

Advanced Learner Loan



Advanced Learner Loans help you pay the fees charged by approved colleges and training organisations in England. Most learners aged 19 and over, studying at Level 3 to 6 (which includes A levels, Access to HE Diplomas, and other Vocational Qualifications) will qualify for an Advanced Learner Loan from the UK government.

This quick guide gives you some key facts about repaying an Advanced Learner Loan.

The flowchart on the back takes you through the repayment process step by step.

For more detailed information see: [gov.uk/advancedlearnerloan](https://www.gov.uk/advancedlearnerloan)

How and when will I pay back the loan?

If you started your course on or after 1 August 2023:

- **You'll usually start repaying your loan in the April after you complete or leave your course. The earliest you'll start to repay is April 2026.** HM Revenue and Customs collect loan repayments from employers through the UK tax system.
- You can **make voluntary repayments at any time** in order to pay off your loans more quickly.
- You'll only start making repayments **when your income is over £25,000 a year.**
- **However, if your income falls below £25,000, repayments will stop** and only re-start when your income is over £25,000.
- **If you're employed**, your employer will take your repayments directly from your salary.
- **If you're self-employed**, you'll make repayments as part of your annual self-assessment tax return.
- **If you have more than one loan or a combination of further education (FE) and higher education (HE) loans visit [gov.uk/advancedlearnerloan](https://www.gov.uk/advancedlearnerloan) and read 'Advanced Learner Loan: A guide to terms and conditions'.**
- **If you take out a loan for a QAA Access to HE Diploma and progress to HE**, the Student Loans Company will write off the balance of your first loan, once you complete your HE qualification.
- **If you die**, your loan will be written off.
- **After 40 years any remaining loan balance is written off.**

If you started your course before 1 August 2023:

- **You'll start repaying your loan in the April after you complete or leave your course.** HM Revenue and Customs collect loan repayments from employers through the UK tax system.
- You can **make voluntary repayments at any time** in order to pay off your loans more quickly.
- You'll only start making repayments **when your income is over £28,470 a year.**
- **However, if your income falls below £28,470, repayments will stop** and only re-start when your income is over £28,470.
- **If you're employed**, your employer will take your repayments directly from your salary.
- **If you're self-employed**, you'll make repayments as part of your annual self-assessment tax return.
- **If you have more than one loan or a combination of further education (FE) and higher education (HE) loans visit [gov.uk/advancedlearnerloan](https://www.gov.uk/advancedlearnerloan) and read 'Advanced Learner Loan: A guide to terms and conditions'.**
- **If you take out a loan for a QAA Access to HE Diploma and progress to HE**, the Student Loans Company will write off the balance of your first loan, once you complete your HE qualification.
- **If you die**, your loan will be written off.
- **After 30 years any remaining loan balance is written off.**

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How much will I repay?

- Repayments are based on your income, not on what you borrow or the number of student loans you have.
- You'll repay 9% of your income above the £25,000 annual threshold. Even if you don't earn £25,000 a year but exceed the thresholds of £480 a week or £2,083 a month at any point in the year (e.g. if you work overtime) then a loan deduction will be made.

Example repayment amounts

Income each year	Monthly income	Monthly repayment
Up to £25,000	£2,083	£0
£27,000	£2,250	£15
£29,500	£2,458	£33
£31,000	£2,583	£45
£33,000	£2,750	£60
£35,000	£2,917	£75

How much interest will I be charged?

If you started your course on or after 1 August 2023, your interest rate will be RPI only.

The table below shows how interest is calculated if you started your course before 1 August 2023:

Scenario	Interest Rate
While you're studying and until the April after you complete or leave your course, whichever comes first.	Normally RPI plus 3%
From the April after you finish or leave your course	Interest will be based on your income. £28,470 or less – RPI £28,471 - £51,245 – RPI plus up to 3%, depending on income £51,245 and over – Normally RPI plus 3%

START

1 You'll start repaying your loan the April after you complete or leave your course. HM Revenue and Customs collect loan repayments through the UK tax system.

2 If you're employed, you must tell your employer that you have an Advanced Learner Loan which is an Income Contingent Repayment Plan 5 loan (ICR Plan 5).

If you're self-employed, go to www.gov.uk/repaying-your-student-loan for more information on how you repay your student loan.

3 Is your income more than £480 per week, £2,083 per month or £25,000 a year?

No

Yes

4 You don't have to make repayments.

4 You begin making repayments.

5 Your employer automatically takes repayments from your salary.

6 Your employer tells HMRC how much of your loan you've repaid.

7 At the end of the month, HMRC tells the Student Loans Company how much you're repaid that month.

8 After each tax year you'll be provided with a statement.

9 HMRC let your employer know when to stop taking repayments.

10 Any loan balance remaining 30 years after you're due to start making repayments will be written off. The 40 years start from the April you complete or leave your course, whichever comes first.

FINISH

Who does what:

 You

 Your employer, HMRC or the Student Loans Company

For more information

- Visit gov.uk/advancedlearnerloan
- Visit nationalcareer.service.gov.uk
- Speak to your college or training organisation

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 www.moneyhelper.org.uk/en

Contact Advanced Learner Loans on **0300 100 0619**

Advanced Learner Loans are administered by Student Finance England (SFE), a Student Loans Company service, providing financial support to students on behalf of the UK government.