Change of Circumstances and Overpayments

Higher Education Student Finance in England

Academic Year 23/24 – Version 4.0 November 2023

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 (hereafter “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 2023. If you have any enquiries on this guidance, please contact:

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For guidance on Postgraduate (PG) loan changes of circumstances, please refer to the separate AY 23/24 ‘Postgraduate Loans’ guidance.

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Abbreviations

Abbreviation	Term in full
ADG	Adult Dependants' Grant
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
FE	Further Education
FT	Full-time
FY	Financial Year
HE	Higher Education
PG	Postgraduate
PGL	Postgraduate Loan
PTML	Part-Time Maintenance Loan
PLA	Parents' Learning Allowance
PT	Part-time
SFE	Student Finance England
SLC	Student Loans Company
UK	United Kingdom

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1. Introduction

This chapter provides policy guidance on changes to students' circumstances that may have an impact on their entitlement to support in AY 23/24, and on the recovery of overpayments of grants and loans from students who have received support under The Education (Student Support) (England) Regulations 2011 (as amended).

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- students who have withdrawn from their course,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.

Guidance on the following policy areas can be found in the AY 23/24 'Assessing Eligibility' guidance:

- previous study, including termination of eligibility and SFE discretion, and
- transfers between courses.

2. Definitions

Abandonment: Abandonment occurs where an eligible student does not return to a later academic year of a designated 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.

Academic Year: The academic year is defined in the Regulations as the period of twelve months beginning on 1 January, 1 April, 1 July or 1 September of the calendar year. The academic year of the course in question begins according to whether that academic year begins on or after 1 January and before 1 April, on or after 1 April and before 1 July, on or

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after 1 July and before 1 August or on or after 1 August and on or before 31 December, respectively (see table below).

Start date of AY for the purposes of the Regulations	Period within which AY begins
1 September	On or after 1 August but before 1 January
1 January	On or after 1 January but before 1 April
1 April	On or after 1 April but before 1 July
1 July	On or after 1 July but before 1 August

For the purposes of the Regulations, courses commencing on or after 1 August 2023 and on or before 31 July 2024 are considered to commence in AY 23/24, and students on these courses are assessed accordingly.

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 when an eligible student resumes attendance on a designated course they have previously suspended from, with the approval of their HE 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 HE provider of the initial designated course 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 a designated 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

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in the future, they will be considered a new student for the purposes of assessment of student support.

3. 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 costs support where a student has withdrawn from the course. These are summarised below.

3.1 Tuition fee payments (FT courses starting on or after 1 September 2012)

Since AY 12/13, tuition fee loans have been paid to HE providers in three termly instalments. The first payment is made early in the academic year with the remaining two payments being paid shortly after the start of the second and third terms. FT students are 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 academic year amount if in attendance at the third and last liability date. The HE provider will have to confirm attendance to SLC at each of the three liability dates to receive payment of each instalment.

The tuition fee loan payments are split into instalments of 25% (term one), 25% (term two) and 50% (term three) of the total tuition fee loan amount requested for the academic year.

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 enroll, 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 23/24, 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.

3.2 Tuition fee payments: PT tuition fee loans (students who start 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 academic year of the course.

The PT tuition fee loan is paid to the HE provider in three instalments per academic year. 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. A payment

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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 academic year, 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 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 AY 2**3/24** 'Support for Part-Time Students' guidance.

4. 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 instalments for both terms. For example:

- Student A starts a course on 1 September 2023 and the first tuition fee loan payment (25% of the tuition fee loan request amount for the academic year) is made to the HE provider. The student suspends their studies on 1 November 2023. The student resumes their studies on 1 December 2023 - 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 2023 and the first tuition fee loan payment (25% of the tuition fee loan request amount for the academic year) is made to the HE provider. The student suspends their studies on 1 December 2023. The student resumes their studies on 1 February 2024 - 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:

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> **Ben** starts a course on 1 September 2023 and the first tuition fee loan payment (25% of the tuition fee loan request amount for the academic year) is made to the HE provider. He suspends his studies on 1 November 2023 and resumes his studies on 15 April 2024 - 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, as Ben has resumed his studies in the third term, becoming liable for the third term tuition fee instalment.

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 course is automatically made to the HE provider, the student would be liable for that instalment of the tuition fee loan.

5. Transfers (tuition fee payments)

5.1 Current system students – tuition fee loans

Where a student transfers course and/or HE provider after the start of the academic year to a course with a different tuition fee amount, the total tuition fee loan which can be paid in the academic year will never exceed the highest tuition fee available in that academic year. Note that this rule applies where both the old and new courses have the same academic year start date. If the student transfers to a course with a later academic year start date, a new academic year of tuition fee loan funding will become available. If the student is remaining on the same course but transferring to a later academic year start date, a new academic year of tuition fee loan funding is not available.

For example:

> **Robyn** started a BSc (Hons) Computing course in September 2023 (AY start date of 1 September 2023). During term 1 she decides to transfer to the January start intake of the same course (academic year start date of 1 January). Robyn's funding entitlement will remain as the amount applicable in respect of the September start intake of the course (1 September to 31 August).

Where students transfer courses between two separate HE providers, it will be for the HE providers to agree how to apportion the tuition fee charged for that term (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 academic year, 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 academic year.

Students transferring from a standard intensity FT course in AY 23/24 to an accelerated degree course starting on or after 1 August 2019 will, after transfer, be subject to higher maximum fees for accelerated courses after the transfer – 20% higher than those for a standard intensity FT course. Further details on accelerated degree courses and the student finance arrangements that apply to these courses are set out in the AY 23/24 'Assessing Financial Entitlement' guidance.

Where a student is transferring from a FT course to a FT accelerated degree course starting on or after 1 August 2019, and the FT course they are transferring from started before 1 August 2019, to be eligible for the new higher-rate fee loan available for accelerated degree courses, the student is treated for student finance purposes as a new student from the start of the accelerated degree course. This means they will be charged the higher accelerated fee rate after they transfer courses in the same way as a student transferring to an accelerated courses from a standard intensity course starting on or after 1 August 2019.

If the student transfers after the start of term one, the new HE provider offering the accelerated course will only receive 75% of the tuition fee loan at the accelerated rate 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 at the accelerated rate 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 academic year.

For example:

> **Carla** starts a PT course in September 2023. The tuition fee for that academic year is £6,000. Her attendance for the first term at HE provider 1 is confirmed and the first instalment of the tuition fee loan of £1,500 is paid.
>
> During the first term, she transfers to a new PT course at a different HE provider (HE provider 2) which has the same tuition fee of £6,000.

HE provider 2 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 academic year. The revised split is necessary to accommodate SLC's systems.

Carla's attendance is confirmed by HE provider 2 for the second term and the second instalment of £1,485 is paid to HE provider 2. Her attendance is confirmed for the third term and the third instalment of £3,015 is paid to HE provider 2.

Geoff starts a FT course in September 2023, for which the tuition fee is £6,000. His attendance for the first term is confirmed and the first instalment of the tuition fee loan of £1,500 is paid. His attendance for the second term is confirmed and the second instalment of the tuition fee loan of £1,500 is paid.

Geoff transfers during the second term to a new FT course at a different HE provider (HE provider 2), which has a higher tuition fee of £9,250. HE provider 2 will only receive 50% of the £9,250 tuition fee loan (£4,625) for the second course. Geoff'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.

Angela starts a FT course in September 2023, for which the tuition fee is £6,000. Her attendance for the first term is confirmed and the first instalment of the tuition fee loan of £1,500 is paid. Her attendance for the second term is confirmed and the second instalment of the tuition fee loan of £1,500 is paid. Her attendance is confirmed for the third term and the third instalment of tuition fee loan of £3,000 is paid.

Angela 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 has passed, no tuition fee loan payment is made to the new HE provider.

Mila starts a FT course starting in July 2023 (AY 22/23) for which the tuition fee is £9,250. Her attendance for the first term is confirmed and the first instalment of the tuition fee loan of £2,312.50 is paid. She transfers to an accelerated degree FT course starting in September 2023 at a different HE provider (HE provider 2) which has a higher tuition fee of £11,100.

HE provider 2 will receive 75% of the £11,100 tuition fee for the accelerated degree FT course (£8,325). This total amount will be split 33% and 67% for instalments two and three respectively. This equates to 24.75% and 50.25% of £11,100. Note that these figures are a slight variance on the normal 25%/50% instalment split for

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instalments two and three where a student studies on only one course during the academic year. The revised split is necessary to accommodate SLC's systems.

Mila's attendance is confirmed by HE provider 2 for the second term and the second instalment of £2,747.25 is paid to HE provider 2. Her attendance is confirmed for the third term and the third instalment of £5,577.75 is paid to HE provider 2.

Dan starts a FT course in September 2023, for which the tuition fee is £9,250. His attendance for the first term is confirmed and the first instalment of the tuition fee loan of £2,312.50 is paid. He transfers to an accelerated degree FT course starting in October 2023 at a different HE provider (HE provider 2) which has a higher tuition fee of £11,100.

HE provider 2 will receive 75% of the £11,100 tuition fee for the accelerated degree FT 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 £11,100. Note that these figures are a slight variance on the normal 25%/50% instalment split for instalments two and three where a student studies on only one course during the academic year. The revised split is necessary to accommodate SLC's systems.

Dan's attendance is confirmed by HE provider 2 for the second term and the second instalment of £2,747.25 is paid to HE provider 2. His attendance is confirmed for the third term and the third instalment of £5,577.75 is paid to HE provider 2.

Since AY 21/22 (on or after 1 August 2021) if a continuing student was assessed under the regulatory residency rules that applied prior to the changes brought in as a result of EU exit, the student will only be be able to transfer once and retain their current eligible status. Any further transfers would break the continuous period of eligibility and would therefore require the student to be assessed under new eligibility rules in force at the time of the transfer.

6. Withdrawal

6.1 Grants and loans for living costs (FT only)

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.

The loan for living costs is paid in respect of three quarters of the academic year. The long courses loan is paid in respect of four academic quarters in the academic year (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 in respect of the loan for living costs may not necessarily comprise 75% of the academic year. For courses other than intensive

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degree courses, the loan for living costs does not cover the academic quarter in which the longest vacation falls. For intensive courses (as defined in Regulation 2(1)), the loan for living costs does not cover 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 academic year, 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 academic year is paid in two instalments and where the first instalment is paid in the third quarter, the whole amount for the academic year 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. Regulation 109(11) also covers 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. In addition, Regulation 6(5) gives SLC the authority to treat any amount paid as an overpayment in these circumstances, including an amount paid prior to the termination of eligibility.

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 provides an attendance confirmation in respect of the eligible student, 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 loan for living costs or long courses loan is payable in respect of any payment period beginning after an eligible student’s period of eligibility terminates.

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Any student who has been a prisoner within the academic year 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)).

6.2 Grants for living and other costs

Maintenance Grant or Special Support Grant are payable to eligible FT 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 academic year (which is defined in regulation 2(1) as a period of twelve months) and are intended to support students for this whole period. This differs from the loan for living costs, which is paid in respect of three academic quarters in the academic year. Note that the three academic quarters may not comprise 75% of the academic year.

Maintenance Grant, Special Support Grant, Adult Dependants' Grant and Parents' Learning Allowance are paid in three instalments by SFE per academic year and the payments are split 33% (term one), 33% (term two) and 34% (term three). 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 academic year 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:

> **Hannah**'s entitlement to PLA for AY 23/24 (starting 1 September 2023) is £900.
>
> Hannah leaves the course on 25 October 2023. The first term end date is 13 December 2023.
>
> 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) x £900 = £135.62

If a student who has attended their course in the academic year 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' Allowance (DSA), CCG and Travel Grant are based on a student's actual requirements. Where the student withdraws part way through a payment period SFE has

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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 nature of these grants is 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 academic year, they should be reassessed from that point onwards, including where an individual ceases to be an adult dependant during the academic year, (which could occur if the adult dependant becomes an eligible student or receives a statutory award themselves). For example:

> **Derek** starts a course on 1 September 2023. His partner has been deemed his dependant, and Derek has been awarded the maximum ADG amount of £3,354.
>
> Derek's partner subsequently starts a Higher National Diplom on 2 January 2024. 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 quarter during which the longest 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 quarter, Derek is only entitled to ADG for one quarter of the academic year.
>
> The revised entitlement to ADG is as follows:
>
> 33% of £3,354 = £1,106.82

6.3 Loans for living costs

Where a student withdraws at the end of a term, the SLC assessment 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 the 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 the case study below the student is aged under 60.

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Avril's academic year starts on 1 September 2023. There are 75 days in the first term. She qualifies for the full 'elsewhere' rate of loan for living costs available to students who are not eligible for benefits (£9,978). 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, Avril leaves the course on 3 October 2023 (having attended the course for 33 days) and does not return. SFE determines that she is only entitled to support for the number of days that she was undertaking the course. Avril's revised entitlement is as follows:

Maximum loan:	£9,978 (full 'elsewhere' rate)
Number of days attended in term:	33
Number of days in term:	75
Number of terms in AY:	3

33% of £9,978 = £3,292,74

(33/75) x £3,292.74 = £1,448.80

6.4 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 they are entitled in relation to the academic year, 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 the student's case. Note that regulation 89(3) can apply in circumstances other than when a student withdraws from a course.

For example:

Jack starts a course in September 2023. Based on a provisionally assessed household income of £60,000, he has been assessed as entitled to £7,943 for AY 23/24 (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 £2,621.19 (33% of £7,943) is paid.

Jack withdraws from the course in December 2023. He receives a revised support notification from SFE, following confirmation of a lower household income of £40,000.

Jack is only eligible for support for the number of days that he was undertaking the course. His revised, finalised entitlement is as follows:

Loan:	£10,845 (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

33% of £10,845 = £3,578.85

(91/105) x £3,578.85 = £3,101.67

As he received £2,621.19 for the first instalment in October, he can apply for the remaining £480.48, provided that he does so not later than one month before the end of the academic year, or one month after the date on which they receive the revised support notification, whichever is later.

6.5 Long courses loan for full-time courses

Where FT students have attended their course for longer than 30 weeks and 3 days in an academic year, they may qualify 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.

6.5.1 Withdrawals

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

Elsie is eligible for benefits and is living away from home and studying outside London. She starts study in September 2023 and her course has an academic year of 33 weeks.

Original assessment:

Loan for living costs: £11,374 (maximum 'elsewhere' rate)

Long courses loan: £321 (3 weeks/part weeks @ £ 107 per week/part week)

Total loan for year: £11,695

Elsie withdraws at the end of the first term:

Loan received in respect of the first term: £3,859.35 (33% of £11,695)

Loan due on reassessment: £3,753.42 (33% of £11,374) (i.e. minus any amount paid in respect of long courses loan))

It should be noted that where a student withdraws from their course and has been in attendance for longer than 30 weeks and 3 days and in receipt of long course loan, their support should be reassessed and pro-rated for the period they were in attendance on the course.

6.5.2 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 academic year, 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 academic year.

If, for example, a student suspends their study after term one, and then returns in the following academic year 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.

7. The household contribution towards living costs (FT students only)

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

Annex A of the AY 23/24 'Assessing Financial Entitlement' guidance 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.

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.

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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.

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 academic year of their course.

7.1 2016 cohort example - not eligible for DWP benefits

Mike is a 2016 cohort student eligible for the 'parental home' rate of loan available to 2016 cohort students who are not eligible for DWP benefits (maximum available loan is £8,400). The household income is £45,000 therefore the income assessment to loan is calculated as £2,824 and deducted from the maximum loan to give Mike's loan entitlement of £5,576.

For 2016 cohorts, the assessed contribution is calculated at household income of £42,875 and above. In this example, the assessed contribution is £300 (£2,824 - £2,524 [the home rate income assessment to loan at £42,875, known as the contribution disregard]). Mike's loan entitlement is £5,576 (£5,876 entitlement at a household income of £42,875, minus £300).

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

Mike withdraws from the course at the end of the first term. As a result, he is only eligible for support in respect of the first quarter of the academic year. His revised entitlement will be as follows:

33% of £5,576 = £1,840.08

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7.2 2016 cohort example eligible for DWP benefits

Lawrence 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 £14,202). The household income is £50,000 therefore the income assessment is calculated to be £4,808 and deducted from the maximum loan rate to give Lawrence's loan entitlement of £9,394.

For 2016 cohort students who are eligible for benefits, the assessed 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)/£6.89 = £1,034.

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

Lawrence withdraws from the course at the end of the second term. As a result, he is only eligible for support in respect of the first and second quarters of the academic year. His revised entitlement will be as follows:

66% of his full-year loan rate (£9,394) = £6,200.04. For 2016 cohort students eligible for benefits who withdraw from their course, the assessed contribution for the academic year is not deducted from the final loan entitlement.

7.3 2016 cohort example over 60 on the first day of the first academic year of the course

Alicia is a 2016 cohort who is 60 on the first day of the first academic year of the course. Her household income is £21,000 therefore she is entitled to the full rate of loan of £4,221.

N.B. there is only one maximum rate of loan for living costs of £4,221 and there is no assessed contribution for students who are 60 or over on the first day of the first academic year of the course.

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

Alicia 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 academic year. Her revised entitlement will be as follows:

a) 33% of the full-year loan rate (£4,221) = £1,392.93 for term one.

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b) 33% 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) x £1,392.93 = £297.15 for term two

The student's first term entitlement (£1,392.93) and the student's second term entitlement (£297.15) are aggregated to give a total loan entitlement at withdrawal of £1,690.08.

7.4 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.

Dawn is completing part of her first year but will be in attendance for term two only. She has applied for the income assessed loan for students who are not eligible for DWP benefits and are living in the parental home. Her household income is £25,000.

Dawn was in attendance for term two in full, therefore is entitled to 33% of the full year 'parental home' rate of the loan for living costs (33% of £8,400 = £2,772).

8. Suspensions

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

Note that for PT students, entitlement to PTML following a suspension is in line with FT loan for living costs policy.

8.2 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 AY 23/24 'Support for Part-Time 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 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.

For FT undergraduates, regulation 109(19), concerning grants for living and other costs, and 116(14), concerning loans for living costs and long courses loans, allow for an automatic disregard of an absence period not in excess of 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 provide 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, in which case 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.

8.3 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 have effectively been wasted. SFE will, where appropriate, use the discretionary powers available 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 of illness in excess of 60 days and circumstances other than illness. The list of circumstances noted above is neither prescriptive nor exhaustive. Students who suspend their studies for a variety of reasons, including illness, can apply to SFE for their living costs support to be continued while they are absent from their course. In deciding on the exercise of their discretion, SFE will consider each case on its own merits,

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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 will 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.

8.4 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 and Housing/ Council Tax Benefit or Universal Credit from when they recover from illness or the caring duties end until the day before they rejoin their course, but not exceeding one year.

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

8.5 Students without financial support

Although Jobseekers Allowance, 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, Personal Independence Payment or Armed Forces Independence Payment
- Students who cannot meet the work-related requirements for Jobseekers Allowance or Universal Credit because they are doing significant amounts of study in preparation for their return to their course.

8.6 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

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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 HE provider (supporting the case to extend student support) and the student is recommended. This approach enables SFE to make a timelier and better informed decision on whether to continue student support, and it also reduces the possibility of confusion arising over whether a student has withdrawn from the course or has suspended their studies.

8.7 Students suspending their studies and returning later in the same term (tuition fee payments)

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:

> **Luisa** starts a course on 1 September 2023 and the first tuition fee loan payment (25% of the tuition fee for the academic year) is made to the HE provider. She suspends her studies on 1 November 2023 and resumes her studies before the second liability point. The second 25% tuition fee loan instalment is paid to the HE provider.
>
> **David** starts a course on 1 September 2023 and the first tuition fee loan payment (25% of the tuition fee for the academic year) is made to the HE provider. He suspends his studies on 1 November 2023 and resumes his 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.

8.8 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

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(e.g. in cases of 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 may not receive support at all for that period. Again, SFE has the discretion to determine 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.

For student cohorts assessed under rules in place prior to the 2016 cohort, where the student is deemed to be eligible for support for only part of the academic year, the Regulations do not allow the assessed student contribution to be reduced.

8.9 Students suspending their studies and returning later in the same academic year

Students who suspend their studies may choose to return later in the same academic year. Their entitlement would be calculated as follows:

> **Charles** is a 2016 cohort student who is eligible for benefits and begins the first year of his course in September 2023. 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. His household income is £22,000.
>
> Charles is eligible for the full £11,374 'elsewhere' rate of loan for living costs. As a student whose household income is below the threshold a contribution would not be applicable.
>
> However, rather than returning to the original course, he starts a new course in January 2024, the academic year of which runs from 1 January 2024 to 31 December 2024.
>
> SFE are required to process this as a course transfer.
>
> *Original course* - student was attendance on 1 September 2023 and will not return to the original course.
>
> *New course* - student starts the new course in January 2024. As the academic year of the new course runs from January 2024 to December 2024 his loan for living costs entitlement for the first academic year of the new course will still be payable in three instalments, the first becoming due in the quarter beginning on 1 January 2024. Charles is eligible for the £11,374 'elsewhere' rate of loan for living costs for his new course, with no assessed 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.

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9. Change of seasonal intake

Where a student transfers to a later AY start date of a course, this is commonly referred to as a 'change of seasonal intake'. DfE have confirmed that a new AY of funding is not available for a change of seasonal intake where the student has remained on the same course. This is because a change of seasonal intake does not meet the definition of a 'course transfer' as set out in regulation 7 of the Regulations. In order to qualify as a 'course transfer', the student must transfer from one designated course to another.

For example:

Anthony started a BSc (Hons) Software Engineering in September 2023 (AY start date of 1 September 2023). During term 2, they decide to transfer to the April start intake of the same course (AY start date of 1 April 2024). This transfer does not meet the definition of a course transfer, therefore Anthony would remain on the original intake and their payments will continue to align with the September intake.

Where a student transfers with a change of seasonal intake to a different course, either at the same HE provider or a different HE provider, this is deemed to be a course transfer as per regulation 7.

For example:

Paul starts a BSc (Hons) Chemistry in September 2023 (AY start date of 1 September 2023). During term 1, with the agreement of their HEP, they transfer to the January intake of BSc (Hons) Human Biology (AY start date of 1 January 2024). As Paul has transferred to a new course, this meets the definition of a course transfer. They are permitted to access full support for the January intake course, on account of having enough standard entitlement, as well as retaining the support they were entitled to for their attendance on the original course.

A course transfer with a change of seasonal intake is classed as a 'multi-AY' scenario i.e the second course has a later AY start date from the first course. In this case, the student's payment schedule for the second course will align with the new seasonal intake. Where a student withdraws from their first course and transfers to a different course with a later seasonal intake in the same AY, this would also be assessed as a multi-AY scenario.

Subject to previous study and ELQ rules, a student can access a full year of support for the new course in a multi-AY.

10. Part-time loan for living costs (also known as the part-time maintenance loan) and changes to intensity

Please see the AY 23/24 'Support for Part-Time Students' guidance for details of changes to PT loan for living costs entitlement following a change of study intensity.

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11. Part-year repeats (FT students)

This section details policy in respect of FT students. Please see the AY 23/24 'Support for Part-Time Students' guidance for details of changes to PT loan for living costs (also referred to as PTML) entitlement where the student repeats study.

Where the student has not completed/passed all the required modules to progress to the next year of their course, the HE provider may allow the 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. Funding is prorated for part-year support and termly repetitions. Where 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. Please note that where a student is repeating a final year, the year of the course that would ordinarily be the final year will not be reassessed to award the full year rate of loan for living costs.

Maintenance grant (only applicable to returning pre-2016 cohort students) is payable over 365 days of the year. Therefore, to 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 academic year. 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 earliest). For term three repeats, the calculation would be from the first day of term three to the end of the academic year (31 August for September starts). Academic year 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 their course for 30 weeks and 3 days or less. Any students

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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.'

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

Hettie started a course in September 2022 and is repeating all of term one and part of term two of the first academic year of the course in AY 23/24. She will be in attendance from 23/09/2023 - 31/01/2024. She is living in the parental home, is not eligible for benefits and has a household income below £25,000. Maximum loan entitlement in AY 23/24 is therefore £8,400.

As she 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 three and any long courses loan removed. The total number of days in term two is 70 days. However, as Hettie is completing her studies on 31/01/2024, she will only be in attendance for 26 days of that term.

First term loan for living costs entitlement: (33% of £8,400) = £2,772

Second term loan for living costs entitlement: (26/70) x £2,772 = £1,029.60

Total loan entitlement for the part-year repeat in AY 23/24 = £2,772 + £1,029.60 = £3,801.60

Tom started a course in September 2022 and is repeating part of his second year in AY 23/24 but will be in attendance for term two only. He 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 £3,698.

33% of £3,698 = £1,220.34

12. Overpayments

Where a customer receives funding that they are not entitled to, the Education (Student Support) Regulations 2011 (as amended, the "Student Support regs"), specifically regulations 117 (Overpayment of fee loan), 119 (Overpayments of support for living costs), 156 (Overpayments of disabled part-time students' allowances), 157 (Overpayments of fee loans for PT courses), 157R (Overpayment of loans for living costs for PT courses), 168 (Overpayments for Postgraduate students), provide that the Secretary of State (SoS) may decide whether or not an overpayment should be repaid.

The SoS must keep in mind the principles of Managing Public Money (MPM) guidance when deciding whether or not to recover overpayments. The overarching principle of MPM is the protection of public funding, and the default position for all overpayments (no matter how they have occurred) is that they must be recovered, as quickly and efficiently as possible. Overpayments should be cancelled[1] only in exceptional circumstances where there is no chance of recovery. Where even a small possibility of recovery remains, recovery should be pursued and, failing that, written off[2] rather than cancelled.

MPM A4.11.5 states that "*Sometimes overpayments are made using specific legal powers but making mistakes of fact or law. These are legally recoverable, subject to the provisions of the Limitation Acts and other defences against recovery, (with includes cost effectiveness, hardship, Estoppel and good consideration). The presumption should always be that recovery should be pursued, irrespective of the circumstances in which it arose".*

The borrowers' terms and conditions set out that:

"You'll normally need to repay your loan overpayment separately and earlier than the rest of your loan balance. This also applied if you're already having repayments taken from your salary or your tax return…In some cases, loan and grant overpayments can be recovered from future student funding. Based on government regulations, the SLC has a legal responsibility to recover any loan or grant overpayment."

The declaration borrowers sign when taking out student finance also states:

"I agree that if I get an overpayment of student finance, I need to repay this in full and that any overpayment may be taken from any future entitlement to student finance."

[1] Here we take 'cancelled' to mean that the customers liability to repay the overpayment is cancelled. In practice, we consider this to mean that the balance of the overpayment is reduced to £0, that no repayments are due, and that if a repayment was made toward the overpayment after it had been cancelled, that the amount should be refunded.

[2] Here we take 'written off' to mean that the customer's liability to repay the overpayment remains, that the balance should remain on the customer's account, but that the customer will not be pursued for repayment. If a repayment is made, it can be used to reduce the balance of the overpayment.

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MPM sets out a small number of scenarios where balances can be written off, where agreement from the sponsor Department (in this case the Department for Education, DfE) is gained. Cases outside of this must be referred to HMT, via DfE, for their approval for either write off or cancellation. When deciding on appropriate action, DfE will consider:

- The type of overpayment;
- Whether the recipient accepted the money in good faith or bad faith;
- The cost-effectiveness of recovery action.
- Any relevant personal circumstances of the payee, including defences against recovery;
- The length of time since the payment in question was made; and
- The need to deal equitably with overpayments to a group of people in similar circumstances.

The Education (Student Loans) (Repayment) Regulations 2009 (as amended, the "Repayment Regulations"), regulation 19 (Cancellation) provides for a limited number of situations where loans can be cancelled, details of which can be found in the Repayment Guidance, section 8. There is no specific provision within the Repayment Regulations to cancel overpayments (either grant or loan) or a borrower's liability for returning overpayments.

Recovery of an overpayment can be carried out before the income contingent repayment procedure begins and should be, wherever possible. As such, the default recovery policy for overpayments, whether grant or loan, is by netting off against future payments of loan or grant (excluding future DAS payments) from the student while they continue to study. Recovering directly from the student as soon as possible after the overpayment arises maximises the probability of recovery and ensures value for the taxpayer. In line with this, the Student Support 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, under Regulations made under section 22 of the Teaching and Higher Education Act 1998 (regulations 117 (2)(aa), 119 (3)(a)), 156 (4)(a), 157 (2)(aa), 157R (3)(a), 168 (3)(a)). SLC systems allow for the automated recovery of loan and grant overpayments from future instalments of entitlement to the same product type (including if the student returns to study at a later date). Any loan overpayment can be recovered from a future instalment of loan, and likewise for grant overpayments, with the exception of DSA (see below for further details).

Recovery of overpayments whilst a student continues to study may cause hardship (which should not be confused with inconvenience) for some students. If a student provides reasonable evidence that recovery would result in hardship for them, the recovery of the overpayment may be suspended until they leave or finish their course.

The function of recovering overpayments has been delegated to SLC.

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11.1 Overpayments of loan for living costs (FT and PT) or long courses loan (FT only)

Regulations 117 (overpayment of fee loan), 157 (Overpayments of fee loans for PT courses), and 157R (Overpayment of loans for living costs for PT courses), provide that loan overpayments can be recovered via:

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 (i.e. an affordable repayment plan).

In practice consideration should first be given to subtracting the overpayment from a future payment, option a) above. Should the student demonstrate that such recovery would cause hardship, then recovery can be delayed post-study, as discussed above. Where recovery is delayed, to comply with the requirements of Managing Public Money, option c, an affordable repayment plan, should be offered. The DfE have advised that ICR repayments (option b above) are only utilised where the overpayment has been caused solely by SLC error. This is to best ensure recovery of the overpayment as where overpayments are added to the ICR loan balance, a significant proportion of overpayments will end up being cancelled at the end of the loan term rather than repaid.

11.2 Overpayments of full-time grants for living and other costs

Regulations 119 (Overpayments of support for living costs), 156 (Overpayments of disabled part-time students' allowances), and 168 (Overpayments for Postgraduate students) provide that grant overpayments can be recovered via:

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) taking such other action for the recovery of an overpayment as is available to the Secretary of State.

In practice, consideration should first be given to subtracting the overpayment from a future payment, option a) above. Where the student demonstrates that such recovery would cause hardship and recovery is duly suspended until the student leaves or finishes their course, the SLC will work to set up an affordable repayment plan with the customer. There is no provision within the regulations to allow for Grant overpayments to be recovered via ICR.

11.3 Equipment supplied before the student starts the course / delivered after the student has left the course (FT and PT students)

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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, 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).

SLC will be able to accept the return of the equipment, a monetary repayment or a combination of both in recovery of the overpayment. 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. If it is possible to return one item to the supplier and secure a full refund but not possible to return the other item, then 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.

Current practice is to not recover overpayments from future DSA payments. Recovery of overpayments under these Regulations 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).

11.4 Change of ‘Worker’ status

The AY 23/24 ‘Assessing Eligibility’ guidance details the conditions for status of EEA migrant workers, EEA frontier workers, EEA frontier self-employed persons, EEA self-employed persons, and 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 academic year, for example, if they or their family member voluntarily stop working. SLC should reassess their entitlement, in line with the guidance for each product detailed earlier in this chapter, from that point onwards.

11.5 Overpayments made as the result of an internal error

The Regulations do not specifically cover circumstances where a miscalculation by SLC results in a student receiving payment of a higher amount than they are entitled to. However, regulation 119(1) provides that a student must, if required by the Secretary of

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State, repay any amount paid to them under Part 5 or Part 6 of the Regulations which for whatever reason exceeds the amount of support to which they are 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(1) applies to overpayments of PT loan for living costs.

SLC should always carry out the reassessment, even when the overpayment is the result of 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.

13. Annex A updates log

Date	Updates
March 2023	First draft created.
March 2023	Second draft updated with DfE comments.
March 2023	Document finalized and sent for publishing
August 2023	Removed reference to requirement for a student to be in attendance for minimum of 8-weeks in a final year which was outlined in Section 10 Part-year repeats.
September 2023	Section 10 Part-year repeats updated to clarify that where a student is repeating/extending their final year into the next AY, we will not reassess the year that was ordinarily their final year to award full year rate of loan for living costs. Added new overpayments section.
November 2023	Added new section – Section 9 Change of seasonal intake

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