdrawal; where the withdrawal happens midway through a term, the loan entitlement amount will be reassessed. The revised loan entitlement is calculated using the method outlined in the following worked example.

Note that in all case studies below students are aged under 60.

Student B's academic year starts on 1 September 2018. There are 75 days in the first term. He is eligible for the full 'elsewhere' rate of loan available to students who are not eligible for benefits (£8,700). The 'elsewhere' rate of loan for living costs is that paid to students living away from their parental home who are not studying in London or overseas.

Having received the instalment of loan payable in respect of the first payment period, Student B leaves the course on 3 October 2018 (having attended for 33 days) and does not return.

SFE decides that Student B is only eligible for support for the number of days that he was undertaking the course.

The student's revised entitlement is as follows:

Maximum loan: £8,700 (full 'elsewhere' rate)

Number of days attended in term: 33

Number of days in term: 75

Number of terms in AY: 3

$£8,700 / 3 = £2,900$

$(33/75) \times £2,900 = £1,276$

Entitlement to PT loan for living costs (also known as PT maintenance loan (PTML)) following a withdrawal will be calculated in line with FT loan for living costs policy. For further details and worked examples of entitlement calculations following transfers between PT courses, please see the 'Support for PT students 18/19' guidance chapter.

REASSESSMENT OF A STUDENT'S LOAN ENTITLEMENT RESULTING IN AN UNDERPAYMENT

When a student withdraws from a course, it is possible that they are entitled to a higher amount of loan than they have so far claimed (for example, because their original assessment, which was provisional, has now been finalised). Regulation 89(3) provides that where an eligible student has applied for a loan for living costs or long courses loan (FT students only) of less than the maximum amount to which he is entitled in relation to the AY, the student may apply to borrow an additional amount which, when added to the amount that they have already applied for, does not exceed the relevant maximum applicable in his case. Note that regulation 89(3) can apply in circumstances other than when a student withdraws from a course.

For example:

Student G starts a course in September 2018. Based on a provisionally assessed household income of £60,000, Student G has been assessed as entitled to £6,908 for AY 18/19 (the rate for students who are living away from the parental home, studying in London and who are eligible for benefits). This is payable in three instalments. The first instalment of £2,302.67 is paid.

Student G withdraws from the course in December 2018. He receives a revised support notification from SFE, following confirmation of a lower household income of £40,000, showing his loan entitlement for the period in which he withdrew to be £2,777.38 based on the calculations below

Student G is only eligible for support for the number of days that he was undertaking the course.

The student's revised, finalised entitlement is as follows:

Loan: £9,614 (loan entitlement with household income of £40,000)

Number of days attended in term: 91

Number of days in term: 105

Number of terms in AY: 3

$£9,614/3 = £3,204.67$

$(91/105) \times £3,204.67 = £2,777.38$

As Student G received £2,302.67 for the first instalment in October he may apply for the remaining £474.71 if he wishes to, provided that he does so not later than one month before the end of the AY, or one month after the date on which he receives the revised support notification, whichever is the latter.

LONG COURSES LOAN FOR FULL-TIME COURSES

Where full-time students have in an AY attended their course for longer than 30 weeks and 3 days, they may be eligible for long courses loan. The amount of long courses loan entitlement is added to the main loan for living costs entitlement and paid in three instalments.

Withdrawals

If a student has been awarded loan courses loan but does not attend for more than 30 weeks and 3 days a reassessment should be processed showing the reassessed loan for living costs minus any long courses loan awarded. For example:

Student H is eligible for benefits and is living away from home and studying outside of London. Student D starts study in September 2018 and his course has an AY of 33 weeks.

Original assessment:

Loan for living costs: £9,916 (maximum 'elsewhere' rate)

Long courses loan: £279 (3 weeks/part weeks @ £ 93 per week/part week)

Total loan for year: £10,195

Student H withdraws at the end of the first term:

Loan received in respect of the first term: £3,364 (33% of £10,195)

Loan due on reassessment: £3,272 (33% of £9,916)

Suspensions

Where a student suspends study on a course which, if they were attending for the whole academic year, would be more than 30 weeks and 3 days in length in the AY, SFE will continue to assess and pay for the period the student was in attendance; the student's entitlement will continue to include the long courses loan entitlement for the AY.

If, for example, a student suspends their study after term one, and then returns in the following AY to repeat only terms two and three, their loan entitlement for those terms would be 33% for term two and 34% for term

three of the total entitlement amount which includes the long courses loan amount that the student was originally assessed for.

THE HOUSEHOLD CONTRIBUTION TOWARDS LIVING COSTS (FT STUDENTS ONLY)

Please note that household contribution does not apply to the financial assessment of PT maintenance loan (PTML). This section applies to FT students only.

Annex A of the 'Assessing financial entitlement AY 18/19' guidance chapter defines 2009, 2012 and 2016 cohort students. For 2009, 2012 and 2016 cohort students, the assessed contribution figures are used to determine entitlement for supplementary support (i.e. dependants' grants, travel grant and long courses loan). They are also used to determine entitlement to loans for living costs and supplementary support for households where there is more than one student in the household.

In cases where a 2012 cohort student is the only student in a family and the student's household income includes the income of their parents, entitlement to loan for living costs is calculated by deducting the assessed contribution from the maximum loan for living costs. If the 2012 cohort student leaves their course before the end of the AY, the amount of assessed household contribution is not altered when the final calculation of loan for living costs is made as the parents' residual income has been included in the calculation of household income.

For 2016 cohort students, while the income assessment of the loan for living costs starts at a household income of £25,000, the assessed contribution for the loan for living costs will apply for students with household incomes of more than £42,875.

For 2016 cohort students aged under 60 who are not eligible for benefits, whose household income exceeds £42,875, the assessed contribution is calculated as follows:

- a) Calculate the amount of loan to be deducted from the maximum loan at a household income of £42,875. This is known as the contribution disregard.
- b) Calculate the amount of loan to be deducted from the maximum loan at the student's household income – this is known as the income assessment to loan.
- c) Calculate the assessed contribution by deducting the contribution disregard from the income assessment.

For 2016 cohort students aged under 60 who are eligible for benefits, the assessed contribution is calculated as follows:

- a) Deduct £42,875 from the student's household income;
- b) Divide the result by the appropriate income taper. An assessed contribution is not applicable for the loan for living costs paid for 2016 cohort students aged 60 or over at the start of the first AY of their course.

2012 cohort example

Student I is a 2012 cohort student eligible for the 'elsewhere' rate of loan (up to £6,236). The student has a household income of £45,000. The assessed contribution to loan for living costs at this income level is £240

She is not eligible for any supplementary support products (dependants' grants, long courses loan or travel grant); therefore this is the only assessed contribution that is applied.

The assessed household contribution is applied to Student I's loan for living costs entitlement. One third of the full-year loan rate (£6,236) = £2,078.

Student I withdraws from the course at the end of the first term. As a result, the student is only eligible for support in respect of the first quarter of the AY. Revised entitlement will be as follows:

a) £6,236 minus the assessed household contribution to the loan for living costs for the academic year (£240) gives a loan entitlement of £5,996

b) $5,996/3$ gives a loan entitlement for the first quarter of the academic year only of £1,998

2016 cohort example not eligible for DWP benefits

Student J is a 2016 cohort student eligible for the 'parental' rate of loan available to 2016 cohort students who are not eligible for DWP benefits (maximum available loan is £7,324). The household income is £45,000 therefore the income assessment to loan is calculated as £2,469 and deducted from the maximum loan to give student J's loan entitlement of £4,855.

For 2016 cohorts, the assessed household contribution is calculated at household income of £42,875 and above. In this example, the assessed household contribution is £263 (£2,469 - £2,206 [the home rate income assessment to loan at £42,875, known as the contribution disregard]). Student J's loan entitlement is £5,118 (entitlement at a household income of £42,875) minus £263, leaving £4,855.

Student J is not eligible for any supplementary support (dependants' grants, long courses loan or travel grant).

Student J withdraws from the course at the end of the first term. As a result, they are only eligible for support in respect of the first quarter of the AY. Their revised entitlement will be as follows:

$£4,855/3 = £1618$

2016 cohort example eligible for DWP benefits

Student K is a 2016 cohort student who is eligible for the 'London' rate of loan available to students who are eligible for DWP benefits (maximum available loan rate is £12,382). The household income is £50,000 therefore the income assessment to loan at this household income level is calculated to be £4,204 and deducted from the maximum loan rate to give student K's loan entitlement of £8,178.

For 2016 cohort students who are eligible for benefits, the assessed household contribution is calculated where household incomes are above £42,875. Where the household income is £50,000, the assessed contribution is calculated as follows: $(£50,000 - £42,875)/£7.87 = £905$.

Student K is not eligible for any supplementary support (dependants' grants, long courses loan or travel grant).

Student K withdraws from the course at the end of the second term. As a result, they are only eligible for support in respect of the first and second quarters of the AY. Their revised entitlement will be as follows:

Two thirds of his full year loan rate (£8,178) = £5,452. For 2016 cohort students eligible for benefits who withdraw from their course, the assessed contribution for the AY is not deducted from the final loan entitlement.

2016 cohort example over 60 on the first day of the first AY of the course

Student L is a 2016 cohort who is 60 on the first day of the first AY of the course. Their household income is £21,000 therefore the student is entitled to the full rate of loan of £3,680

N.B. there is only one maximum rate of loan for living costs of £3,680 and there is no assessed household contribution for students who are 60 or over on the first day of the first AY of the course.

Student L is not eligible for supplementary support (dependants' grants, long courses loan or travel grant).

Student L withdraws from the course partway through the second term and does not return.

As a result, she is eligible for support in respect of the entire first quarter and for the days in attendance in the second quarter of the AY. Her revised entitlement will be as follows:

a) one third of the full-year loan rate (£3,680) = £1,266.66 for term one.

b) one third of the full-year loan rate prorated by the number of days spent in attendance in the second term which was in this case 16 days of the 75 day term.

$(16/75) \times £1,266.66 = £270.22$ for term two

Add together £1,266.66 + £270.22 to get the loan entitlement £1,496.88

Part-year repeats

For 2016 cohort students, no maintenance grant is payable, therefore there is no loan reduction dependent upon the amount of maintenance grant. This means that the entitlement for part-year repeats should be calculated as follows.

Student M is completing part of their first course year but will be in attendance for term two only. Student M has applied for the income assessed loan for students who are not eligible for DWP benefits and are living at home.

Student M was in attendance for term two in full, therefore is entitled to one third of the full year 'parental' rate of the loan for living costs ($£7,324/3 = £2,441.33$)

SUSPENSIONS

CIRCUMSTANCES WHEN A STUDENT MAY SUSPEND THEIR STUDIES

Students may have to interrupt their studies for a variety of reasons, including illness, pregnancy, caring responsibilities, financial difficulties, bereavement or premature termination of a work placement. In some of these cases, when the students are ready to resume their studies, their HE Provider may not allow them to do so immediately. The HE Provider may often require the student to wait until the beginning of the next AY, or

require the student to resume their studies at some later point in the next AY, for example at a point comparable to when the student had left the course in the previous AY.

Entitlement to PTML following a suspension will be in line with FT loan for living costs policy.

REASSESSMENTS FOR STUDENTS WHO ARE ABSENT FROM THEIR COURSE (FT STUDENTS)

For detailed information on reassessments of PT students who are absent from their course, please see the 'Support for PT students' guidance.

Regulations 109(17) and 116(12) relate to a relevant payment period during any part of which a student is absent from the course. Regulation 109(17) provides that no grants for living and other costs shall be payable during that period, unless the Secretary of State determines that, taking into account the circumstances of the individual case, part, or indeed all, of the grants otherwise due in respect of that period may be paid. Regulation 116(12) makes similar provision for loans for living costs and long courses loans.

In the case of FT undergraduates, regulation 109(19), in the case of grants for living and other costs, and 116(14), in the case of loans for living costs and long courses loans, allow for an automatic disregard of absence for 60 days if the student is ill. Such students are eligible for full support during this period. If a student has spent any time in prison the first 60 days are not disregarded in these cases.

Regulations 109(17) and 116(12) respectively give SFE the discretion to determine that all or part of the grant or loan support due is payable where the student is absent from the course for reasons other than illness, or where the illness exceeds 60 days. Regulations 109(18) and 116(13) respectively provide that in deciding whether it would be appropriate to pay all or part of the grant or loan support, consideration should be given to:

- the reasons for the student's absence;
- the length of the absence;
- the financial hardship caused by not paying all or part of the support;
- if the student is in prison then no further support should be paid for that time.

Where students find themselves in hardship they should contact their HE Provider immediately for further information and advice.

EXTENDING STUDENT SUPPORT TO STUDENTS WHO SUSPEND THEIR STUDIES

Lack of financial support during a suspension period may lead to financial hardship and subsequent withdrawal from the course. Clearly, it is not in the student's interests or the public interest for students to withdraw from their courses in these circumstances, given that any expenditure on their tuition fee and living costs support would therefore have effectively been wasted. It is important that SFE use the discretionary powers available to them to avoid students having to drop out due to financial pressures.

The discretionary power to determine that part or all of the student support is payable can be exercised in circumstances other than illness. The list of circumstances noted above is neither prescriptive nor exhaustive. In deciding on the exercise of their discretion, SFE will consider each case on its own merits, including the

reasons for the absence, whether the student will face financial hardship during their absence, whether the student has dependants, and the prospect of the student returning to the course. SFE should also take account of how the provider treats the student's absence, particularly if the provider has given the student permission to be absent, and on what terms.

BENEFIT PROVISION FOR STUDENTS WHO HAVE SUSPENDED THEIR STUDIES

Students who have suspended their studies due to illness or caring responsibilities and who are required to wait until their provider allows them to rejoin their course are able to claim Jobseekers Allowance (JSA) and Housing/Council Tax Benefit or Universal Credit (UC) from when they recover from illness or the caring duties end, until the day before they rejoin their course, but not exceeding one year.

JSA is not payable to students who are entitled to a student loan. However, JSA can be paid subject to the student satisfying the normal criteria for receipt of that benefit. JSA is payable up until the day before the student rejoins their course but not exceeding one year.

Students who have suspended their studies were not eligible for payments from the Access to Learning Fund (ALF) while in receipt of JSA. Please note that since AY 14/15 the ALF has not been available. Students should contact their HE Provider to find out about any other available funds.

STUDENTS WITHOUT FINANCIAL SUPPORT

Although JSA, Housing Benefit, or Universal Credit may be available to students who are waiting to resume their studies following a period of suspension due to illness or caring, there may be cases where students do not qualify for benefits and may be left without any source of financial support. These may include:

- Students waiting to rejoin their course after the expiry of one year since suspension;
- Students who remain sick unless they are entitled to Disability Living Allowance (DLA), Personal Independence Payment (PIP) or Armed Forces Independence Payment (AFIP); and
- Students who cannot meet the work-related requirements for JSA or Universal Credit because they are doing significant amounts of study in preparation for their return to their course.

PROCEDURES FOR SUSPENDING STUDY

Although SFE has the discretion to determine continuation of student support, HE Providers and students themselves have an important role in this process. It is essential that there is prompt interaction between the student and the HE Provider, and that HE Providers promptly notify SFE when students temporarily suspend, or indeed withdraw from their courses. This will enable SFE to make the decision efficiently.

Where students wish to suspend their study and be considered for continuation of student support they must, in the first instance and at the earliest opportunity, contact their provider. The suspension process should involve the student receiving support and advice from a range of staff at the provider, particularly course tutors, welfare and financial advisers. HE Providers should consider the reasons for suspension and reach an agreement on the best course of action for the student, either suspension or withdrawal, where appropriate.

The student and the HE Provider should agree the likely period of absence and then arrange to keep the position under review.

The HE Provider must notify SFE that the student is suspending their studies, giving the reasons for suspending and providing an agreed date of return. It is the responsibility of the HE Provider to notify SFE as soon as it is agreed that the student will suspend study. The student should also be advised to approach SFE, requesting that they be assessed for continued support if required. Whenever possible a joint approach to SFE from the provider (supporting the case to extend student support) and the student is recommended. The process would enable SFE to make a timelier and better informed decision on whether to continue student support, and it would also reduce the possibility of confusion arising over whether a student has withdrawn from the course or has suspended their studies.

STUDENTS SUSPENDING THEIR STUDIES AND RETURNING LATER IN THE SAME TERM (TUITION FEE PAYMENTS)

All current system students who suspend their studies during one term and resume their studies either before the start of the next term or during the next term will be liable for the tuition fee for both terms. For example:

Student A starts a course on 1 September 2018 and the first tuition fee loan payment (25% of the tuition fee for the AY) is made to the HE Provider. The student suspends their studies on 1 November 2018. The student resumes their studies before the second liability point. The second 25% tuition fee loan instalment is paid to the HE Provider.

Student B starts a course on 1 September 2018 and the first tuition fee loan payment (25% of the tuition fee for the AY) is made to the HE Provider. The student suspends their studies on 1 November 2018. The student resumes their studies after the second liability point but before the third liability point. The second 25% tuition fee loan instalment is paid to the HE Provider.

FT GRANTS AND LOANS FOR LIVING COSTS

In accordance with regulations 109(17) and 116(12) no grants or loans for living costs will be payable during the period in which the absence falls, unless SFE decides that, in view of the circumstances underlining the absence, payment should be made either in full or in part (e.g. financial hardship). If the period of absence falls across two periods, then whether or not the student should receive support during either of those two periods will depend upon the extent of the absence in each period. If the absence covers more than half of one period, then the student might not receive support at all for that period. Again, SFE has the discretion to decide whether or not it would be appropriate to pay full, partial or no support, in respect of either of those two periods. If a student spends any time in prison they are ineligible for any support whilst serving a custodial sentence.

Prior to the 2016 cohort, where the student is deemed to be eligible for support for only part of the AY, the Regulations do not allow the assessed student contribution to be reduced.

STUDENTS SUSPENDING THEIR STUDIES AND RETURNING LATER IN THE SAME AY

For example:

Student C is a 2016 cohort student who is eligible for benefits and begins the first year of his course in September 2018. However, he suspends his attendance in October, having attended for 45 days of the first term and having received payment of the instalment of loan for living costs due in respect of the first period. There are 75 days in the first term.

Student C is eligible for the full £9,916 'elsewhere' rate of loan for living costs. As a student whose household income is below the threshold a contribution would not be applicable.

However, instead of returning to the original course, Student C starts a new course in January 2019, the AY of which runs from 1 January 2019 to 31 December 2019.

SFE will need to action the case as a transfer.

Original course - Student C was attendance on 1 September 2018 and will not return to the original course.

New course - Student C starts the new course in January 2019. As the AY of the new course runs from January 2019 to December 2019 his loan for living costs entitlement for the first AY of the new course will still be payable in three instalments, the first becoming due in the quarter beginning on 1 January 2019. SFE should reassess as follows:

Student C is eligible for the £9,916 'elsewhere' rate of loan for living costs, with no household contribution applicable.

SFE would calculate loan for living costs entitlement as normal, and adjust payment accordingly, taking into account any overpayments from a previous assessment.

PART-TIME LOAN FOR LIVING COSTS AND CHANGES TO INTENSITY

Please see the 'Support for PT students' guidance chapter for details of changes to PT loan for living costs (also referred to as PT maintenance loan (PTML)) entitlement following a change of study intensity.

PART-YEAR REPEATS (FT STUDENTS)

Please see the 'Support for PT students' guidance chapter for details of changes to PT loan for living costs (also referred to as PT maintenance loan (PTML)) entitlement where the student repeats study.

Prorating funding for part-year support and termly repetitions: where the student has not completed/passed all the required modules to progress to the next year of their course, HE Providers may allow students to repeat the missed/failed modules. This may not always be a repeat of the full year but more commonly a repetition of specific terms or part terms. If a student is in attendance for only part of a term, they will be entitled to maintenance funding for the period they are in attendance at their HE Provider.

Maintenance grant (only applicable to returning pre-2016 cohort students) is payable over 365 days of the year, therefore to manually calculate a student's entitlement, the full maintenance grant entitlement should be divided by 365 and then multiplied by the number of days the student is in attendance on their course. Days must be calculated from the first day of the AY. For example, if a student begins a course in September, their entitlement would be calculated from 1 September until their attendance ceases or to the end of the term, whichever is sooner. For term three repeats, the calculation would be from the first day of term three to the end of the AY (31 August for September starts). AY start dates are shown below:

| Date the student started the course | AY start date |
|--|----------------------|
| Between 1 August and 31 December | 1 September |

| | |
|--------------------------------|-----------|
| Between 1 January and 31 March | 1 January |
| Between 1 April and 30 June | 1 April |
| Between 1 July and 31 July | 1 April |

Loan for living costs is calculated termly. Loan entitlement per term should be divided by the number of days attended in that term. If the student is repeating the full term, then the full loan entitlement for that term should be paid; in these circumstances no prorating calculations are required. Any entitlement to long courses loans should be removed where the student has attended for less than 30 weeks and 3 days. Any students repeating a full term and part of another term should have the full term loan paid and the days from the partial term recalculated.

For pre-2016 cohort students who are income assessed, the loan reduction is impacted by the student's maintenance grant entitlement. For 2012 cohort students, the maximum amount of loan for living costs will be reduced by £0.50 for every £1 of maintenance grant received. This is known as 'substitution'

For example:

2012 cohort students (entitled to loan for living costs and maintenance grant)

Student A started a course in September 2015 and is repeating one term of the fourth year of their course in AY 18/19, and will be in attendance for whole of that term.

Term 1 dates: 22/09/2018 - 16/12/2019

Calculation for the grant is from 01/09/2018 - 16/12/2019 = 107 days

Maintenance grant of £3,593 / 365 x 107 = £1,053.29

Loan reduction (substitution) is £1,053.29 / 2 = £526.64

Loan for living costs - As the student will be studying for one full term only, the full amount of loan should remain for term one. There is no entitlement for terms two or three or any long courses loan. The loan reduction amount of £526.64 should be applied to the remaining loan for living costs entitlement. Note where the student is entitled to Special Support Grant instead of Maintenance Grant, no loan reduction is applied.

Student B who started a course in September 2015 is completing part of the third year of the course in AY 2018/19. They will be in attendance term three only.

Term 3 dates: 07/04/2018 - 09/06/2019

As the student is repeating their third year in AY 18/19 and will be attending in the following AY, the calculation should be up to and including 31/08/2019 (i.e. including the summer vacation). If the student was repeating their final year then the calculation would be until the course end date.

Calculation for the grant is from 07/04/2018- 31/08/2018= 147 days

Maintenance Grant of £3,593 / 365 x 147 = £1,447.04

Loan Reduction (substitution) is $\text{£}1,447.04 / 2 = \text{£}723.52$

As the student is in attendance for all of term three only, the loan for living costs for the third term should remain. Any loan reduction amount is applied and the loans for living costs for terms one and two and any long courses loan amount removed.

2016 cohort students (entitled to loan for living costs only)

Student C started a course in September 2017 and is repeating all of term one and part of term two of the first AY of the course in AY 18/19. Student C will be in attendance from 23/09/2018 - 31/01/2019. The student is living in the parental home, is not eligible for benefits and has household income below £25,000. Maximum loan entitlement in AY 18/19 is therefore £7,324.

As the student will be studying for all of term one, the full loan for living costs should be paid for that term. The loan for living costs for term two will be prorated, and any loan for living costs amount for term 3 and any long courses loan removed. The total number of days in term two is 70 days. However, as the student is completing their studies on the 31/01/2018, the student will only be in attendance for 26 days of that term.

First term loan for living costs entitlement: $(\text{£}7,324 / 3) = \text{£}2,441.33$

Second term loan for living costs entitlement: $(26/70) \times \text{£}2,441.33 = \text{£}906.78$

Total loan entitlement for the part-year repeat in AY 18/19 = $\text{£}2,441.33 + \text{£}906.78 = \text{£}3,348.11$

Student D, who started a course in September 2016, is repeating part of their second year in AY 18/19 but will be in attendance in term two only. The student has not applied for any income assessed support and is therefore only entitled to the full term two non-income assessed loan for living costs for 2016 cohort students. The applicable rate of loan for living costs in this example is the parental home rate for students who do not qualify for benefits of £3,224.

$\text{£}3,224 / 3 = \text{£}1,074.67$.

OVERPAYMENTS

In order to provide the maximum amount of flexibility, the Regulations allow for an overpayment of any grant for living and other costs to be recovered from any other grant or loan that is payable to the student in respect of a later AY of the same or a different course under regulations made under section 22 of the Teaching and Higher Education Act 1998 (regulation 119(3)). However, current practice is to not recover overpayments from future DSA payments. Recovery of overpayments under this regulation should only be implemented following recovery of grant overpayment from further instalments of that specific grant due in that AY (or loan and other grants, if deductions from the original loan or grant still leave an outstanding overpayment). See below for further details.

All withdrawals and suspensions will be treated in the same manner, so recovery is possible whether the student stays on the same course or changes course, irrespective of whether the course is full-time or part-time, undergraduate or postgraduate.

Prior to AY 12/13, the Regulations allowed SLC to recover a loan for living costs and/or grant overpayment directly from the student, but there was previously no discretion to do so for overpayments of tuition loan as overpayments of these loans had to be recovered directly and immediately from the HE Provider. From AY 12/13 onwards, the Regulations (see regulations 117, 118 and 157) allow SLC some discretion in certain

circumstances to recover the tuition fee loan overpayment directly from the student through the Income Contingent Repayment process.

Changes to the Regulations for the recovery of overpayment of grants and loans mean that any overpayment, whether it is for grant or loan, should be recovered from the student as soon as possible and while the student continues to study. This amendment allows for overpayments to be recovered from future instalments of either grant or loan (regulation 119(11)). While some overpayments can be subtracted from certain future payments (including if the student returns to study at a later date), recovering directly from the student as soon as possible after the overpayment arises maximises the probability of recovery and ensures value for the taxpayer. SLC have upgraded their systems to allow for the automated recovery of loan and grant overpayments from future instalments of entitlement to the same product type for AY 18/19. Any loan overpayment can now be recovered from a future instalment of loan, and likewise for grant overpayments, with the exception of DSAs.

Recovery of overpayments whilst a student continues to study may cause difficulties for some students. If a student provides reasonable evidence that recovery would result in hardship for the student, the recovery of the overpayment may be suspended until they leave or finish their course. Where part or all of an overpayment is outstanding when the student leaves or completes their course, the method of recovery will depend on the circumstances in which the overpayment occurred.

OVERPAYMENTS OF FULL-TIME GRANTS FOR LIVING AND OTHER COSTS

Regulation 109(20) applies where SFE has already paid grants for living and other costs and then reassesses the amount due.

If the amount of grant to be paid has increased, SFE should process the reassessment as soon as possible. The student's instalments of grant for the year will be increased to reflect the increased entitlement to support.

If the reassessment results in a reduction in entitlement to grant, the amount overpaid will be recovered in full from the next instalment(s) of that grant or any other grants or loans which remain to be paid within the current AY.

The student will receive a payment schedule letter detailing the amounts to be recovered.

If there is still an amount outstanding after any remaining instalments of grants or loans due in the current AY have been reduced to zero, then that amount is to be recovered in accordance with regulation 119.

Regulation 119(3)(a) provides for an overpayment of grant for living and other costs to be subtracted from 'any kind of grant or loan payable to the student from time to time pursuant to regulations made under section 22 of the Teaching and Higher Education Act 1998'. In other words, the overpayment may be recovered from a grant payable in respect of a later AY of the current course, or in respect of a later course (irrespective of whether the later course is full-time, part-time or postgraduate).

Alternatively, under regulation 119(3)(b) SFE may recover an overpayment of a grant for living and other costs by taking such other action as is available. The amendments to regulation 119 allow any overpayment to be recovered from any instalment of grant or loan. Where the student is no longer attending the course, SFE may seek to recover the overpayment directly from the student, for example by initiating proceedings in the county court.

The Regulations state that the Secretary of State must recover overpayments of grant unless the Secretary of State considers it not appropriate to do so. The function of recovering overpayments has been delegated to

SLC. However, in order to protect the public purse, SLC have a duty to ensure that taxpayers' money is being used for the purposes intended, that only those who are eligible for support receive funding, and that no one receives money to which they are not entitled. There is an expectation that public sector organisations should always pursue recovery of any overpayments – irrespective of how they came to be made. SLC is also obliged by regulation 119(10) and (11) to recover overpayments from loans.

Additionally, when applying for student support, the student signs a declaration which states:

I agree to give the Student Loans Company (SLC) any information they require to process my application and agree to tell them immediately if my circumstances change in any way that might affect my entitlement to financial support. I understand that if I do not do this, I may not receive any further payments, and may have to repay the financial support I have already received. I agree that in the event of receiving an overpayment of financial support, I am obliged to repay this in full. SFE/SLC do have some limited discretion as to how and when to recover overpayments of grants, but not as to whether the overpayment should be recovered.

DISABLED STUDENTS' ALLOWANCES PAID TO THIRD PARTIES (FT AND PT STUDENTS)

DSAs are generally paid direct to the suppliers of equipment or other support. It is an option for SFE to recover an overpayment of grants for living or other costs from DSA monies earmarked to pay a supplier.

For example, a student is assessed to be eligible for DSAs and equipment worth £3,500 is ordered from a supplier. It subsequently comes to light that there is an overpayment of grants for living and other costs of £1,000 outstanding from a previous course. SFE has the option to recover the overpayment from the DSA monies earmarked to pay the supplier. This will mean, of course, that the student's remaining DSA is not enough to pay the supplier in full. The question then arises as to who is liable to pay the balance. Whether SFE is liable will depend on the facts of the particular case, and before seeking to recover an overpayment from DSA money earmarked to a supplier SFE should satisfy itself that it will not be liable to pay the supplier.

EQUIPMENT SUPPLIED BEFORE THE STUDENT STARTS THE COURSE / DELIVERED AFTER THE STUDENT HAS LEFT THE COURSE (FT AND PT STUDENTS)

A DSA assessment may be provided before a student has started their course to ensure that any equipment or other support that they need can be arranged and delivered for the beginning of term. In some cases it may be appropriate to supply DSA equipment early as well, for example where training in the use of the equipment is necessary before the student starts their course. However, if the student subsequently does not start the course, this may constitute an overpayment (see regulation 119(4) in the case of a FT student, regulation 156(5) in the case of a PT student or regulation 168(4) in the case of a PG student).

Similarly, a student may start the course, then abandon it and then receive DSA payments or equipment after they have abandoned the course (possibly because SFE had not been notified that the student had left the course). This constitutes an overpayment (see regulations 119(6)-(8) in the case of a FT student, regulations 156(7)-(9) in the case of a PT student or regulations 168(6)-(8) in the case of a PG student).

SFE will be able to accept the return of the equipment, a monetary repayment or a combination of both. For example, where the student has received two items of equipment through the DSA, the value of the items is equal to the amount of the overpayment and it is possible to return one item to the supplier and secure a full refund but not possible to return the other item, the amount of the overpayment can be reduced by the amount refunded and paid to SLC with the student still having to make up the difference if the remaining amount of the overpayment cannot be recovered from any other grant or loan.

CHANGE OF 'WORKER' STATUS

The 'Assessing eligibility' AY 18/19 guidance details the conditions for status of EEA migrant worker, EEA frontier worker, EEA frontier self-employed person, an EEA self-employed person, the Swiss equivalents or family member of these persons. It is possible that a student can cease to be eligible under this status during the AY; for example if they or the family member voluntarily stop working. SFE should reassess their entitlement in line with the guidance for each product detailed earlier in this chapter, from that point onwards.

OVERPAYMENTS OF LOAN FOR LIVING COSTS (FT AND PT) OR LONG COURSES LOAN (FT ONLY)

Regulation 116(15) applies where a FT loan for living costs or long courses loan has already been paid and SFE then reassesses the amount due. Regulation 157R applies in the case of PT loan for living costs.

If the amount of loan for living costs or long courses loan to be paid has increased, SFE should process the reassessment as soon as possible. The student's instalments of loan for the year will be increased to reflect the increased entitlement to support.

If the reassessment results in a reduction in entitlement to loan for living costs or long courses loan, the amount overpaid will be recovered in full from the any instalment(s) of loan that remain to be paid within the current AY. The student will receive a payment schedule letter detailing the amounts to be recovered.

If there still remains an amount outstanding, then it is to be recovered in accordance with regulation 119 (FT) or Regulation 157R (PT). These regulations provide that SFE may recover 'any overpayment of a loan for living costs or a long courses loan in respect of any AY is recoverable by the Secretary of State from the student to whom the payment was made.'

The methods of recovery that are available to the Secretary of State under these regulations are as follows:

- (a) subtracting the overpayment from any kind of grant or loan payable to the student from time to time pursuant to regulations made by the Secretary of State under section 22 of the 1998 Act;
- (b) requiring the student to repay the loan in accordance with regulations made under section 22 of the 1998 Act;
- (c) taking such other action for the recovery of an overpayment as is available to the Secretary of State.

Where the reason for the overpayment is not one listed in the Regulations, SFE may subtract the amount of the overpayment from any loans or grants payable to the student under regulations made under section 22 of the Teaching and Higher Education Act 1998.

These methods for recovering an overpayment can be carried out before the income contingent repayment procedure begins and should be, wherever possible.

OVERPAYMENTS MADE AS THE RESULT OF AN INTERNAL ERROR

The Regulations do not specifically cover circumstances where a miscalculation by SFE results in a student receiving payment of a higher amount than he or she is entitled to. However, regulation 119(1) provides that student must, if required by the Secretary of State, repay any amount paid to him under Part 5 or Part 6 of the Regulations which for whatever reason exceeds the amount of support to which he is entitled under Part 5 or Part 6. Also, regulation 119(2) provides that the Secretary of State must recover an overpayment of any grant

for living and other costs unless he considers it is not appropriate to do so. Regulation 157R applies to PT loan for living costs.

SFE should always carry out the reassessment, even when the overpayment has resulted from an internal error. The circumstance that caused the overpayment to arise should be taken into consideration when negotiating the most appropriate method of recovery where the student is unable to make repayment in full. SLC will negotiate the recovery of the overpaid amount on a case by case basis and in line with DfE guidelines.

ANNEX A UPDATES LOG

| Date | Updates |
|-------------|-------------------------|
| July 2018 | First version published |