
Higher Education Student Finance in England

Assessing Financial Entitlement - AY 25/26

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This guidance applies to full-time (FT) students and those who are treated as FT students for the purposes of the Education (Student Support) Regulations 2011 as amended (hereafter referred to as “the Regulations”).

This chapter provides advice on:

- (i) rates of Tuition Fee Loans (TFL), loans for living costs, Maintenance Grants and Special Support Grants (SSG); and
- (ii) how these loans and grants for living and other costs are income assessed.

All rates of support described in this document for academic year 2025/26 (“AY 25/26”) are detailed in the Financial Memorandum, which is available at:

<https://www.practitioners.slc.co.uk/policy/>

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This guidance does not cover every aspect of student support. The full details are contained in the Regulations which are the legal basis of the HE student support arrangements for AY 25/26. Nothing in this guidance can replace the Regulations and if there are any differences between this guidance and the Regulations, the Regulations prevail.

Abbreviations

Abbreviation	Full
ADG	Adult Dependants' Grant
APP	Access and Participation Plan
AY	Academic year
CCG	Childcare Grant
DfE	Department for Education
DSA	Disabled Student's Allowance
DWP	Department for Work and Pensions
EEA	European Economic Area
EFSA	Education Funding and Skills Agency
EFTA	European Free Trade Association
EU	European Union
FE	Further Education
FT	Full-time
HE	Higher Education
HECoS	Higher Education Classification of Subjects
HMRC	His Majesty's Revenue and Customs
ISA	Individual Savings Account
ITT	Initial Teacher Training
LCL	Long Courses Loan
NHS	National Health Service
OfS	Office for Students
PAYE	Pay as you earn
PEP	Personal Equity Plan
PLA	Parents' Learning Allowance
SFE	Student Finance England
SLC	Student Loans Company Limited
SSG	Special Support Grant
SSL	Special Support Loan
TEF	Teaching Excellence Framework
TESSA	Tax-exempt Special Savings Account
TFL	Tuition Fee Loan
UK	United Kingdom

Contents

1	DOCUMENT OVERVIEW	6
1.1	INTRODUCTION	6
1.2	DEFINITIONS	6
2	GRANTS FOR LIVING AND OTHER COSTS	10
2.1	MAINTENANCE GRANT	10
2.2	MAINTENANCE GRANT: CASE STUDIES.....	10
2.3	SPECIAL SUPPORT GRANT ('SSG')	12
2.4	SPECIAL SUPPORT GRANT (SSG): CASE STUDIES	15
2.5	TRAVEL GRANT	16
2.6	TRAVEL GRANT: CASE STUDIES.....	19
3	LOANS FOR LIVING COSTS.....	20
3.1	AGE LIMIT	20
3.2	LOAN FOR LIVING COSTS RATES (2016 COHORT STUDENTS WITH FULL ENTITLEMENT)	20
3.3	LOAN FOR LIVING COSTS RATES (2012 COHORT STUDENTS WITH FULL ENTITLEMENT)	21
3.4	LOAN FOR LIVING COSTS RATES (2009 COHORT STUDENTS WITH FULL ENTITLEMENT)	22
3.5	FINANCIAL ASSESSMENT OF LOAN FOR LIVING COSTS	22
3.5.1	<i>2016 cohort students</i>	22
3.5.2	<i>2012 cohort students with full entitlement</i>	28
3.5.3	<i>2009 cohort students with full entitlement</i>	29
3.6	LOANS FOR LIVING COSTS: CASE STUDIES	29
3.6.1	<i>2016 cohort students with full entitlement</i>	29
3.6.2	<i>Maintenance and special support elements of the loan for living costs</i>	31
3.6.3	<i>2012 cohort students</i>	33
3.6.4	<i>2009 cohort students</i>	34
3.7	LOAN FOR LIVING COSTS – STUDENTS WITH REDUCED ENTITLEMENT	36
3.8	LONG COURSES LOAN (LCL).....	36
3.9	STUDENTS ON INTENSIVE COURSES	37
3.10	CHANGES DURING THE YEAR.....	37
4	TUITION FEE LOAN (TFL).....	38
4.1	GENERAL RATES APPLICABLE	38
4.2	STUDENTS ON A SANDWICH COURSE OR A COURSE PROVIDED IN CONJUNCTION WITH AN OVERSEAS INSTITUTION	40
4.3	STUDENTS UNDERTAKING AN ACCELERATED DEGREE COURSE IN AY 25/26 THAT STARTED ON OR AFTER 1 AUGUST 2019.	42
4.4	STUDENTS STUDYING IN SCOTLAND, WALES AND NORTHERN IRELAND.....	44
4.5	CALCULATION OF WEEKS OF FT STUDY – SANDWICH COURSES.....	46
4.6	STUDENTS ON SANDWICH COURSES INCLUDING PERIODS OF UNPAID SERVICE (GRANTS FOR LIVING AND OTHER COSTS).....	46
4.7	FOUNDATION YEARS	47
4.8	FOUNDATION DEGREE COURSES	48
4.9	SUPPORT FOR STUDENTS UNDERTAKING HEALTHCARE COURSES IN NURSING, MIDWIFERY, ALLIED HEALTH PROFESSIONS AND OPERATING DEPARTMENT PRACTICE	48
5	HOUSEHOLD INCOME ASSESSMENT	49
5.1	INCOME ASSESSMENT PROCESS	49
5.2	STEP 1 - DETERMINING INCOME TO BE INCLUDED AS PART OF THE HOUSEHOLD INCOME ASSESSMENT ...	50
5.2.1	<i>Independent Students</i>	50
5.2.2	<i>Dependent Students</i>	56
5.3	STEP 2 - DETERMINING THE TAXABLE INCOME.....	57
5.3.1	<i>What is taxable income for student support?</i>	58
5.3.2	<i>Income from savings and investments</i>	60

5.3.3	<i>Income from pension lump sums</i>	60
5.3.4	<i>Qualifying care receipts</i>	61
5.3.5	<i>University of Buckingham</i>	62
5.3.6	<i>Deductions not to be made in determining taxable income</i>	62
5.4	STEP 3 – CALCULATION OF RESIDUAL INCOME AND HOUSEHOLD INCOME	63
5.4.1	<i>Deductions from parent’s or the student’s partner’s taxable income</i>	63
5.4.2	<i>Deductions from the taxable income of the partner of the student’s parent</i>	64
5.4.3	<i>Deductions from the student’s taxable income</i>	64
5.4.4	<i>Teacher training bursaries</i>	64
5.4.5	<i>Financial obligations incurred by the student before the course starts</i>	65
5.4.6	<i>Maintenance payments received by the household</i>	65
5.4.7	<i>Self-assessment</i>	65
5.4.8	<i>Current year assessments</i>	66
5.4.9	<i>Further deductions from aggregated household income</i>	67
5.5	STEP 4 – CALCULATE ANY ENTITLEMENT AND / OR CONTRIBUTION TO STUDENT SUPPORT	68
5.5.1	<i>Deducting the contribution from the support</i>	68
5.5.2	<i>Families with two or more award holders (split contributions)</i>	70
5.5.3	<i>Contribution payable in respect of an independent eligible student</i>	71
5.6	BASE PERIOD REFORM	71
6	ANNEX A – DEFINITION OF COHORT GROUPS	73
7	ANNEX B – TAXABLE INCOME AND BENEFITS	74
7.1	TAXABLE INCOME	74
7.2	TAXABLE STATE BENEFITS	75
8	ANNEX C – NON-TAXABLE INCOME AND BENEFITS	76
8.1	NON-TAXABLE INCOME.....	76
8.2	NON-TAXABLE STATE BENEFITS AND CREDITS	76
9	ANNEX D – HMRC BASIS PERIOD REFORM (NEW ACCOUNTING YEAR FOR SELF-ASSESSMENT)	78
10	ANNEX E – CASE STUDIES (SINGLE STUDENT)	79
11	ANNEX E – CASE STUDIES (SPLIT CONTRIBUTIONS)	81
12	ANNEX F – LONG COURSES LOAN (LCL) CALCULATIONS	87
13	ANNEX G – UPDATES LOG	88

1 Document Overview

1.1 Introduction

This chapter explains how an eligible full-time (FT) student's entitlement to loans for living costs, Maintenance Grant, Special Support Grant (SSG), and Tuition Fee Loan (TFL) are assessed.

This chapter should be read in conjunction with the Student Finance England (SFE) 'Assessing Eligibility' guidance chapter.

1.2 Definitions

Current system students fall into one of four categories as defined in regulation 2:

- 'current system students who are not 2009 or 2012 cohort';
- '2009 cohort' students;
- '2012 cohort' students; and
- '2016 cohort' students

The academic year (AY) 25/26 guidance describes support available to 2009, 2012 and 2016 cohort students only.

See Annex A for definitions of 2009, 2012 and 2016 cohorts.

Under the AY 25/26 student support package for FT students, the following support is available to 2009, 2012, and 2016 cohort students:

- TFL
- Loan for living costs

The following grants are also available to 2009 and 2012 cohort students only:

- Maintenance Grant / SSG (up to £4,355 (2012 cohort students) or £3,998 (2009 cohort students)).

Some students are entitled to additional grants for living costs if they are disabled, have dependants, or have certain travel costs. Guidance on Adult Dependants' Grant (ADG), Childcare Grant (CCG) and Parents' Learning Allowance (PLA) is contained in the SFE 'Grants for Dependants' guidance chapter. Guidance on additional support for students with a disability is contained within the SFE 'Disabled Students' Allowance' (DSA) guidance chapter.

The following students may be ineligible for support for living costs and other grants:

- FT distance learning students who started their courses on or after 1 September 2012 are only eligible to apply for a non-income assessed TFL, and DSA where applicable.

Note, students who are undertaking a FT course by distance learning because they are prevented from attending a FT course due to their disability can apply for FT grants and loans for living and other costs for their course. (2016 cohort students are not eligible to apply for Maintenance Grants or SSG).

This arrangement applies to students studying on:

- (i) a FT course that is being taken by all students as a distance learning course; or
- (ii) a FT course that normally requires attendance.

To qualify for support for a FT distance learning course or a course that would normally require attendance the student must supply a pro-forma completed by a qualified medical professional having been issued by SLC to the student, this will clearly state that their medical condition prevents them from attending a PT higher education course

Prisoners who are studying FT are eligible for maintenance support on a pro-rata daily basis for the time not spent in prison. In exceptional circumstances, SLC may use their discretion to not apply pro-rating to a student who has spent part of an academic year in prison. This should only apply where pro-rating will cause financial hardship to a student and prevent them from continuing with their course. These instances are expected to be very few.

Academic Year

An 'academic year' means the period of twelve months beginning on 1 January, 1 April, 1 July or 1 September of the calendar year in which the academic year of the course in question begins, according to whether that academic year begins (regulation 2(1)):

- on or after 1 January and before 1 April
- on or after 1 April and before 1 July
- on or after 1 July and before 1 August or
- on or after 1 August and on or before 31 December

The key principle is that students cannot apply for more than the maximum amounts of tuition fee and living costs support for that course in respect of an academic year. The academic year for students starting in January or February is the 12-month period beginning on 1 January and ending on 31 December. This means that the maximum TFL and loan for living costs awarded to a student starting their course in January or February 2026 covers the period until 31 December 2026 (in the case of the loan for living costs, excluding the academic quarter in which the longest vacation falls). In such circumstances, students will

not be entitled to tuition fee and living costs support for the second year of their course until after 31 December 2026, and providers cannot make additional charges for tuition in respect of that course until after 31 December 2026.

Transfers

Where a student has had their eligibility transferred from a previous course that started before 1 August 2025 to a course beginning on or after 1 August 2025 and

- the mode of study remains the same (FT to FT), and the course the student is transferring to is not an accelerated degree course, the general rule is that the student is treated for student finance purposes as having started their course in the academic year relevant to the first course they transferred from;
- the mode of study has changed (from PT to FT or FT distance learning to FT in attendance), the general rule is that the student is treated for student finance purposes as a new student from the start of the second course.

Note, where a student is transferring from a FT course to a FT accelerated degree course they are treated for student finance purposes as a continuing student and can access the higher-rate fee loan available for FT accelerated degree courses.

Some groups of European Economic Area (EEA) and Swiss students, and their respective family members, who started courses before AY 21/22 and who are not covered by the Withdrawal Agreements (the EU Withdrawal Agreement, EEA-EFTA Separation Agreement and the Swiss Citizens' Rights Agreement) will be subject to different transfer rules for home fee status and student support.

Eligibility for student support (and home fee status) will be preserved for all students who started a course in AY 20/21 or earlier. Support will continue on the same eligibility grounds as established at the beginning of the period of study until these students have completed that period of study (although for students funded by SFE, eligibility may only be transferred once). This applies even where the period of study starts after the end of the transition period in AY 20/21 (from 1 January 2021 to 31 July 2021 inclusive). Eligible European Union (EU), other EEA, Swiss national students and their respective eligible family members will therefore continue to be eligible for student support from all four UK territories according to the regulatory residency rules that were in force at the start of their course.

Note that:

- these rules apply regardless of the duration of the student's period of study;
- the period of study is not terminated where the student transfers course, but for students funded by SFE, eligibility under the 'old' categories relating to EEA and Swiss students and their family members starting courses before AY 21/22 who are not

covered by the Withdrawal Agreements may only be transferred once in AY 21/22 or later.

Further details on eligibility, specifically around eligibility following the UK's exit from the EU, are available in the SFE 'Assessing Eligibility' guidance chapter.

End-on

Where the student's course is taken 'end-on' to another course (see definition below), the student will be treated for student finance purposes as having started their current course at the beginning of the academic year in which they started the previous course. The definition of an 'end-on' course is set out in regulation 2(1). For students starting a course on or after 1 September 2012 but before 1 August 2016 the definition of an 'end-on' course is as follows:

- a FT honours degree course beginning on or after 1 September 2012 but before 1 August 2016 which, disregarding any intervening vacation, a student begins to attend immediately after ceasing to attend a FT course mentioned in paragraph 2, 3 or 4 of Schedule 2 or a FT foundation or ordinary degree course, which started before 1 September 2012, having achieved a qualification.

For students starting a course on or after 1 August 2016 the definition of an 'end-on' course is as follows:

- a FT honours degree course beginning on or after 1 August 2016 which, disregarding any intervening vacation, a student begins to attend immediately after ceasing to attend a FT course mentioned in paragraph 2,3 or 4 of Schedule 2 that is not a distance learning course or a FT foundation or ordinary degree course that is not a distance learning course, which started before 1 August 2016, having achieved a qualification.

The intervening vacation is not stipulated in Regulations but the gap in study between the two courses should not be more than five months.

As per the above definitions, a course cannot be defined as 'end-on' where the mode of study changes.

Specified Designated Course

The "specified designated course" (regulation 2(11) – (13)) means the current course except where the following apply:

- the student's status as an eligible student has been transferred to the current course from a previous course where the mode of study remains the same; or
- the current course is an end-on course in which case the specified designated course is the previous course.

2 Grants for living and other costs

2.1 Maintenance Grant

Maintenance Grant is not payable to 2016 cohort students. Maintenance Grant is generally payable to non-2016 cohort students attending:

- a full-time (FT) course
- a sandwich course (but not generally in the sandwich year – see regulations 38(6) and 38(7)).

An eligible student who is not a 2016 cohort student will not qualify for Maintenance Grant if:

- the only paragraph of Schedule 1 of the Regulations into which they fall is paragraph 9 (an EU national, or family member of such a national, entitled only to fee support)
- they are eligible for an income assessed healthcare bursary or Scottish Healthcare allowance in this academic year
- they qualify for a Special Support Grant (SSG)
- they do not qualify for a fee loan in this academic year (this does not apply to those students who do not qualify for fee loan support because they are on an Erasmus+ or Turing Scheme year). Refer to the Student Finance England (SFE) 'Assessing Eligibility' guidance chapter on eligibility for fee support.

Maintenance Grant is fully income assessed.

There are no age restrictions in relation to the Maintenance Grant for students. However, an applicant who is aged 60 or over on the first day of the first academic year of their course will qualify for an income assessed SSG instead of a Maintenance Grant.

2.2 Maintenance Grant: case studies

- **2012 cohort students**

Where the household income is £25,000 or less, the student will be entitled to receive the maximum £4,355 grant. This will be reduced by £1 for every complete £4.12 of household income above this threshold up to a household income of £42,737. Where the household

income is £42,737, the minimum grant of £50 will be payable. No Maintenance Grant will be payable where the household income is more than £42,737.

Where 2012 cohort students are eligible for a loan for living costs, the loan is reduced by £0.50 for every £1 of Maintenance Grant received (see regulation 76(10)).

The Maintenance Grant will be paid with the loan for living costs in three instalments per academic year.

2012 Cohort – Household income £30,000		
A	Household income	£30,000
B	Maintenance Grant threshold	£25,000
C	Difference A – B	£5,000
D	Divide C by £4.12 and round down to the nearest pound	£1,213
E	£4,355 minus D = Maintenance Grant payable	£3,142

2012 Cohort - Household income £40,000		
A	Household income	£40,000
B	Maintenance Grant threshold	£25,000
C	Difference A – B	£15,000
D	Divide C by £4.12 and round down to the nearest pound	£3,640
E	£4,355 minus D = Maintenance Grant payable	£715

2012 Cohort – Household income £42,737		
A	Household income	£42,737
B	Maintenance Grant threshold	£25,000
C	Difference A – B	£17,737
D	Divide C by £4.12 and round down to the nearest pound	£4,305
E	£4,355 minus D = Maintenance Grant payable	£50 (minimum grant)

- **2009 cohort students**

Where the household income is £25,000 or less, the student will be entitled to receive the maximum grant of £3,998. This will be reduced by £1 for every complete £3.89 of household income above £25,000, up to a household income of £34,294. Where the household income exceeds £34,294, the grant will decrease by a further £1 for every complete £10.54 of household income above this threshold, up to a household income of £50,726. Where the household income is £50,726, a minimum grant of £50 will be payable. No grant is payable where the household income is more than £50,726.

Where 2009 cohort students are eligible for a loan for living costs, the loan entitlement is reduced by £0.50 for every £1 of Maintenance Grant received (see regulation 74(10)).

The Maintenance Grant will be paid with the loan for living costs in three instalments per academic year.

2009 Cohort – household income of £30,000		
A	Household income	£30,000
B	Maintenance Grant threshold	£25,000
C	Difference A – B	£5,000
D	Divide C by £3.89 and round down to the nearest pound	£1,285
E	£3,998 minus D = Maintenance Grant payable	£2,713

2009 Cohort - Household income of £40,000		
A	Household income	£40,000
B	Household income between £25,000 and £34,294	£9,294
C	Divide B by £3.89 and round down to the nearest pound	£2,389
D	Household income between £34,294 and £40,000	£5,706
E	Divide D by £10.54 and round down to the nearest pound	£541
F	Add C and E for total amount to deduct from maximum grant payable.	£2,930
G	£3,998 minus F = Maintenance Grant payable	£1,068

2009 Cohort – Household income of £50,726		
A	Household income	£50,726
B	Household income between £25,000 and £34,294	£9,294
C	Divide B by £3.89 and round down to the nearest pound	£2,389
D	Household income between £34,294 and £50,726	£16,432
E	Divide D by £10.54 and round down to the nearest pound	£1,559
F	Add C and E for total amount to deduct from maximum grant payable.	£3,948
G	£3,998 minus F = Maintenance Grant payable	£50 (minimum grant)

2.3 Special Support Grant ('SSG')

Note that SSG, like Maintenance Grant, is not available to 2016 cohort students.

Most FT students do not qualify for benefits from the Department for Work and Pensions (DWP). However, some FT students (lone parents and some disabled students) are eligible

for income assessed DWP benefits (income support, housing benefit or universal credit) while studying on a FT course. If such a student were to receive a Maintenance Grant, their entitlement to benefits would be reduced because the Maintenance Grant is for living costs, which means that it would be taken into account as income by DWP when assessing a student's entitlement to income related benefits. In order to avoid students having their benefits reduced, 2009 and 2012 cohort students eligible for income assessed DWP benefits instead qualify for an SSG as an alternative to the Maintenance Grant. SSG is disregarded by DWP when assessing a student's entitlement to income related benefits.

SSG may be available in academic years where the student:

- falls within one of the categories of people prescribed for the purposes of section 124(1)(e) of the Social Security Contributions and Benefits Act 1992 in regulation 4ZA of the Income Support (General) Regulations 1987 (SI 1987/1967); or
- satisfies one of sub-paragraphs (b)(1) to (e) of regulation 14(1) of the Universal Credit Regulations 2013

The categories of students who are not 2016 cohort students but are potentially eligible for SSG are set out below. It is likely that some of these categories will only rarely apply to Higher Education (HE) students, but cannot be ruled out altogether:

- The student is a lone parent who is responsible for a child or a young person aged under 20 who is a member of the student's household, and who is in FT education
- The student is a lone foster parent of a child or young person aged under 20
- The student has a partner who is also a FT student and one or both of them are responsible for a child or young person aged under 20 who is in FT non-advanced education (non-advanced being below HE level)
- The student has a disability and qualifies for a Disability Premium, Enhanced Disability Premium or Severe Disability Premium
- The student has been treated as incapable of work for a continuous period of at least 28 weeks (two or more periods of incapacity separated by a break of no more than eight weeks count as one continuous period)
- The student is deaf and qualifies for Disabled Students' Allowance (DSA)
- The student is waiting to go back to a course having taken approved time out because of an illness or caring responsibility that has now come to an end for a period not exceeding one year

- The student is aged 60 or over on the first day of the first academic year of the specified designated course
- The student is entitled to Personal Independence Payment, Armed Forces Independence Payment, Disability Living Allowance, or Adult Disability Payment*.

*Adult Disability Payment is a Scottish benefit which has replaced Personal Independence Payment.

In addition a student qualifies for SSG if:

- The student has a disability and qualifies for income related Employment Support Allowance.

A student who falls within a prescribed category of person in the Income Support (General) Regulations 1987 (as amended) need not be entitled to or in receipt of benefits such as Income Support to qualify for SSG. For example, a lone parent who is responsible for a child or young person aged under the age of 20 who is a member of their household and in FT non-advanced education would be eligible for SSG, even if they did not in fact qualify for Income Support, had never applied for it or was not in receipt of it for the whole year.

A student who is not a 2016 cohort student will not qualify for a SSG if:

- The only paragraph of Schedule 1 into which they fall is paragraph 9 (an EU national or family member of such a national entitled only to fee support)
- They are eligible to apply for an income assessed healthcare bursary or Scottish healthcare allowance in the academic year
- They are on a sandwich course and the periods of FT study are in aggregate less than 10 weeks (this does not apply if the periods of work experience constitute periods of unpaid service)
- They do not qualify for a fee loan (this does not apply if they do not qualify for such a loan because they are on an Erasmus+ or Turing scheme year).

Where a student's circumstances change so that they become eligible for SSG part way through the academic year, they may be awarded SSG in respect of the whole of that year. For example, a student who splits from their partner part way through the academic year and therefore becomes a lone parent may be awarded SSG in respect of the whole of that academic year, subject to income assessment. The student does not need to have actually received, applied for or be eligible for Income Support. If the student was already receiving Maintenance Grant, this would be reassessed and SSG awarded in its place. Any loan

substitution that has taken place would also be reassessed and the student invited to apply for the additional amount of loan if they wish to do so.

Students who are not 2016 cohort students and who qualify for SSG will not qualify for the Maintenance Grant. The SSG entitlement assessment uses the same tapers and thresholds as the Maintenance Grant. However, students in receipt of the SSG do not have their loan for living costs reduced.

2.4 Special Support Grant (SSG): case studies

- 2012 cohort students

2012 cohort – Household income £33,000		
A	Household income	£33,000
B	SSG threshold	£25,000
C	Difference A – B	£8,000
D	Divide C by £4.12 and round down to the nearest pound	£1,941
E	£4,355 minus D = SSG payable	£2,414

2012 cohort - Household income £40,000		
A	Household income	£40,000
B	SSG threshold	£25,000
C	Difference A – B	£15,000
D	Divide C by £4.12 and round down to the nearest pound	£3,640
E	£4,355 minus D = SSG payable	£715

2012 cohort – Household Income £42,737		
A	Household income	£42,737
B	SSG threshold	£25,000
C	Difference A – B	£17,737
D	Divide C by £4.12 and round down to the nearest pound	£4,305
E	£4,355 minus D = SSG payable	£50 (minimum grant)

- 2009 cohort students

2009 cohort – Household income £34,294		
A	Household income	£34,294
B	SSG threshold	£25,000
C	Difference A – B	£9,294
D	Divide C by £3.89 and round down to the nearest pound	£2,389
E	£3,998 minus D = SSG payable	£1,609

2009 cohort - Household income £40,000		
A	Household income	£40,000
B	Income between £25,000 and £34,294	£9,294
C	Divide B by £3.89 and round down to the nearest pound	£2,389
D	Income between £34,294 and £40,000	£5,706
E	Divide D by £10.54 and round down to the nearest pound	£541
F	Add C and E to give total to reduce maximum SSG by	£2,930
G	£3,998 minus F = SSG payable	£1,068

2009 cohort – Household income £50,726		
A	Household income	£50,726
B	Income between £25,000 and £34,294	£9,294
C	Divide B by £3.89 and round down to the nearest pound	£2,389
D	Income between £34,294 and £50,726	£16,432
E	Divide D by £10.54 and round down to the nearest pound	£1,559
F	Add C and E to give total to reduce maximum SSG by	£3,948
G	£3,998 minus F = SSG payable	£50 (minimum grant)

2.5 Travel grant

A grant payable under chapter 5 of the Regulations in respect of expenditure incurred for travel during that academic year is equivalent to the amount remaining after the first £303 of that expenditure has been disregarded, subject to income assessment.

Some students claiming a travel grant may undertake their journey by car. For the purpose of deciding the cost of the journey by car, a rate of 24p per mile should be used. This rate includes an amount for wear and tear on the car.

Student Finance England (SFE) has discretion to pay the grant in advance of the student incurring the expenditure.

- Students attending courses in medicine and dentistry

Students attending courses in medicine and dentistry who are not eligible for income assessed bursaries or awards from the Department of Health are entitled to travel grant associated with their clinical training, where they have to attend at a hospital or other premises in the UK. This does not cover any attendance involving residential study.

- Students attending an overseas institution

Students attending an overseas institution as part of their designated UK course during a qualifying quarter (whether obligatory or optional) are eligible for an income assessed travel grant in respect of reasonable expenditure the student is obliged to incur in each qualifying quarter for travel costs within and outside the UK for the purpose of attending the overseas institution, including necessary daily travel costs while abroad. A qualifying quarter is an academic quarter during which the student attends the overseas institution for at least 50% of that quarter. 'Expenditure incurred' is at the point that the student is travelling to attend the overseas institution (including travel incurred in the UK to the airport, and abroad). The Regulations allow for payments for that expenditure to be made before or after the costs are incurred. 'Obliged to incur' means travel expenses necessary for the student to attend the overseas institution.

In respect of reasonable expenditure for travel costs (regulations 52 and 53), the first £303 of expenditure is deducted from the total amount of grant payable (before the total amount of travel grant is income assessed).

A quarter in relation to an academic year means a period in that year (regulation 2(1)):

- beginning on or after 1 January and before 1 April,
- beginning on or after 1 April and before 1 July,
- beginning on or after 1 July and before 31 August, or
- beginning on or after 1 September and on or before 31 December.

Students attending an overseas institution for less than 50% of an academic quarter do not qualify for a travel grant in respect of that quarter.

The Regulations do not stipulate how many return journeys between the UK and the overseas institution the travel grant should cover in respect of qualifying quarters during the academic year as a whole. However, it would be reasonable to allow for journeys between the UK and the overseas institution during the academic year undertaken during qualifying quarters up to a maximum of three return journeys.

Account should be taken of the aggregate amount of eligible travel expenditure which a student is obliged to incur in order to attend their course, excluding any expenditure in respect of which a grant is payable under regulations 40, 40A and 41 DSA. SFE assessors must be satisfied that the method and class of travel are appropriate and that all costs are reasonably and necessarily incurred.

There may be cases where single parents who are on courses that involve study overseas have to take their child (or children) abroad with them. In such cases, the cost of the child's/children's fare from the UK to the overseas country may also be covered by the travel grant in respect of qualifying quarters for up to a maximum of three return journeys during the academic year.

Students attending an overseas institution as part of their course for at least 50% of any academic quarter may need to insure themselves against liability for the costs of medical treatment provided outside the UK. Regulation 54 provides that such students shall be eligible for additional travel grant equal to the amount incurred. This expenditure is not subject to the £303 disregard. For example, if a student claimed grant on a total expenditure of £320, comprising travel costs of £250 and medical insurance costs of £70, they would be eligible for a grant of £70. SFE assessors must be satisfied that the costs incurred for insurance are reasonable. As recommended by the UK Government, students studying abroad should consider taking out travel insurance that includes medical cover. The medical element of travel insurance can therefore be claimed whether or not the UK has reciprocal public health arrangements with the country where the student is studying.

Such students may also have to meet the costs of items such as visas and medical costs (regulation 54 (b) & (c)). Where these are a mandatory condition of entry into the host country, they are legitimate costs incurred in order to attend the course and they can also attract grant. Where vaccinations are strongly recommended by the Foreign and Commonwealth Office these would be eligible for payment. The expenditures described in regulation 54 are also subject to the calculation in regulation 53.

- Students attending the University of London Institute in Paris

Students attending the University of London Institute in Paris are eligible for travel grant as if they were attending an overseas institution.

Note, if students have applied for funding via the Turing scheme or the Welsh International Learning Exchange Programme "Taith" (introduced in AY 21/22 and AY 22/23 respectively) they should make their initial claim for travel expenses to the relevant scheme and if any further costs are incurred, they claim travel grant (in respect of Turing study and work placements and Taith study placements). Students who qualify for grant funding for their travel expenses through the Turing scheme or Taith will not qualify for travel grant through the Student Support Regulations to cover the same expenses more than once.

Please note that that the Turing scheme is for students UK-wide however Taith is only available for students enrolled at Welsh HE providers.

2.6 Travel Grant: Case Studies

Lesley is attending an overseas institution for the first 9 weeks of the first academic quarter (01/09/25 - 31/12/25). The first academic quarter is 17 weeks and 3 days in length. Lesley is therefore attending the overseas institution for more than 50% of the quarter. Lesley is eligible for travel grant in respect of travel expenses, which is subject to a £303 disregard.

Noah is attending an overseas institution in the first academic quarter (01/09/25 - 31/12/25). The first academic quarter is 17 weeks and 3 days in length. Noah attends the first 4 weeks overseas, the next 2 weeks in the UK, and the following 5 weeks overseas. Noah is therefore attending the overseas institution for 9 weeks in total - more than 50% of the quarter. Noah is eligible for travel grant in respect of travel expenses, which is subject to a £303 disregard.

Jacob is attending an overseas institution for the first 8 weeks of the first academic quarter (01/09/25 - 31/12/25) and the first 7 weeks of the second academic quarter (01/01/26 - 31/03/26). The first academic quarter is 17 weeks and 3 days in length and the second academic quarter is 13 weeks in length. Jacob is not eligible for a travel grant in respect of travel expenses for the first academic quarter because they are not attending the overseas institution for 50% or more of the first quarter. However, Jacob is eligible for a travel grant in respect of travel expenses for the second academic quarter (subject to a £303 disregard) because they are attending the overseas institution for more than 50% of the second academic quarter.

Zach is attending an overseas institution for the last 5 weeks of the first academic quarter (01/09/25 - 31/12/25) and the first 5 weeks of the second academic quarter (01/01/26 - 31/03/26). The first academic quarter is 17 weeks and 2 days in length and the second academic quarter is 13 weeks in length. Zach Student D is not eligible for a travel grant in respect of travel expenses for either the first academic quarter or the second academic quarter, as they are not attending the overseas institution in either quarter for 50% or more of the respective quarter.

Corey is attending an overseas institution for the first 10 weeks of the first academic quarter (01/09/25 - 31/12/25) and the first 10 weeks of the second academic quarter (01/01/26 - 31/03/26). The first academic quarter is 17 weeks and 2 days in length and the second academic quarter is 13 weeks in length. Corey is eligible for a travel grant in respect of travel expenses for both academic quarters because they are attending the overseas institution for more than 50% of the respective quarters. Corey's travel grant award in respect of travel expenses will be subject to a single disregard of £303 for the academic year.

3 Loans for Living Costs

3.1 Age limit

2016 cohort students with full entitlement, who are aged under 60 on the first day of the first academic year of their full-time (FT) course, qualify for a loan for living costs, part of which is income assessed. The rate payable depends on eligibility for certain benefits, place of study, living arrangements and whether the academic year is a full or final course year. 2016 cohort students aged 60 or over on the first day of the first academic year of their FT course qualify for a fully income assessed loan for living costs of up to £4,461, which is assessed at a single rate regardless of where the student is living and studying and which year of the course the student is undertaking.

The loan for living costs for 2016 cohort students with full entitlement aged 60 or over on the first day of the first academic year of their course is paid as a Special Support Loan, which is disregarded by Department for Work and Pensions (DWP) as student income when calculating a student's benefit entitlement.

Examples

- Lucia starts a four-year degree course on 1 September 2025, aged 59. They will qualify for a loan for living costs for AY 25/26. Lucia is not eligible for benefits, therefore, their entitlement to loan for living costs for AY 25/26 is assessed using the rates, tapers and thresholds in tables A1, and A15 in the AY 25/26 Financial Memorandum.
- Norma starts a two-year Foundation Degree on 1 September 2025 aged 63. As they are aged 60 on the first day of the first academic year of the course, Norma qualifies for a loan for living costs assessed using the rates, tapers and thresholds in table A17 of the AY 25/26 Financial Memorandum.

3.2 Loan for living costs rates (2016 cohort students with full entitlement)

- 2016 cohort students who are not eligible for benefits (AY 25/26 Financial Memorandum, table A1)

FULL YEAR STUDENTS	MAIN RATE (100%) (£)	NON-INCOME ASSESSED (£)	INCOME ASSESSED (£)
Parental home	8,877	3,907	4,970
London	13,762	6,853	6,909
Elsewhere	10,544	4,915	5,629

Overseas	12,076	5,838	6238
FINAL YEAR STUDENTS	MAIN RATE (100%)	NON INCOME ASSESSED	INCOME-ASSESSED
Parental home	8,353	3,590	4,763
London	12,750	6,244	6,506
Elsewhere	9,972	4,569	5,403
Overseas	10,810	5,073	5,737

- 2016 cohort students who are eligible for benefits (AY 25/26 Financial Memorandum, table A2)

	FULL YEAR STUDENTS	MAIN RATE (100%) (£)	NON-INCOME ASSESSED (£)	INCOME ASSESSED (£)
	Parental home	10,473	3,907	6,566
	London	15,008	6,853	8,155
	Elsewhere	12,019	4,915	7,104
	Overseas	13,442	5,838	7,604
	FINAL YEAR STUDENTS	MAIN RATE (100%)	NON INCOME ASSESSED	INCOME-ASSESSED
	Parental home	9,984	3,590	6,394
	London	14,066	6,244	7,822
	Elsewhere	11,489	4,569	6,920
	Overseas	12,265	5,073	7,192

- 2016 cohort students aged 60 or over on the first day of the first academic year of the course (AY 25/26 Financial Memorandum, table A17)

FULL & FINAL YEAR STUDENTS	INCOME ASSESSED (100%) (£)
Living anywhere	4,461

3.3 Loan for living costs rates (2012 cohort students with full entitlement)

(AY 25/26 Financial Memorandum, table B1)

	FULL YEAR STUDENTS	MAIN RATE (100%) (Table A1) (£)	NON-INCOME ASSESSED (£)	INCOME ASSESSED (£)
	Parental home	6,012	3,907	2,105
	London	10,547	6,855	3,692
	Elsewhere	7,559	4,917	2,642

Overseas	8,980	5,840	3,140
FINAL YEAR STUDENTS	MAIN RATE (100%) (Table A1)	NON INCOME ASSESSED	INCOME-ASSESSED
Parental home	5,523	3,590	1,933
London	9,606	6,244	3,362
Elsewhere	7,028	4,570	2,458
Overseas	7,806	5,074	2,732

3.4 Loan for living costs rates (2009 cohort students with full entitlement)

(AY 25/26 Financial Memorandum, table C1)

FULL YEAR STUDENTS	MAIN RATE (100%) (Table A1)	NON-INCOME ASSESSED	INCOME ASSESSED
Parental home	5,276	3,798	1,478
London	9,520	6,855	2,665
Elsewhere	6,804	4,898	1,906
Overseas	8,100	5,831	2,269
FINAL YEAR STUDENTS	MAIN RATE (100%) (Table A1)	NON INCOME ASSESSED	INCOME-ASSESSED
Parental home	4,785	3,447	1,338
London	8,668	6,241	2,427
Elsewhere	6,295	4,534	1,761
Overseas	7,044	5,070	1,974

3.5 Financial assessment of loan for living costs

Regulations 71, 74, 76, 77, 80A, 80B and 80C and the AY 25/26 Financial Memorandum set out the maximum amounts applicable in each case for students with full entitlement. Please note, the conditions under which the London rate of loan is applicable (regulation 90(b)) and the related definition of the former Metropolitan Police District in regulation 2(1).

3.5.1 2016 cohort students

Different taper rates apply to 2016 cohort students, depending on whether the student:

- is eligible for Department for Work and Pensions (DWP) benefits
- is in the final year of study or not
- is aged 60 or over on the first day of the first academic year of the course

3.5.1.1 2016 cohort students with full entitlement who are not eligible for benefits - full-year rate

- Living in the parental home:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £8,877.
 - Where the household income is above £25,000 they lose £1 of loan for every £6.71 of additional household income up to £58,349.
 - Where the household income is £58,349 or above students are entitled to the non-income assessed loan for living costs of £3,907 only.
 - Note: assessed contribution is calculated at incomes above £42,875. The income assessment to the loan is calculated using the £6.71 taper rate and then from this an amount of £2,663 (the 'contribution disregard') is deducted.

- Not living in the parental home and studying in London:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £13,762.
 - Where the household income is above £25,000 they lose £1 of loan for every £6.53 of additional household income up to £70,116.
 - Where the household income is £70,116 or above students are entitled to the non-income assessed loan for living costs of £6,853 only.
 - Note: assessed contribution is calculated at incomes above £42,875. The income assessment to the loan is calculated using the £6.53 taper rate and then from this an amount of £2,737 (the 'contribution disregard') is deducted.

- Not living in the parental home and studying in the UK outside London:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £10,554.
 - Where the household income is above £25,000 they lose £1 of loan for every £6.64 of additional household income up to £62,377.
 - Where the household income is £62,377 or above students are entitled to the non-income assessed loan for living costs of £4,915 only.
 - Note: assessed contribution is calculated at incomes above £42,875. The income assessment to the loan is calculated using the £6.64 taper rate and from this an amount of £2,692 (the 'contribution disregard') is deducted.

- Studying overseas:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £12,076.

- Where the household income is above £25,000 they lose £1 of loan for every £6.58 of additional household income up to £66,047.
- Where the household income is £66,047 or above students are entitled to the non-income assessed loan for living costs of £5,838 only.
- Note: Assessed contribution is calculated at incomes above £42,875. The income assessment to the loan is calculated using the £6.58 taper rate and from this an amount of £2,716 (the 'contribution disregard') is deducted.

3.5.1.2 2016 cohort students with full entitlement who are not eligible for benefits - Final year rate

- Living in the parental home:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £8,353.
 - Where the household income is above £25,000 they lose £1 of loan for every £6.71 of additional household income up to £56,960.
 - Where the household income is £56,960 or above students are entitled to the non-income assessed loan for living costs of £3,590 only.
 - Note: assessed contribution is calculated at incomes above £42,875. The income assessment to the loan is calculated using the £6.71 taper rate and from this an amount of £2,663 (the 'contribution disregard') is deducted.
- Not living in the parental home and studying in London:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £12,750.
 - Where the household income is above £25,000 they lose £1 of loan for every £6.53 of additional household income up to £67,485.
 - Where the household income is £67,485 or above students are entitled to the non-income assessed loan for living costs of £6,244 only.
 - Note: assessed contribution is calculated at incomes above £42,875. The income assessment to the loan is calculated using the £6.53 taper rate and from this an amount of £2,737 (the 'contribution disregard') is deducted.
- Not living in the parental home and studying in the UK outside London:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £9,972.
 - Where the household income is above £25,000 they lose £1 of loan for every £6.64 of additional household income up to £60,876.
 - Where the household income is £60,876 or above students are entitled to the non-income assessed loan for living costs of £4,569 only.

- Note: assessed contribution is calculated at incomes above £42,875. The income assessment to the loan is calculated using the £6.64 taper rate and from this an amount of £2,692 (the ‘contribution disregard’) is deducted.
- Studying overseas:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £10,810.
 - Where the household income is above £25,000 they lose £1 of loan for every £6.58 of additional household income up to £62,750.
 - Where the household income is £62,750 or above students are entitled to the non-income assessed loan for living costs of £5,073 only.
 - Note: assessed contribution is applied at incomes above £42,875. The income assessment to the loan is calculated using the £6.58 taper rate and from this an amount of £2,716, the contribution disregard, is deducted.

3.5.1.3 2016 cohort students with full entitlement who are eligible for benefits – full-year rate

- Living in the parental home:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £10,473.
 - Where the household income is above £25,000 they lose £1 of loan for every £4.196 of additional household income up to £42,875.
 - Where the household income is above £42,875, the assessed contribution is calculated. Students lose an additional £1 of loan for every £6.71 of household income up to £58,354.
 - Where the household income is £58,354 or above, students are entitled to the non-income assessed loan for living costs of £3,907 only.
- Not living in the parental home and studying in London:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £15,008.
 - Where the household income is above £25,000 they lose £1 of loan for every £4.487 of additional household income up to £42,875.
 - Where the household income is above £42,875, the assessed contribution is calculated. Students lose an additional £1 of loan for every £6.53 of household income up to £70,119.
 - Where the household income is £70,119 or above, students are entitled to the non-income assessed loan for living costs of £6,853 only.
- Not living in the parental home and studying in the UK outside London:

- Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £12,019.
 - Where the household income is above £25,000 they lose £1 of loan for every £4.289 of additional household income up to £42,875.
 - Where the household income is above £42,875, the assessed contribution is calculated. Students lose an additional £1 of loan for every £6.64 of household income up to £62,377.
 - Where the household income is £62,377 or above, students are entitled to the non-income assessed loan for living costs of £4,915 only.
- Studying overseas:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £13,442.
 - Where the household income is above £25,000 they lose £1 of loan for every £4.378 of additional household income up to £42,875.
 - Where the household income is above £42,875, the assessed contribution is calculated. Students lose an additional £1 of loan for every £6.58 of household income up to £66,050.
 - Where the household income is £66,050 or above students are entitled to the non-income assessed loan for living costs of £5,838 only.

3.5.1.4 2016 cohort students with full entitlement who are eligible for benefits - final-year rate

- Living in the parental home:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £9,984.
 - Where the household income is above £25,000 they lose £1 of loan for every £4.162 of additional household income up to £42,875.
 - Where the household income is above £42,875, the assessed contribution is calculated. Students lose an additional £1 of loan for every £6.71 of household income up to £56,967.
 - Where the household income is £56,967 or above students are entitled to the non-income assessed loan for living costs of £3,590 only.
- Not living in the parental home and studying in London:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £14,066.
 - Where the household income is above £25,000 they lose £1 of loan for every £4.41 of additional household income up to £42,875.

- Where the household income is above £42,875, the assessed contribution is calculated. Students lose an additional £1 of loan for every £6.53 of household income up to £67,487.
- Where the household income is £67,487 or above, students are entitled to the non-income assessed loan for living costs of £6,244 only.

- Not living in the parental home and studying in the UK outside London:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £11,489.
 - Where the household income is above £25,000 they lose £1 of loan for every £4.246 of additional household income up to £42,875.
 - Where the household income is above £42,875, the assessed contribution is calculated. Students lose an additional £1 of loan for every £6.64 of household income up to £60,877.
 - Where the household income is £60,877 or above students are entitled to the non-income assessed loan for living costs of £4,569 only

- Studying overseas:
 - Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £12,265.
 - Where the household income is above £25,000 they lose £1 of loan for every £4.285 of additional household income up to £42,875.
 - Where the household income is above £42,875, the assessed contribution is calculated. Students lose an additional £1 of loan for every £6.58 of household income up to £62,754.
 - Where the household income is £62,754 or above students are entitled to the non-income assessed loan for living costs of £5,073 only.

3.5.1.5 2016 cohort students with full entitlement who are aged 60 or over on the first day of the first academic year of their course – Full and Final year rate (all locations)

- Where the household income is up to and including £25,000, students are entitled to the full loan for living costs of £4,461.
- Where the household income is above £25,000 they lose £1 of loan for every £4.27 of additional household income up to £43,835.
- Where the household income is £43,835 a minimum loan for living costs of £50 is paid.
- Where the household income is above £43,835 students are not entitled to loan for living costs.

3.5.2 2012 cohort students with full entitlement

- Where the household income is up to and including £42,737, students have their loan for living costs reduced by £0.50 for every £1 of Maintenance Grant awarded.
- Students who qualify for Special Support Grant (SSG) do not have their loan for living costs reduced.
- Where the household income is above £42,737 and up to £42,875 students are entitled to the full loan for living costs.
- Where the household income is above £42,875, assessed contribution is calculated. Students lose £1 of loan for every £7.30 of household income above £42,875. The loan for living costs will be reduced on this basis until 65% of the loan remains.

3.5.3 2009 cohort students with full entitlement

- Where the household income is up to and including £50,726, students have their loan for living costs reduced by £0.50 for every £1 of Maintenance Grant awarded.
- Students who qualify for SSG do not have their loan for living costs reduced.
- Where the household income is above £50,726 and up to £50,778 students are entitled to the full loan for living costs.
- Where the household income is above £50,778, assessed contribution is calculated. Students lose £1 of loan for every £3.70 of household income above £50,778. The loan for living costs will be reduced on this basis until 72% of the loan remains.

3.6 Loans for Living Costs: Case Studies

All students in the case studies are living 'elsewhere' (away from the parental home and studying outside of London), and are in a non-final course year.

3.6.1 2016 cohort students with full entitlement

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 to 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 by:

- a) Calculating 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) Calculating 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) Calculating the assessed contribution by deducting the contribution disregard from the income assessment.

See tables A15 and A18 of the AY 25/26 Financial Memorandum for more information on calculation of assessed contribution for 2016 cohort students aged under 60 who are not eligible for benefits.

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

- a) deducting £42,875 from the student's household income
- b) dividing the result by the appropriate income taper.

See tables A16 and A19 of the 25/26 Financial Memorandum for more information on calculation of assessed contribution for 2016 cohort students with full entitlement aged under 60 who are eligible for benefits.

An assessed contribution is not applicable to the loan for living costs for 2016 cohort students with full entitlement who are aged 60 or over at the start of the first academic year of their course.

Examples of the Income Assessment

Household Income £30,000 – Student under 60 Not eligible for benefits, living away from the parental home and studying outside London		
A	Income assessment to Loan	£753
B	Loan for living costs payable (£10,544 less £753 income assessment to loan)	£9,791

The amount of loan for living costs is reduced by £1 for every £6.64 of income over £25,000.

Household Income £30,000 - Student under 60 Eligible for benefits, living away from the parental home and studying outside London		
A	Income assessment to Loan	£1,165
B	Loan for living costs payable (£12,019 less £1,165 income assessment to loan)	£10,854

The amount of loan for living costs is reduced by £1 for every £4.289 of income over £25,000.

Household Income £45,000 – Student under 60 Not eligible for benefits, living away from the parental home and studying outside London		
A	Income assessment to Loan	£3,012
B	Loan for living costs payable (£10,544 less £3,012 income assessment to loan)	£7,532

The amount of loan for living costs is reduced by £1 for every £6.64 of income over £25,000.

Household Income £45,000 – Student under 60 Eligible for benefits, living away from the parental home and studying outside London		
A	Income Assessment to Loan	£4,487
B	Loan for living costs payable (£12,019 – £4,487)	£7,532

The amount of loan for living costs is reduced by £1 for every £4.289 of income over £25,000 up to £42,875, and by £1 for every £6.64 of income over £42,875.

Household Income £30,000 - Student aged 60 or over		
A	Income assessment to Loan	£1,170
B	Loan for living costs payable (£4,461 less £1,170 income assessment to loan)	£3,291

The amount of loan for living costs is reduced by £1 for every £4.27 of income over £25,000.

Household Income £40,000 – Student aged 60 or over		
A	Income Assessment to loan	£3,512
B	Loan for living costs payable (£4,461 – income assessment to loan £3,512)	£949

The amount of loan for living costs is reduced by £1 for every £4.27 of income over £25,000.

3.6.2 Maintenance and special support elements of the loan for living costs

2016 cohort students entitled to certain state benefits may be eligible for an increased level of loan for living costs in the form of a special support element of loan. The special support element is to assist with the cost of books, equipment, travel or childcare incurred for the purpose of attending a designated course (regulation 68(k)).

For a student to be eligible for the special support element they must satisfy the qualifying conditions outlined in regulation 71(1)(h):

- (i) is a 2016 cohort student with full entitlement¹.
- (ii) is under the age of 60* on the relevant date. ²
- (iii) would qualify for a Special Support Grant but for regulation 61(A1) which states that a current system student who is a 2016 cohort student does not qualify for a Special Support Grant.

* For 2016 cohort students with full entitlement aged 60 or over on the first day of the first academic year of their course, the loan for living costs is paid as a Special Support Loan as outlined in [Section 3.1 Age limit](#).

Please note that categories of student eligible for the special support element of loan are the exact same for students eligible for the SSG as outlined in [Section 2.3 Special Support Grant \('SSG'\)](#).

¹ Full entitlement means the student is not a student with reduced entitlement. Please refer to [Section 3.7 Loan for living costs – students with reduced entitlement](#) for further information.

² Relevant date is the first day of the first academic year of the specified designated course.

Where a 2016 cohort student satisfies the criteria outlined above, their loan for living costs may consist of a maintenance element and a special support element. When calculating benefit entitlement, the DWP will disregard the special support element as student income.

The special support element entitlement will be calculated in accordance with regulation 80B. Regulations 80B(3) and 80B(5) set a maximum maintenance element of the loan for living costs for non-final year and final year students respectively. Where a student's entitlement to loan for living costs exceeds the maximum maintenance element, the portion of loan for living costs above the maximum maintenance element is the special support element.

For example:

Martha is eligible for the special support element of loan as they are in receipt of Personal Independence Payment. They are a 2016 cohort student with full entitlement and provide the required information to calculate their household income. The household income is £20,000 and their living location is the parental home, and they are a non-final year student.

Students with a household income of £25,000 or less qualify for the maximum loan for living cost for the respective living location which is £10,473 at the parental home rate in AY 25/26.

To determine the maintenance and special support elements the following calculation is applied:

Regulation 80B(3)(a) specifies that the maximum maintenance element for the parental rate is £6,012.

As the remainder is paid as special support element (£10,473 - £6,012), Martha is eligible for SSL element of £4,461.

Alfie is eligible for the special support element of loan as they have a disability and qualify for a disability premium. They are a non-final year student, living away from the parental home and studying outside London with a household income of £40,000.

The maximum loan for living costs for a student in this category is £12,019. To calculate the student's entitlement to loan for living costs and the respective maintenance and special support elements, the following calculation is applied:

Students with a household income above £25,000 and up to and including £42,875 lose £1 of loan for every complete £4.289 above £25,000.

$$£40,000 - £25,000 = £15,000$$

$$£15,000/£4.289 = £3,497 \text{ (rounded down to nearest £1)}$$

$$£12,019 - £3,497 = £8,522$$

Alfie is eligible for a loan for living costs of £8,522.

Regulation 80B(3)(d) specifies that the maximum maintenance element for the elsewhere rate is £7,558 with the remainder paid as special support element.

£8,522 - £7,558 = £964 special support element.

The maximum maintenance and special support elements are set out in tables A3 and A16 of the AY 25/26 [Financial Memorandum](#).

3.6.3 2012 cohort students

In each 2012 cohort example, loan for living costs is reduced by £0.50 for every £1 of grant awarded.

Eligible for Maintenance Grant - Household Income £30,000 Student living away from the parental home and studying outside London		
A	Maintenance Grant payable	£3,142
B	Loan for living costs payable (£7,559 less £1,571 Maintenance Grant substituted for loan)	£5,988

Eligible for SSG - Household Income £30,000 Student living away from the parental home and studying outside London		
A	SSG payable	£3,142
B	Loan for living costs payable (no substitution for loan for living costs)	£7,559

Eligible for Maintenance Grant - Household Income £35,000 Student living away from the parental home and studying outside London		
A	Maintenance Grant payable	£1,928
B	Loan for living costs payable (£7,559 less £964 Maintenance Grant substituted for loan)	£6,595

Eligible for Maintenance Grant - Household Income £40,000 Student living away from the parental home and studying outside London		
A	Maintenance Grant payable	£715
B	Loan for living costs payable (£7,559 less £357 Maintenance Grant substituted for loan)	£7,202

Eligible for SSG - Household Income £40,000 Student living away from the parental home and studying outside London		
A	SSG payable	£715
B	Loan for living costs payable (no substitution for loan for living costs)	£7,559

Eligible for Maintenance Grant - Household Income £42,737 Student living away from the parental home and studying outside London		
A	Maintenance Grant payable	£50
B	Loan for living costs payable (£7,559 less £25 Maintenance Grant substituted for loan)	£7,534

Household Income £42,738 to £42,875 Student living away from the parental home and studying outside London		
A	Maintenance Grant or SSG payable	£0
B	Loan for living costs payable (no income above £42,875 therefore no assessed contribution)	£7,559 (100% loan)

Household Income £62,162 Student living away from the parental home and studying outside London		
A	Household Income	£62,162
B	Loan for living costs threshold	£42,875
C	Difference A – B	£19,287
D	Divide by £7.30 and round down to the nearest pound to give income assessed element of loan	£2,642
E	$£7,559 - D =$ loan for living costs payable	£4,917 (around 65% non-income assessed element of maximum entitlement to loan)

3.6.4 2009 cohort students

In each 2009 cohort example, loan for living costs is reduced by £0.50 for every £1 of grant awarded.

Eligible for Maintenance Grant - Household Income £30,000 Student living away from the parental home and studying outside London		
A	Maintenance Grant payable	£2,713

B	Loan for living costs payable (£6,804 less £1,356 Maintenance Grant substituted for loan)	£5,448
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Eligible for SSG - Household Income £30,000
Student living away from the parental home and studying outside London

A	SSG payable	£2,713
B	Loan for living costs payable (no substitution for loan for living costs)	£6,804

Eligible for Maintenance Grant - Household Income £34,294
Student living away from the parental home and studying outside London

A	Maintenance Grant payable	£1,609
B	Loan for living costs payable (£6,804 less £804 Maintenance Grant substituted for loan)	£6,000

Eligible for Maintenance Grant - Household Income £40,000
Student living away from the parental home and studying outside London

A	Maintenance Grant payable	£1,068
B	Loan for living costs payable (£6,804 less £534 Maintenance Grant substituted for loan)	£6,270

Eligible for SSG - Household Income £40,000
Student living away from the parental home and studying outside London

A	SSG payable	£1,068
B	Loan for living costs payable (no substitution for loan for living costs)	£6,804

Eligible for Maintenance Grant - Household Income £50,726
Student living away from the parental home and studying outside London

A	Maintenance Grant payable	£50
B	Loan for living costs payable (£6,804 less £25 Maintenance Grant substituted for loan)	£6,779

Household Income £50,726 to £50,778
Student living away from the parental home and studying outside London

A	Maintenance Grant or SSG payable	£0
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B	Loan for living costs payable (no income above £50,778 therefore no assessed contribution)	£6,804 (100% loan)
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Household Income £57,812 Student living away from the parental home and studying outside London		
A	Household Income	£57,812
B	Loan for living costs threshold	£50,778
C	Difference A – B	£7,034
D	Divide by £3.70 and round down to the nearest pound to give income assessed element of loan	£1,901
E	£6,804 – D = loan for living costs payable	£4,903 (72% non-income assessed element of maximum entitlement to loan)

3.7 Loan for living costs – students with reduced entitlement

Students with reduced entitlement to loans for living costs (Regulation 80) are those current system students who:

- are undertaking a sandwich course where the periods of full-time study in the academic year are in aggregate less than 10 weeks, unless the periods of work experience constitute unpaid service (see section 4.6).
- are eligible to apply for income assessed National Health Service (NHS) bursaries.
- have not provided their household income to calculate the income assessed part of the loan for living costs.

Note, 2016 cohort students who are aged 60 or over on the first day of the first academic year of the course do not qualify for the reduced rate of loan for living costs (Regulation 69(4)).

3.8 Long courses loan (LCL)

Additional loan for extra weeks of attendance over 30 weeks and 3 days in an academic year is available as follows:

- a fixed amount per extra week / part week, up to 45 weeks of study.
- students studying for 45 weeks or more in any 52 week period are paid as if they are studying for the full 52 weeks.

The amount of LCL payable is determined by reference to the category into which the student falls (regulation 81, see also Section E of the 25/26 Financial Memorandum).

LCL can be awarded in respect of any academic year of a designated course and is payable for four quarters of the academic year. HE providers should determine the length of their courses on the basis of the number of weeks during term time when students are attending lectures, undertaking course work or taking exams on a FT basis. Course length should also include reading periods and revision weeks up to when the student takes examinations. It does not include periods at the end of the academic year after FT study and examinations have been completed when students are awaiting results, and/or writing up dissertations.

Note, 2016 cohort students who are aged 60 or over on the first day of the first academic year of the course are not eligible to apply for LCL.

3.9 Students on intensive courses

Eligible students on intensive courses which last for two academic years are entitled to the full year loan for living costs rates in the final year and also for the LCL for attendance over 30 weeks and 3 days. Intensive courses are accelerated courses or compressed degree courses (regulation 2(1)). Eligible students on designated intensive courses are entitled to the same maintenance support package as other students attending their courses (regulation 2(1)).

3.10 Changes during the year

Broadly, the loan for living costs (excluding the LCL) is payable for three quarters of the academic year. With the exception of loans for living costs paid to students on an intensive course (either an accelerated degree course or a compressed degree course) the loan for living costs is not payable in the quarter in which the longest vacation falls (regulation 82). Where the loan for living costs is payable to a student on an intensive course, the Secretary of State will determine the quarter in respect of which the loan is not payable.

Where students are subject to two different rates of loan for living costs based on their living/studying location in an academic year quarter, they will be entitled to the rate of loan applicable to the living/studying category the student falls into for the longest period in the quarter (see regulation 83(e)(i)). For example, a student studying from the parental home for 70% of the quarter and studying in London (not residing at home) for the remaining 30% of the quarter would qualify for the parental home rate.

Where students are subject to two different rates of loan for living costs based on their living/studying location in an academic year quarter, and the student occupies these categories for an equal period of time, they will be entitled to the higher of the two possible rates of loan for living costs (see regulation 83(e)(ii)). For example, a student attending an overseas institution for 50% of the quarter and studying in London (not residing at home) for the remaining 50% of the quarter would qualify for the London rate of loan in that quarter.

Where a student has more than one other change of circumstance in the academic year quarter they qualify for the rate of loan for living costs covering the longest period in that quarter. For example, a student spending 40% of a quarter overseas, 30% away from home outside London and 30% at the parental home, would be entitled to the overseas rate of loan for living costs for that quarter.

4 Tuition Fee Loan (TFL)

4.1 General rates applicable

Students may qualify for loan support towards tuition fees, subject to certain criteria which include the provisions on previous study (as set out in the SFE 'Assessing Eligibility' guidance chapter). Sections 4.1 and 4.2 of this guidance refer to maximum TFL for standard intensity full-time (FT) courses, as well as sandwich courses. Section 4.3 covers maximum TFL for accelerated degree courses starting on or after 1 August 2019.

Following regulatory changes made under the Higher Education Research Act 2017, since AY 19/20 HE providers in England have had to be registered with the Office for Students (OfS) to have access to the student support system. The maximum tuition fee an Approved (Fee Cap) Provider can charge will be set in the Access and Participation Plan (APP) approved by the OfS's Director of Fair Access and Participation. Students undertaking courses at Approved (Fee Cap) Providers can apply for TFL to meet the full costs of their tuition fees.

Maximum tuition fees for courses offered by Approved Providers in AY 25/26 are not capped. Students undertaking courses at Approved Providers can apply for a loan towards the costs of their tuition fees.

Maximum TFL for accredited providers that are unregistered providers offering FT courses of initial teacher training (ITT) are set at the same levels in AY 25/26 as for standard FT courses offered by Approved (Fee Cap) Providers. 'Accredited institution' is defined in Regulation 2(1).

See the SFE 'Assessing Eligibility' guidance chapter for further information about provider categories for HE providers in England.

Regulation 23 provides that the amount of TFL for current system students studying on FT and FT distance learning courses at providers in England in AY 25/26 must not exceed the lesser of the fees payable by the student in connection with that year and the maximum amount.

For AY 25/26, students undertaking FT and FT distance learning courses can apply for a TFL up to:

- £3,465 where the current course began before 1 September 2012.
- Where the current course begins on or after 1 September 2012 and the provider has a TEF award for AY 25/26:
 - £9,535 where the provider is an Approved (Fee Cap) Provider with an APP
 - £6,355 where the provider is an Approved (Fee Cap) Provider without an APP
 - £6,355 where the provider is an Approved Provider
- Where the current course begins on or after 1 September 2012 and the provider does not have a TEF award for AY 25/26:
 - £9,275 where the provider is an Approved (Fee Cap) Provider with an APP
 - £6,185 where the provider is an Approved (Fee Cap) Provider without an APP
 - £6,185 where the provider is an Approved Provider

Students in the final year of a FT or FT distance learning course, which is normally required to be completed following less than 15 weeks' attendance, can apply for a lower rate of TFL up to a maximum of:

- £1,725 where the current course started before 1 September 2012.
- Where the current course begins on or after 1 September 2012 and the provider has a TEF award for AY 25/26:
 - £4,765 where the provider is an Approved (Fee Cap) Provider with an APP
 - £3,175 where the provider is an Approved (Fee Cap) Provider without an APP
 - £3,175 where the provider is an Approved Provider
- Where the current course begins on or after 1 September 2012 and the provider does not have a TEF award for AY 25/26:

- £4,635 where the provider is an Approved (Fee Cap) Provider with an APP
- £3,090 where the provider is an Approved (Fee Cap) Provider without an APP
- £3,090 where the provider is an Approved Provider

Armed Forces personnel serving overseas or within another country in the UK

Most FT and part-time (PT) students undertaking a distance learning course with a UK HE provider must be undertaking the course in England on the first day of the first academic year of that course in order to qualify for TFL. Those students who are obliged to incur essential additional expenditure while undertaking a course of HE as a result of a disability qualify for Disabled Students' Allowance (DSA) for their distance learning course. However, if the student no longer resides in the UK, then their TFL and DSA support for a FT or PT distance learning course will stop.

Since 1 August 2017, students who are members of the regular UK Armed Forces serving overseas or are family members living with these armed forces personnel have qualified for TFL and, where applicable, DSA for their FT or PT distance learning course. From 1 August 2018, this exception was extended to members of the regular UK Armed Forces serving in Scotland, Wales or Northern Ireland or family members living with these armed forces personnel.

Please see the SFE 'Assessing Eligibility' guidance chapter for further information on support for distance learners.

4.2 Students on a sandwich course or a course provided in conjunction with an overseas institution

Maximum TFL for students on a sandwich work placement of an academic year:

- during which any periods of FT study are in aggregate less than 10 weeks or
- in respect of that academic year and any previous academic year of the course, the aggregate of any one or more periods of attendance which are not periods of FT study at the institution (disregarding intervening vacations) exceeds 30 weeks, are as follows:
 - £1,725 where the current course started before 1 September 2012.
 - Where the current course begins on or after 1 September 2012 and the provider has a TEF award for AY 25/26:
 - £1,905 where the provider is an Approved (Fee Cap) Provider with an APP

- £1,270 where the provider is an Approved (Fee Cap) Provider without an APP
- £1,270 where the provider is an Approved Provider
- Where the current course begins on or after 1 September 2012 and the provider does not have a TEF award for AY 25/26:
 - £1,855 where the provider is an Approved (Fee Cap) Provider with an APP
 - £1,235 where the provider is an Approved (Fee Cap) Provider without an APP
 - £1,235 where the provider is an Approved Provider

Maximum TFL for students studying on a course provided in conjunction with an overseas institution, where in an academic year:

- Any periods of FT study at the UK institution are in aggregate less than 10 weeks or
- In respect of that academic year and any previous academic years of the course, the aggregate of any one or more periods of attendance which are not periods of FT study at the UK institution (disregarding intervening vacations) exceed 30 weeks, are as follows:

- £1,725 where the current course started before 1 September 2012
- Where the current course begins on or after 1 September 2012 and the provider has a TEF award for AY 25/26:
 - £1,430 where the provider is an Approved (Fee Cap) Provider with an APP
 - £950 where the provider is an Approved (Fee Cap) Provider without an APP
 - £950 where the provider is an Approved Provider
- Where the current course begins on or after 1 September 2012 and the provider does not have a TEF award for AY 25/26:
 - £1,390 where the provider is an Approved (Fee Cap) Provider with an APP
 - £925 where the provider is an Approved (Fee Cap) Provider without an APP
 - £925 where the provider is an Approved Provider

Maximum TFL for students studying on an Erasmus+ or Turing Scheme year where at least one period of study or work placement is attended at an institution or workplace outside the UK and:

- Any periods of FT study at the UK institution are in aggregate less than 10 weeks or
- In respect of that academic year and any previous academic years of the course, the aggregate of any one or more periods of attendance which are not periods of FT

study at the UK institution (disregarding intervening vacations) exceed 30 weeks, are as follows:

- Where the current course begins on or after 1 September 2012 and the provider has a TEF award for AY 25/26:
 - £1,430 where the provider is an Approved (Fee Cap) Provider with an APP
 - £950 where the provider is an Approved (Fee Cap) provider without an APP

- Where the current course begins on or after 1 September 2012 and the provider does not have a TEF award for AY 25/26:
 - £1,390 where the provider is an Approved (Fee Cap) Provider with an APP
 - £925 where the provider is an Approved (Fee Cap) provider without an APP

TFL is not available for Erasmus+ or Turing Scheme years of a course in AY 25/26 offered by Approved Providers.

Students undertaking an Erasmus+ or Turing Scheme year on a course provided by HE providers in England where the course started before 1 September 2012 are not charged for tuition and are not entitled to a TFL.

Regulation 23(8) provides that for new students who started a graduate entry accelerated programme which leads to a qualification as a medical doctor or dentist on or after 1 September 2012, the maximum TFL in AY 25/26 will be £5,964 for the first academic year of the course and £5,707 for the second, third and fourth academic years of the course.

4.3 Students undertaking an Accelerated Degree Course in AY 25/26 that started on or after 1 August 2019.

From AY 19/20 Approved (Fee Cap) providers in England have been able to set fee caps for accelerated degree courses at 1.2 times the maximum standard fee rate in each academic year.

New students starting an accelerated degree course at an Approved (Fee Cap) provider will also be entitled to a higher maximum TFL amount per academic year than for a standard intensity course. The same TFL amount applies to continuing students in AY 25/26 whose accelerated degree course started on or after 1 August 2019.

Students who are undertaking an accelerated degree course at an Approved Provider will have access to a higher TFL amount than for a standard intensity course, however, fees for Approved Providers will not be capped. The maximum fee loan entitlement for an accelerated degree course at an Approved Provider is lower than for a course offered by an

Approved (Fee Cap) Provider. Final year rates of loan do not apply to accelerated degree courses starting on or after 1 August 2019.

The maximum levels of TFL available for students studying on designated accelerated degree courses that started on or after 1 August 2019 are as follows:

Students studying on an academic year of an accelerated degree course starting on or after 1 August 2019 (FT or FT distance learning):

- Where the provider has a TEF award for AY 25/26:
 - £11,440 where the provider is an Approved (Fee Cap) Provider with an APP
 - £7,625 where the provider is an Approved (Fee Cap) Provider without an APP
 - £7,625 where the provider is an Approved Provider
- Where the provider does not have a TEF award for AY 25/26:
 - £11,130 where the provider is an Approved (Fee Cap) Provider with an APP
 - £7,420 where the provider is an Approved (Fee Cap) Provider without an APP
 - £7,420 where the provider is an Approved Provider

Students on a sandwich work placement year of an accelerated degree course starting on or after 1 August 2019:

- during which any periods of FT study are in aggregate less than 10 weeks or
- in respect of that academic year and any previous academic year of the course, the aggregate of any one or more periods of attendance which are not periods of FT study at the institution (disregarding intervening vacations) exceeds 30 weeks:
 - Where the provider has a TEF award for AY 25/26:
 - £2,285 where the provider is an Approved (Fee Cap) Provider with an APP
 - £1,525 where the provider is an Approved (Fee Cap) Provider without an APP
 - £1,525 where the provider is an Approved Provider
 - Where the provider does not have a TEF award for AY 25/26:
 - £2,225 where the provider is an Approved (Fee Cap) Provider with an APP
 - £1,480 where the provider is an Approved (Fee Cap) Provider without an APP
 - £1,480 where the provider is an Approved Provider

Students on an overseas study year (non-Erasmus+ / Turing Scheme) or an Erasmus+ / Turing Scheme study or work placement year of an accelerated degree course starting on or after 1 August 2019 where:

- any periods of FT study at the UK institution are in aggregate less than 10 weeks or

• in respect of that academic year and any previous academic years of the course, the aggregate of any one or more periods of attendance which are not periods of FT study at the UK institution (disregarding intervening vacations) exceed 30 weeks:

- Where the provider has a TEF award for AY 25/26:
 - £1,715 where the provider is an Approved (Fee Cap) Provider with an APP
 - £1,140 where the provider is an Approved (Fee Cap) Provider without an APP
 - £1,140 where the provider is an Approved Provider (non-Erasmus+ / Turing Scheme overseas study year only).

- Where the provider does not have a TEF award for AY 25/26:
 - £1,665 where the provider is an Approved (Fee Cap) provider with an APP
 - £1,110 where the provider is an Approved (Fee Cap) provider without an APP
 - £1,110 where the provider is an Approved provider (non-Erasmus+ / Turing Scheme overseas study year only)

4.4 Students studying in Scotland, Wales and Northern Ireland

Maximum TFL for England domiciled students studying at providers in other UK territories are set out below:

Maximum FT fee loan rates in AY 25/26 for England domiciled students studying in Scotland, Wales and Northern Ireland				
Rate	Public/ Alternative Provider (or for courses in Wales starting on or after 1 September 2017, Regulated /Not Regulated)	Maximum TFL – Scotland (£)	Maximum TFL – Wales (£)	Maximum TFL – Northern Ireland (£)
Full year	Public/ Regulated	9,535	9,535	9,535
Final year (<15 weeks attendance)	Public/Regulated	4,765	4,765	4,765
Work placement sandwich year	Public/Regulated	4,765	1,905	4,765
Overseas study year	Public/Regulated	4,765	1,430	4,765

Erasmus+ / Turing Scheme year	Public/Regulated	1,430	1,430	Fee Waiver
Full year	Alternative/Not Regulated	6,355 (with TEF)/ 6,185 (without TEF)	6,355 (with TEF)/ 6,185 (without TEF)	6,355 with TEF/6,185 (without TEF)
Final year (<15 weeks attendance)	Alternative/Not Regulated	3,175 (with TEF)/ 3,090 (without TEF)	3,175 (with TEF)/ 3,090 (without TEF)	3,175 (with TEF)/3,090 (without TEF)
Work placement sandwich year	Alternative/Not Regulated	3,175 (with TEF)/3,090 (without TEF)	1,270 (with TEF)/1,235 (without TEF)	3,175 (with TEF)/3,090 (without TEF)
Overseas study year	Alternative /Not Regulated	3,175 (with TEF) /3,090 (without TEF)	950 (with TEF) 925 (without TEF)	3,175 (with TEF)/3,090 (without TEF)
Erasmus+ / Turing Scheme year	Alternative /Not Regulated	N/A	N/A	N/A
Graduate Entry Medicine year 1	Public	5,964	5,964	5964
Graduate Entry Medicine years 2- 4	Public	5,707	5,707	5,707

In AY 17/18 the Welsh Government replaced the distinction between publicly funded providers and private (alternative) providers for fee charging purposes for FT courses starting on or after 1 September 2017 with regulated and non-regulated providers. Regulated providers have an approved fee and access plan in force with the Higher Education Funding Council for Wales (HEFCW) which allows them to charge higher fees (up to £9,535 in AY 25/26) than providers that are not regulated (regulation 2(1)).

The distinction between publicly funded and private (alternative) providers in Wales continues to apply in respect of courses starting before 1 September 2017.

Regulations 23(5ZA) and 23(5ZB) set out maximum TFL for students studying in Wales in AY 25/26. Regulation 23(5) sets out maximum TFL for students studying in Scotland and Northern Ireland in AY 25/26.

Regulation 23(4A) sets out maximum TFL for private providers that have a TEF award in AY 25/26.

4.5 Calculation of weeks of FT study – sandwich courses

The calculation of 10 weeks should include weeks of FT study and any days of FT study which fall in any week which also includes work experience. Only days of FT study (not part days) should be counted. Also, when counting days of study to make up a number of weeks of study, the divisor is 5 rather than 7 – for example 50 days would produce 10 weeks.

In relation to references to 10 weeks, 15 weeks and 30 weeks in previous sections, parts of weeks cannot be counted.

Study includes learning in the workplace, where that is a course requirement. Please see the definition of learning in the workplace which can be found in the SFE 'Assessing Eligibility' guidance chapter.

4.6 Students on sandwich courses including periods of unpaid service (Grants for living and other costs)

Current system students who are on certain specified unpaid placements in the public or voluntary sectors qualify for grants for living and other costs (means-tested adult dependants' grant, childcare grant and parents' learning allowance, means-tested maintenance grant/Special Support Grant (SSG) for 2009 and 2012 cohort students and non-means tested DSA), even if the periods of FT study in the academic year are less than 10 weeks (regulation 38(6)). Placements that attract this support are specified below and in regulation 38(7):

- a. Unpaid service in a hospital or in a public health service laboratory or with a clinical commissioning group in the UK
- b. Unpaid service with a local authority in the UK acting in the exercise of its functions relating to the care of children and young persons, health or welfare, or with a voluntary organisation providing facilities or carrying out activities of a like nature in the UK

- c. Unpaid service with a local authority acting in the exercise of public health functions in the UK
- d. Unpaid service in the prison or probation and aftercare service in the UK
- e. Unpaid research in a UK institution or, in the case of a student attending an overseas institution as a part of their course in an overseas institution
- f. Unpaid service with a Special Health Authority, the National Health Service (NHS) Commissioning Board, the National Institute for Care and Excellence, the Health and Social Care Information Centre, a Local Health Board, a Health Board or a Special Health Board in Scotland, or the Department of Health or the Regional Agency for Public Health and Social Well-being or a Health and Social Care trust in Northern Ireland.
- g. Unpaid service in the UK Parliament

In addition, there is an exception whereby students undertaking any placement year with less than 10 weeks of FT study can:

- have a repair or replacement of equipment previously funded through DSA undertaken; and
- make a claim on their insurance and warranty for equipment previously funded through DSA.

See the AY 25/26 SFE 'DSA' guidance for further details.

4.7 Foundation years

A foundation year is an additional year of study (or equivalent to a year, if studied part-time) which is taken at the start of an undergraduate course and extends the overall length of that course. It is typically an integrated part of the undergraduate course.

From AY 25/26*, lower fee caps and fee funding limits will apply to classroom-based foundation years. The term "classroom-based" refers to subjects that are taught in a classroom setting and do not include a laboratory, studio, or fieldwork element. The foundation year's fee cap is determined by the Common Aggregated Hierarchy 3 (CAH3) code or codes that apply to the course as a whole.

- More than 50% of the CAH3 codes assigned to the foundation year are in lower-fee subjects: the foundation year is subject to the lower-fee.
- 50% or less of the CAH3 codes assigned to the foundation year are in lower-fee subjects: the foundation year is subject to a higher-fee.

*This change takes effect from the AY 25/26 and impacts all students studying a foundation year in a classroom-based subject from that year, including those repeating a year.

Tuition fees for foundation years by HEP status (full-time)

HEP status	Higher-fee foundation year fee limits (full-time)*	Lower-fee foundation year fee limits (full-time)
Higher amount (APP & TEF rating)	£9,535	£5,760
Floor (higher) amount (APP only)	£9,275	£5,605
Basic amount (TEF rating only)	£6,355	£3,835
Sub-level (basic) amount (No TEF rating or APP)	£6,185	£3,735

Note that approved (alternative/privately funded) HE providers are not limited in the fees they can charge.

4.8 Foundation degree courses

Foundation degree courses may be FT, sandwich or PT, and they attract support in the same way as ordinary or honours degree courses.

Some foundation degree courses feature learning in the workplace, which should be treated as FT study for the purposes of the definition of a sandwich course and of determining levels of support.

4.9 Support for students undertaking healthcare courses in nursing, midwifery, allied health professions and operating department practice

Students who are eligible to receive bursaries (bestowed under section 63 of the Health Services and Public Health Act 1968), the amount of which is not determined by reference to the student's income (non-income assessed bursaries) or Scottish nursing and midwifery allowances are ineligible for full-time student support under regulation 4(3)(c).

Students who are eligible to apply for NHS bursaries (also paid under the 1968 Act), the amount of which is calculated by reference to the student's income (income assessed bursaries) are ineligible for fee loan support for a bursary year in those academic years (see regulation 19(2)(a)). These students are also excluded from receiving grants for living and other costs (regulation 38(4)(a)). However, those eligible to apply for an income assessed bursary will qualify for a reduced rate non-means tested loan for living costs under regulation 80(1)(a) and 80(2)(a).

For further information on eligibility and entitlement to HE student finance for students studying on courses of these types, please refer to the SFE 'NHS' guidance chapter.

5 Household income assessment

5.1 Income assessment process

Note, all paragraph references in the following section refer to paragraphs in Schedule 4 of the Regulations, unless otherwise stated.

The income assessment comprises four stages:

- I. Determine whose income forms part of the household income (always include the student's unearned taxable income).

Student Type	Income to include in the household assessment
Dependent student	Natural / Adoptive parent(s) plus where applicable the parent's: - spouse - civil partner - cohabiting partner of either sex
Independent student	The student's: - spouse - civil partner or - cohabiting partner (only where the student is aged 25 or over on the first day of the relevant academic year)
Single independent student (no partner)	Student only

- II. Determine the taxable income (as defined in paragraph 1(o) of Schedule 4) of each person whose income is specified to be part of the household income.
- III. Make the permitted deductions from taxable income to arrive at residual income and make any further deduction permitted by paragraph 3(3) of Schedule 4*. The aggregate is the household income.
- IV. Calculate entitlement to income assessed loan for living costs (and Maintenance Grant or Special Support Grant (SSG) for students who are not 2016 cohort students) using the relevant tapers.

*As noted in step III above, once the residual income has been calculated for each person whose income is included in the household income, these amounts are aggregated and deductions in respect of dependent children under paragraph 3(3) of Schedule 4 are applied. See section 5.4.9 – Further deductions from aggregated household income for further information.

5.2 Step 1 - Determining income to be included as part of the household income assessment

Determining whose income is to be included as part of the household income assessment under paragraph 3(2) of Schedule 4 of the Regulations is dependent on whether the student is assessed as an independent student or a dependent student, as detailed below.

5.2.1 Independent Students

Parental income should not be included in the household income in the circumstances listed in paragraph 2(1) (a) - (k) of Schedule 4 of the Regulations (where the student is assessed as an independent student for the purposes of the financial assessment). These include where:

- The student married / entered into a civil partnership before the beginning of the academic year for which household income is being assessed. This applies whether or not the marriage/civil partnership is still subsisting (paragraph 2(1)(b)).
- The student's parents have died. This applies immediately, once the student is bereaved of both parents (paragraph 2(1)(c)). Where the household income assessment is based on the income of one parent only and that parent dies, no parental income is required for the whole of the current academic year (paragraph 2(1)(h)), even if the deceased parent has a partner. Where the other parent is still alive, the student is not automatically assessed as independent in the following academic year, the student's independent status from that parent (if appropriate) would have to be established at the start of the next academic year.

- The student's parents are living outside the European Community and Student Finance England (SFE) is satisfied that the assessment of a parental income would place them in jeopardy, or that it would not be reasonably practicable for them to send a contribution to the UK (paragraph 2(1)(g)). Although this provision does not refer to a specific category of students, parents of refugees or those who have been granted exceptional leave to enter or remain in the UK are most likely to fall within its provisions.
- The student has been self-supporting for periods prior to the start of first academic year of the course amounting in aggregate to at least three years (paragraph 2(1)(k)). Periods of self-support may include, for example, paid holidays, breaks between jobs when the person supported themselves from savings, and paid periods of experience on a sandwich course (other than the current course). The student must be able to prove that they have earned enough to support themselves during the period in question. A person living in the parental home may not wholly have supported themselves, including paying their share of housing costs, especially where the person is in part-time (PT) or temporary employment. A student living with their parents should only be regarded as self-supporting where they can clearly demonstrate that they have contributed appropriately to the household budget. Where Student Loans Company (SLC) is satisfied that the student was self-supporting for a period when payments were received 'in kind', such periods may be counted as self-support.
- Notwithstanding the above, a student should be treated as having supported themselves for any period during which they fell into one of the categories listed in paragraph 2(1)(k)(i) – (v). This includes periods when the student held a State Studentship or comparable award (paragraph 2(1)(k)(iv)): such awards could include research council studentships and other postgraduate awards to which no parental contribution provisions apply.
- The student has care of a person under the age of 18 on the first day of the academic year for which they are applying for support (paragraph 2(1)(j)). Where the student gains care of a person under 18 after the first day of the relevant academic year, they will be assessed as independent from the start of the following academic year (assuming they still have care of the person under the age of 18 on the first day of that academic year). Once they are assessed as independent on this basis, the student keeps this status for the remainder of the period of eligibility (paragraph 2(2)).

- A student can be considered as having care of a person under the age of 18 if they look after the child and the child lives with them, irrespective of the student's relationship with the child. This might include, for example, a student who is caring for the child of their partner, a student who has adopted a child or a student who has been appointed a guardian of a child. The student should send their child's original birth certificate and also provide evidence that they have care of the child, for example, evidence that they are receiving Child Benefit or Child Tax Credit.

For example:

- **Freya** is a 22-year-old single parent who is living with their one year old daughter and is applying for student support for a three year degree course starting on 1 September 2025. Freya will be treated as an independent student from the start of their course.
- **Ben** is a 20 year-old unmarried student living away from the parental home with their partner. Ben is starting a three year course on 1 September 2025 and will be assessed as a dependent student (Ben has been self-supporting for less than three years). In November 2025, Ben's partner has a baby. When Ben applies for support for the second year of their course starting on 1 September 2026, Ben is assessed as an independent student.
- **Gillian** is a 22 year old unmarried student living away from home. Gillian starts a three year course on 1 September 2025 and is assessed as a dependent student. In November 2025 Gillian has a baby, but from January 2026 Gillian no longer has care of that child. When Gillian applies for support for the second year of their course starting on 1 September 2026 Gillian will still be assessed as a dependent student.

5.2.1.1 Estranged Students

- The student is irreconcilably estranged from their parents (paragraph (2)(1)(e)). This would be the case where:
 - They have communicated with neither of their parents for the period of one year before the beginning of the academic year for which they are being financially assessed, or
 - They can demonstrate on other grounds that they are irreconcilably estranged from their parents. If they have communicated with either parent during that year, they can nevertheless still be regarded as irreconcilably estranged.

SFE should, as far as possible, satisfy themselves that the estrangement is genuine and that for the time being reconciliation is impossible (or at least highly unlikely). It is not enough that a student does not get on with their parents or that they have had a serious disagreement recently. The fact that a student may choose to live apart from their parents is not in itself sufficient evidence of an irreconcilable estrangement. Similarly, irreconcilable estrangement cannot be inferred simply on the ground that a parent refuses to cooperate with SFE in the financial assessment of the student (for example by not replying to letters or refusing to complete income assessment forms), or does not provide financial support to the student.

These factors could, of course, be expected to be present if there has been a genuine estrangement.

It is for SFE to decide in each case whether it has sufficient information and evidence to justify its opinion as to whether or not a student is irreconcilably estranged. In certain cases of estrangement where there has been a serious family breakdown involving violence or other serious trauma, a student should not be required to resubmit evidence in subsequent years of the course. Other students who provide third party evidence of estrangement for the first academic year of their course, who return and apply for support in the following academic year of their course and who confirm their situation has not changed, will not generally be asked to provide advice again.

It is likely to be easier for a student to demonstrate that they are 'irreconcilably estranged' if the estrangement has endured for a significant length of time before the student applies for support. Care is needed where an estrangement is claimed to have started just before the student starts the course or during the course itself: for example, difficulties may arise due to the student's wish to leave the parental home and enter HE. SFE should decide whether such difficulties are temporary or transitional, or whether a genuine estrangement has occurred. The possibility of fraudulent or unsubstantiated claims of estrangement should always be borne in mind.

Where the estrangement starts or ends during the course an academic year, the assessed contribution assessed at the beginning of the year stands, as the Regulations do not provide for a student to acquire or lose independent status during an academic year.

5.2.1.2 Care Leavers

- The student is a care leaver as defined in paragraph (2)(1)(f). A student will be classed as a care leaver if:
 - they were looked after, or given accommodation, by their local authority (this includes being in foster care)
 - they were in care for a period of 13 weeks
 - the care ended on or after they turned 16 and before the first day of the first academic year of the course
 - at any time prior to the first day of the first academic year of the course they have not been under the care of their parents

Where a student satisfies the conditions above, they will not be asked to provide their parents' financial details. In a situation where the student is living with their parents after the age of 16 and before the first day of the first academic year of the course and is under the charge or control of their parents, the student's support package will be based on parental income.

There are certain circumstances where a child is legally in care, for instance the parental responsibility is with the Local Authority, but they are placed at home with their birth parents. This may be for a trial period for reunification. The looked-after child will receive the same support and entitlement as any other looked-after child, for example supervision from social workers, pupil premium, early years premium. As such, under paragraph 2(f), students placed at home, but who remain under the legal care of the Local Authority for the three-month period ending on or after the date the student reached the age of 16 and before the first day of the first academic year of the course, will not be treated as being under the charge or control of their parents. A student in this scenario would be considered as independent when their support for living costs is calculated.

Where a student is assessed as a care leaver but is living in the parental home, their support will be calculated using their own income. However they will qualify for the parental home rate of loan for living costs.

In determining if a student will qualify as a care leaver, SFE will ask that the student provides a letter from the relevant local authority or their case or social worker which confirms the following:

- the student was looked after by the local authority
- the dates that the student was/is in care

- the student has not returned to the care of their parent(s) prior to the first day of the first academic year of their course

A student will only be required to prove their care leaver status once.

5.2.1.3 Student with a partner

Where an independent student has a spouse, civil partner, or cohabiting partner of the same or the opposite sex, the partner's residual income will be included in the household income assessment (paragraph 3(2)(b)) of Schedule 4). Paragraph 6 provides that the partner's residual income is calculated in the same way that the parent's residual income is calculated under paragraph 5 (other than sub-paragraphs (3)(b) and (c), 4(b) and (c), (9), (10) and (11) of paragraph 5, which do not apply). References to the parent in paragraph 5 should be construed as references to the eligible student's partner.

If a student who is cohabiting with a partner (not a spouse or civil partner) turns 25 during the course of an academic year, the partner's income will not be taken into account in the current academic year, it will only be included in household income from the following academic year.

Where an independent eligible student aged 25 or over ceases to cohabit with their partner during an academic year, the partner's residual income for that year is pro-rated in accordance with paragraph 6(3). The partner's residual income, as calculated under paragraph 6(1), is divided by 52 and multiplied by the number of weeks in the academic year when the student and the partner are not separated.

A student's spouse or civil partner's residual income is normally taken into account where the student married or the civil partnership was formed before the start of the academic year. However, the spouse or civil partner's income is not taken into account where a child of the student (or a child of the student's spouse / civil partner) is an eligible student in respect of whom household income has been calculated by reference to the residual income of the student, the spouse or civil partner, or both. The income is also not taken into account where SLC determines that they are separated for the duration of the academic year.

5.2.1.4 Identifying a cohabiting couple

Where a student declares in the application that they are single, SFE can accept that response and rely on the fact that the student has signed a declaration that the information they have provided is true and accurate. If, however, SFE wish to challenge this declaration, or the student or their parent is unsure of what is meant by 'cohabiting', SFE may take into

consideration similar factors to those applied by Local Authorities and Jobcentre Plus on claims for social security benefits, including:

- Does the student / the student's parent normally live in the same household as the person with whom they are in a relationship? If the student, parent or partner has a separate address where they usually live, they should not be considered to be cohabiting
- Is one partner supported by the other, or are household expenses shared? Where household expenses are shared, it is possible that rigidly sharing bills 50/50 may not imply cohabitation, whereas having a common fund for income and expenditure could
- Is the relationship stable? An occasional or brief association should not be regarded as cohabiting
- Does the couple have children? Where a student or a parent and their partner have had a child together and live in the same household there is a strong presumption of cohabitation
- Does the student share a 'household' with another? Students commonly live in rented accommodation, sometimes with other students, sometimes as lodgers. A house can contain a number of separate households, if one person has exclusive occupation of separate accommodation from another, they will not be considered to be living in the same 'household'. Separate households might also exist if there are independent financial arrangements, or if there are separate commitments for housing costs, even if the liability is to another person in the same premises.

5.2.2 Dependent Students

Where an eligible student does not meet any of the criteria detailed above in section 5.2.1 and in paragraph 2 of Schedule 4, the student is considered a dependent student for the purposes of the financial assessment. As per paragraph 3(2)(a) of Schedule 4 of the Regulations, the household income of a dependent student is the aggregate of the residual incomes of the eligible student and the eligible student's parent(s)/parent's partner. References to 'parent' throughout this section should be taken to also mean the partner of the student's natural / adoptive parent where applicable.

5.2.2.1 Parents who are separated

Where SFE determines that the student's parents are separated, paragraph 5(10) of Schedule 4 allows SFE discretion as to which parent's income should be assessed. This will normally be the parent with whom the student lives. Where parents separate during a year in respect of which income is to be assessed, parental income should be assessed on a pro-rata basis taking the parents' joint income for the time they were living together (paragraph 5(11)). Note that where parents separate, but continue to live in the same house, SFE may determine that the parents are now effectively residing in separate households.

5.2.2.2 Parents with a partner

Where SFE determines that one parent's income should be assessed (normally the parent with whom the student normally lives), if that parent has a partner as defined in paragraph 1(1)(j) of Schedule 4, the partner's residual income will be included in the household income assessment (paragraph 3(2)(a)(ii) of Schedule 4).

Paragraph 7 of Schedule 4 determines how the residual income of the parent's partner is calculated.

Where the student's parent has separated from their partner during an academic year, the parent's partner's residual income for that year is pro-rated in accordance with paragraph 7(10). The parent's partner's residual income, as calculated under paragraph 7(1) of Schedule 4, is divided by 52 and multiplied by the number of weeks in the academic year when the student's parent and their partner were not separated.

Where a student's natural parents separate and in the same academic year the parent whose income is to be assessed begins to cohabit with a new partner, the income assessment should be calculated as follows:

- The joint income of the natural parents for such time as they were living together (paragraph 5(11)(b) of Schedule 4).
- The single income of the natural parent who is to be assessed, for such time as that parent was not cohabiting (paragraph 5(11)(a)).
- The joint income of the natural parent who is to be assessed and their cohabiting partner, for such time as they were cohabiting together (paragraph 7(10)).

5.3 Step 2 - Determining the taxable income

The following is taken into account in the household income assessment for an academic year:

- The taxable income of the student’s parent or parents and, where applicable, the parent’s partner’s taxable income for the financial year prior to the tax year that ended before the start of the academic year for which support is being assessed – the ‘prior financial year’ - should be taken into account. (Exceptions to this rule are set out in paragraphs 5(3) – (5A) and 7(2) – (5) of Schedule 4 where an assessment for the current financial year has been requested). See paragraph 1 of Schedule 4 for definitions of ‘prior financial year’ and ‘preceding financial year’.
- The student’s taxable income for the academic year in respect of which the student is applying for support is taken into account.

5.3.1 What is taxable income for student support?

Paragraph 1(1)(o)(i) defines ‘taxable income’ for the student and, where applicable, their partner, and the student’s natural/adoptive parents as:

- The total income on which a person is charged to income tax at Step 1 of the calculation in Section 23 of the Income Tax Act 2007. This means that deductions made from ‘total income’ by His Majesty’s Revenue and Customs (HMRC) in respect of income tax reliefs at Step 2 of Section 23 (for example trade losses and pension contributions) and personal reliefs at Step 3 of Section 23 are not made when calculating ‘taxable income’ for student support purposes. Section 23 of the Income Tax Act 2007 covering Income Tax Liability can be accessed on the legislation.gov.uk website at:
<https://www.legislation.gov.uk/ukpga/2007/3/section/23>
- The whole amount of a payment or benefit mentioned in Section 401(1) of the Income Tax (Earnings and Pensions) Act 2003, for example a redundancy payment. Note, although only the amount of a redundancy payment in excess of £30,000 is included in the total income on which a person is charged to income tax at Step 1 of the calculation in Section 23 of the Income Tax Act 2007, ‘taxable income’ as defined in paragraph 1(1)(o)(i) includes the total amount of a redundancy payment.
- Where the income tax legislation of an EU member state or states applies, paragraphs 1(1)(o)(ii) and 1(1)(o)(iii) define taxable income as the total income from all sources determined for the purposes of the legislation of that state, or where the legislation of more than one EU state applies, the state where the total income is the greater.

It follows that income that is wholly exempt from income tax does not count towards taxable income. Where UK tax law applies, exempt income includes:

- Awards for gallantry
- Damages for personal injury
- Save As You Earn interest and bonuses
- Savings certificates and Government securities
- Scholarships, exhibitions, bursaries etc.
- Lump sums under term assurance, life, accident or medical insurance policies
- Most social security and other benefits, including child benefit, housing benefit and in most cases income support
- Dividends, interest and bonuses on Individual Savings Accounts (ISAs), Personal Equity Plans (PEPs) and Tax-exempt Special Savings Account (TESSAs)
- War service pensions
- Premium bond prizes and winnings from gambling, for example football pools and National Lottery
- Long service awards to employees
- Wounds and disability pensions

Note, some registered occupational and personal pension schemes allow members to take all or part of a pension pot as a cash lump sum payment. Such cash lump sum payments may be considered fully non-taxable or taxable only in part – see section 5.3.3 for more information.

An illustrative list of what constitutes taxable and non-taxable income can be found in Annexes A to D of this guidance. This is not an exhaustive list, but is intended to offer guidance on the types of income that fall under these categories.

Where a person is liable for income tax under UK tax law on income from self-employment or income that is not from employment, gross income may be certified by the person's accountant.

Where a person is employed, because the income will have been subjected to tax through Pay As You Earn (PAYE), the gross employment income can be ascertained from the person's PAYE year-end form P60.

'Taxable income' for the purposes of the Regulations shall include income which would not, for the reasons in paragraph 5(7), form part of the income of the student's parent / partner as calculated for the purposes of the relevant tax legislation. This does not apply to the student.

5.3.2 Income from savings and investments

Where interest paid on bank, building society and authority savings, as well as dividend income from shares or investments is subject to tax, it should be counted as income for the purposes of the assessment. When calculating the interest from a bank or building society, the gross figure before any tax deductions should be counted as income. Dividends and interest from investment schemes should still be counted as income where they are not paid to the recipient at the time they arise but are credited to or re-invested in the person's account with the scheme.

5.3.3 Income from pension lump sums

Although regular pension income is normally treated as earned income and therefore charged to income tax, some registered occupational and personal pension schemes allow members to take all or part of a pension pot as a cash lump sum payment. Such cash lump sum payments may be considered fully non-taxable or taxable only in part.

Any non-taxable element of pension income is not charged to income tax at Step 1 of Section 23 of the Income Tax Act 2007 and therefore is not required to be declared as income for the purposes of determining household income under the regulations.

The rules for determining the non-taxable element of lump sum pension payments are dependent on an individual's pension scheme. The amount that can be paid as a non-taxable pension lump sum can vary, but it is usually a maximum of 25% of the total value of the individual pension pot. The most common type of non-taxable pension lump sum is the Pension Commencement Lump Sum.

Sponsors and students are advised to consult the rules of their individual pension schemes for confirmation of the taxable amount they should declare.

Note, an individual can be a member of more than one private or occupational pension scheme so it is possible for a person to have multiple pension pots and therefore could receive multiple non-taxable pension lump sum amounts, either within the same tax year or in different tax years.

Examples:

Susan is a sponsor and has a private pension pot worth £80,000. In tax year 23-24 they take 25% of their pension pot as a non-taxable Pension Commencement Lump Sum payment of £20,000. They also receive a regular monthly income from their

private pension that totals £5,000 for tax year 23-24 – this regular income is liable for income tax.

In AY 25/26, Susan must declare the total private pension income they received in tax year 23-24 that was liable for income tax. This means they must declare the £5,000 they received as regular monthly income. Susan should not declare the Pension Commencement Lump Sum payment.

Annabel is a sponsor and has an occupational pension pot worth £100,000. In tax year 23-24 they take their whole pension pot as a one off payment - £25,000 of the lump sum payment is non-taxable. The remaining £75,000 is liable for income tax.

In AY 25/26, Annabel must declare the total occupational pension income they received in tax year 23-24 that was liable for income tax. This means they must declare the £75,000 taxable element of their lump sum payment.

Alex is a sponsor and has an occupational pension pot worth £100,000 and another private pension worth £20,000. In tax year 23-24 they receive a non-taxable Pension Commencement Lump Sum payment of £25,000 and regular income totalling £5,000 from their occupational pension. They also decide to take their private pension as full lump sum payment of £20,000 - £5,000 of this payment is non-taxable. The remaining £15,000 is taxable.

In AY 25/26, Alex must declare the total income from their occupational and private pensions in tax year 23-24 that was liable for income tax. This means they must declare the £5,000 regular income from their occupational pension as well as the £15,000 taxable element of their lump sum private pension payment. Alex declares a total of £20,000 pension income in AY 25/26.

Note that all income from a state pension, both lump sum and non-lump sum, is considered as a taxable source of income therefore should be declared as income for the purposes of the household income assessment.

5.3.4 Qualifying care receipts

Qualifying care receipts made to carers for providing care are exempt from income tax under section 803 of the Income Tax (Trading and Other Income) Act 2005 if they do not exceed the recipient's qualifying amount. Receipts above the qualifying amount are taxable. Any payments that are regular or paid in a lump sum to the student by their parent(s) and which have been determined in a court of law under Schedule 1 of the Children's Act 1989, are generally exempt from tax under Section 744(1)(i) of Income Tax (Trading and Other

Income) Act 2005. As a result, exempted payments should not be counted as part of the student's income. Further information on qualifying care relief can be found in 'Help Sheet HS236' on the HMRC website: [Qualifying care relief for carers \(Self Assessment helpsheet HS236\) - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/qualifying-care-relief-for-carers-self-assessment-helpsheet-hs236)

5.3.5 University of Buckingham

Assistance to students paid as bursaries and scholarships under the University's fee remission scheme does not constitute a payment or income for the purposes of calculating an eligible student's residual income.

5.3.6 Deductions not to be made in determining taxable income

The definition of taxable income in paragraph 1(1)(o)(i) is, as previously stated, the total income on which a person is charged to income tax at Step 1 of the calculation in Section 23 of the Income Tax Act 2007, together with payments set out above. This means that deductions made from 'total income' by HMRC in respect of the following are not made when calculating taxable income for student support:

- Income tax reliefs at Step 2 of Section 23 of the Income Tax Act 2007 (for example trade losses and pension contributions).
- Personal reliefs at Step 3 of Section 23.

The deductions and allowances which are not to be made for student support purposes in determining taxable income are:

- Reliefs provided for at Section 24 of the Income Tax Act 2007 such as trade losses.
- Personal reliefs provided for under Part 3 of the Income Tax Act 2007 or any comparable reliefs in the case of income computed as for the purposes of the tax laws of another EU member state. In respect of UK tax law, these personal reliefs include, at the time of writing:
 - o Personal allowances
 - o Married couples' allowances for those couples where one partner was born before 6 April 1935
 - o Blind person's allowance
 - o Any deductions made under paragraphs 4(1), 5(2) and 7(1) of Schedule 4 (including pension premiums).

Once the taxable income has been determined then residual income is calculated as follows:

- the parent(s), or the student's partner's residual income is calculated by making deductions from it in accordance with paragraph 5(2) (in respect of the parent(s)) and paragraph 6 (in respect of the student's partner)
- the parent's partner's residual income is calculated by making deductions from it in accordance with paragraph 7(1)
- the student's residual income is determined by making deductions from their taxable income in accordance with paragraph 4(1)

A deduction under paragraph 3(3) may be made from the aggregate of the various amounts of residual income when determining household income (see Step 3 below).

5.4 Step 3 – Calculation of residual income and household income

5.4.1 Deductions from parent's or the student's partner's taxable income

Paragraph 5(2) lists the deductions that may be made from a parent's taxable income to determine their residual income:

- The gross amount of certain pension premiums (not in respect of pensions payable under a life assurance policy) that qualify for tax relief and certain equivalent payments – see paragraph 5(2)(a) and (b).
- £1,130, where the parent is an eligible student or holds a statutory award (paragraph 5(2)(c)).

Please note:

- Pension income paid to an ex-partner under an attachment order made pursuant either to the Matrimonial Causes Act 1973 or the Civil Partnership Act 2004 is excluded from taxable income.
- Conversely, where the income is received under a pension arrangement made under an attachment order pursuant to the above legislation, it must be included in the taxable income.

This ensures that only pension income that is available to a household is included in the income assessment.

5.4.2 Deductions from the taxable income of the partner of the student's parent

Paragraph 7(1) lists the deductions that may be made from the taxable income of the partner of a student's parent to determine their residual income:

- The gross amount of certain pension premiums (not in respect of pensions payable under a life assurance policy) that qualify for tax relief and certain equivalent payments – see paragraphs 7(1)(a) and (b).
- £1,130, where the partner of a student's parent is an eligible student or holds a statutory award (paragraph 7(1)(c)).

5.4.3 Deductions from the student's taxable income

Paragraph 4(1) lists the payments that may be deducted from taxable income for the purposes of determining a student's residual income unless they have already been deducted for the purposes of determining taxable income.

- Earnings from employment during the academic year are deducted (paragraph 4(1)(a)). However, where the student is on leave of absence from the employer or relieved of their normal duties in order to undertake the course, any wages they receive in respect of those periods should be counted as income for assessment purposes. Note, where the student is only partially released from their employment to undertake the course, it is only the pay they receive for the days on which they are released that should be included in taxable income.
- The gross amount of certain pension payments (apart from pension payments under a life insurance policy) which are subject to tax relief under UK legislation and certain equivalent payments can be deducted from the student's taxable income (paragraph 4(1)(b)).

5.4.4 Teacher training bursaries

Teacher training bursaries and scholarships of up to £26,000 a year are available from the Department for Education (DfE) for eligible students on postgraduate ITT courses which lead to qualified teacher status to teach in schools. As the bursary or scholarship is non-taxable the whole amount is not considered when assessing student income.

5.4.5 Financial obligations incurred by the student before the course starts

Financial obligations incurred by the student (before the start of or during the course) are not disregarded from taxable income.

5.4.6 Maintenance payments received by the household

Maintenance payments received by the household are not normally subject to tax and therefore should not be taken into account when determining taxable income.

Where maintenance payments are paid by the student for the benefit of a child, taxable income should not be reduced to take account of these payments.

Maintenance payments received must still be taken into account in the calculation of dependants' income for the purpose of assessing a student's entitlement to any dependants' grant. Where a student receives maintenance payments under an agreement that requires that the payments are for the benefit of the student's child, this income should be treated as the child's income and taken into account in the dependants' grant income-assessment.

5.4.7 Self-assessment

Self-assessment mainly affects the self-employed, people deriving income as partners in a business, and employees who are higher-rate tax payers. Taxpayers are required to preserve the records needed to make a correct and complete tax return for the relevant period. Tax is assessed on the business profits of an accounting period ending in the current financial year rather than the preceding one. See Annex D for information on of 'basis period reform', the alignment of the self-assessment tax year to the standard tax year in 23/24, and its impact on student finance applications.

Finalising parental income

SFE should base their determination of the parental income for the financial year on the self-assessment return made by the parent to HMRC and ensure that the income figures submitted to them match those on the return.

The dates for returning the completed tax forms to HMRC are:

- 30 September, (where HMRC is to calculate the tax)
- 31 January (where the taxpayer works out their own tax).

This means that the self-assessed person should have prior-year taxable income figures available for use before the start of the academic year. For example, for tax year 23/24 (the

prior financial year for AY 25/26), self-assessment must be completed and submitted to HMRC by 31 January 2025, which is before the start of AY 25/26.

Treatment of capital allowances

Capital allowances enable the costs of capital assets to be written off against a business's taxable profits. The tax allowances may be claimed for expenditure on assets such as industrial and agricultural buildings, and general business equipment such as vehicles and computers. The rate for buildings is normally 4% of the expenditure a year. The rate for plant and machinery is normally 25% a year (reducing balance basis), and there are special incentive rates for smaller businesses. Most capital allowances are claimed in the tax return.

Capital Allowances (excluding plant and machinery allowances for special leasing) are taken into account as a reduction of household income.

Note that Capital Gains, which are usually declared on business accounts or tax returns, are not taxable under the Income Tax Act but are subject to the Taxation of Chargeable Gains Act 1992 so should not be included in the calculation of household income.

5.4.8 Current year assessments

Where SFE is satisfied that the residual income of the student's parent or the residual income of the student's partner in the current financial year (the financial year beginning immediately before the start of the academic year to which the support application relates) is likely to be not more than 85% of their residual income in the prior financial year, paragraph 5(3)(a) of Schedule 4 allows for the current financial year income to be used. The current-year assessment is necessarily based on an estimate of residual income. Where SFE cannot make a reasonable estimate, a provisional payment or payments may be made until sufficient information is provided to allow a reasonable estimate to be made.

Where there are two parents in a household, or the more appropriate parent (usually the parent with whom the student normally lives) has a partner (defined in paragraph 1(1)(j) of Schedule 4), the aggregated residual income for both parents (paragraph 5(3)(b)) or that for the student's parent and that parent's partner (paragraphs 5(3)(c) and 7(2)) is used to determine whether current year income can be used.

Note, once SFE has exercised its discretion to make a current year assessment, it cannot reverse its decision if it later transpires that the residual parental income in the current tax year is more than 85% of their income in the prior financial year. Any later adjustment made on receipt of more up-to-date income information will still be made on a current year basis.

Where parental income is assessed on a current year basis for one year of the course, income assessment is based on preceding financial year income for the next academic year (paragraphs 5(5) and 7(4)), and on prior financial year income for the third academic year (paragraphs 5(5A) and 7(5)) unless there is another drop in income and a new current-year assessment is carried out). This means that the same income is used for three consecutive years. Where a current-year income assessment is requested in two or more consecutive academic years, the current year income in the second or subsequent year will be compared to the previous financial year rather than the prior financial year income in order to ascertain if there has been a 15% drop in income (paragraphs 5(4) and 7(3)).

In all cases where SFE is considering exercising its discretion under paragraphs 5(3) and 7(2) of Schedule 4 to make a current-year assessment, it should advise the student and their parents of how their contribution is to be assessed and how this will affect the amount of contribution they are assessed to make.

Self-employed parents

Where SFE is satisfied that the parent's (or parent's and parent's partner's) income is wholly or mainly derived from the profits of a business or profession, paragraphs 5(6) and 7(6) provide for the prior financial year to be taken as the accounting year which ends after the start of financial year immediately preceding the preceding financial year.

For example, a student's academic year commences in September 2025. During AY 25/26, the student's parents are self-employed and their accounting year ends on 30 June each year. Their income from the accounting year 1 July 2022 to 30 June 2023 is assessed, as this is the accounting year that ends in financial year 23-24 (6 April 2023 to 5 April 2024).

5.4.9 Further deductions from aggregated household income

Once the residual income has been calculated for each person whose income is included in the household income, each amount of residual income is added together. A deduction of £1,130 is then taken from the aggregate amount under paragraph 3(3) for:

- each child who is wholly or mainly financially dependent on the student or their partner*
- each child other than the eligible student wholly or mainly financially dependent on the student's parent or their parent's partner*.

(*where the residual income of that person is being taken into account for the purposes of the financial assessment).

Where a child is wholly or mainly financially dependent on the student or the student's parents, step-parents, husband, wife or partner, the child dependant's income is required to assess eligibility for the deduction from household income noted above. Government Child Trust, State Benefit or minimal sums of money from other sources should not be considered when calculating a child dependant's income.

5.5 Step 4 – Calculate any entitlement and / or contribution to student support

The resulting household income as calculated in accordance with steps 1-3 above is used to calculate:

- Entitlement to Loans for Living Costs and Maintenance Grants or SSG (note that 2016 cohort students do not qualify for these grants)
- Assessed contribution towards the student's support.

Assessed contribution is calculated as follows:

2016 cohort students: please refer to the section on 2016 cohort students below, and also to tables A15, A16 and A18 – A20 of the Financial Memorandum for AY 25/26 for the different tapers and contributions which apply in each case.

2012 cohort students: £1 for every complete £7.30 by which the household income exceeds £42,875 towards income assessed loan for living costs, and £1 for every complete £8.73 by which the household income exceeds £39,796 towards other products that are subject to a contribution.

2009 cohort students: £1 for every complete £3.70 by which the household income exceeds £50,778 towards income assessed loan for living costs, and £1 for every complete £8.73 by which the household income exceeds £39,796 towards other products that are subject to a contribution.

For all cohorts, there is no minimum contribution amount but the maximum total contribution in any case is £6,210.

5.5.1 Deducting the contribution from the support

2016 cohort students (including those entitled to benefits, excluding those aged 60 or over)

Under regulations 100 and 103, contribution to supplementary support products is applied, where applicable, in the following order, until the contribution or the support applied for is exhausted:

- Adult Dependants' Grant (ADG)
- Childcare Grant (CCG)
- Parents' Learning Allowance (PLA)
- Long Courses Loan (LCL)
- Travel Grant

Contribution towards loan for living costs is calculated and applied to that product separately under Schedule 4, paragraph 9A. Note, contribution is not applied to the reduced rate loan for living costs.

2016 cohort students who are aged 60 or over at the start of the first academic year of the course

These students do not qualify for LCL. This means that contribution to supplementary products is applied in the same order as it is applied to other 2016 cohort students, with LCL excluded. These students also receive a fully income-assessed loan for living costs, to which contribution is not applied. They do not qualify for reduced rate loans for living costs.

2012 cohort students

Contribution is applied to supplementary products under regulations 100 and 103 in the same way as it is applied to 2016 cohort students (excluding LCL for students aged 60 or over on the first day of the first academic year of their course) – see above.

Contribution towards loan for living costs is calculated and applied to that product separately. Note, contribution is not applied to the reduced rate non-income assessed loan for living costs.

2009 cohort students

Contribution is applied to supplementary products under regulations 100 and 103 in the same way as it is applied to 2016 cohort students (excluding LCL for students aged 60 or over on the first day of the first academic year of their course) – see above.

Contribution towards loan for living costs is calculated and applied to that product separately. Note, contribution is not applied to reduced rate non-income assessed loan for living costs.

5.5.2 Families with two or more award holders (split contributions)

Paragraph 9(4) of Schedule 4 of the Regulations provides that total contribution must not exceed £6,210 where:

- A contribution is payable in relation to two or more students in respect of the same parental residual income/ parent's partner's residual income or
- The household income consists of the residual income of an independent eligible student and their partner, and both hold a statutory award.

Where the same household income is used to assess the amount of an award for which two people qualify, the contribution payable in respect of the eligible student is divided by the number of such persons:

- Paragraph 10 of Schedule 4 for 2016 cohort students in relation to loans for living costs (excluding LCL).
- Regulation 76(4) for 2012 cohort students in relation to loans for living costs (excluding LCL).
- Regulation 74(4) for 2009 cohort students in relation to loans for living costs (excluding LCL).
- Paragraph 10 of Schedule 4 for 2009, 2012 and 2016 cohort students in relation to dependants grants, travel grant and LCL.

In relation to loans for living costs, the assessed contribution figure is calculated under regulations 74(2) and 74(3) for 2009 cohort students, regulations 76(2) and 76(3) for 2012 cohort students and Schedule 4, paragraphs 9A(2) and 9A(3) for 2016 cohort students. Where the same household income is used to assess the amount of statutory award for which two or more eligible students apply, the total contribution figure must be divided by the number of those eligible students before being deducted from the appropriate maximum loan rate for living costs for 2009 cohort students (regulation 74) and 2012 cohort students (regulation 76). For 2016 cohort students, the total contribution figure as calculated in tables A15 and A16 of the Financial Memorandum for AY 25/26 must be divided by the number of those eligible students before being deducted from the loan rate for living costs at a household income at £42,875.

Note, where there is more than one statutory award holder in a household, and one withdraws during the academic year, the student(s) who remain in HE are not reassessed. Therefore, the amount of contribution applied to their income assessed support will not change. The student who has withdrawn from their course will be reassessed as normal.

In any year in which more than one child of the eligible student's parent:

- holds an award under the Regulations, or
- holds an award under section 63 of the Health Services and Public Health Act 1968

the contribution payable in respect of the eligible student is the amount of contribution calculated, divided by the number of children holding relevant awards. Where there is leftover unapplied contribution in respect of a student, this will not be applied to the remaining income assessed support of any other student in the household.

5.5.3 Contribution payable in respect of an independent eligible student

Where a contribution is payable in relation to an independent eligible student with a partner (as defined in paragraph 1(i) of Schedule 4) and that partner also holds a statutory award, the contribution payable in respect of the independent eligible student is half of the contribution calculated.

5.6 Base Period Reform

From 6 April 2024, a new 'tax year basis' of assessment will apply to the trading profits of unincorporated businesses, such as sole traders and partners subject to income tax. Under the tax year basis, such businesses will be taxed on the profits arising in each tax year (6 April to the following 5 April), regardless of their accounting period end date.

This will replace the 'current year' basis, under which the tax for any one tax year is calculated using the profits of the accounting period ending in that year. Basis period reform therefore effectively breaks the link between the accounting date chosen by a business and when they are taxed on their profits.

The tax year 24-25 represents a transitional year, in which we switch over from the current year basis of assessment to this new tax year basis.

The Department for Education have confirmed that the amount of profits to be used when calculating student loan repayments and applying for student finance will be standard profits **plus** transition profits (reduced by any available overlap relief).

*"Financial year" in the Student Support Regulations is defined as the 'period of twelve months in respect of which the income of a person whose residual income is calculated... **for the purposes of the income tax legislation which applies to it**'*

'Tax year' in Repayment Regulations for the purposes of Self Assessment is defined as 'any year of assessment for the purposes of the 1970 Act'

The Regulations therefore provide that income from the financial or tax year, as defined for the purposes of the relevant income tax calculation, is considered for the purposes of student support assessment or repayment.

In practice, the full amount of the profits for the 'tax year' which means the full amount of profits *of the basis period* for the tax year is included. Self-Assessment is charged for the tax year (a period of 12 months), but the basis period for that tax year can be longer or shorter than 12 months and the profits of the basis period are allocated to that tax year.

6 Annex A – Definition of cohort groups

'2016 cohort' students are those who:

- begin their current full-time (FT) course for the first time on 1 August 2016 or later
- begin a FT course on 1 August 2016 or later, having withdrawn from or abandoned a previous HE course in AY 2015/16 or an earlier academic year
- begin a FT course on 1 August 2016 or later, having transferred from a previous part-time (PT) course or FT distance learning course which started before 1 August 2016. As these students changed their mode of study, they are assessed for the '2016 cohort' package
- begin a FT course on 1 August 2016 or later, having completed a FT lower level course which started before 1 August 2016 and achieved a qualification where the gap in study between the two courses is more than 5 months (these students are excluded from the definition of 'end-on' and therefore are not transitionally protected, due to the gap in study between the two courses)
- begin a FT course on 1 August 2016 or later, having completed a PT or FT distance learning lower level course which started before 1 August 2016 and achieved a qualification (as these students changed their mode of study, they are assessed for the '2016 cohort' maintenance support package)

'2012 cohort' students are those who:

- Began the current FT course on or after 1 September 2012 and before 1 August 2016 and are not 2009 or 2016 cohort students
- Transferred to the current FT course on or after 1 August 2016 from a FT course that (i) is not a distance learning course and (ii) began before 1 August 2016

'2009 cohort' students are those who:

- began their current course on or after 1 September 2009 and before 1 September 2012
- transferred to the current course on or after 1 September 2012 from a course beginning on or after 1 September 2009 and before 1 September 2012

- began an end-on course on or after 1 September 2012 immediately after ceasing to attend a preliminary course that began on or after 1 September 2009 and before 1 September 2012
- who had not undertaken a previous course which began before 1 September 2008. Previous courses include all undergraduate HE courses but exclude any PT or completely self-funded previous study where no qualification was achieved.

or

- Current system students who began a course in social work, medicine, dentistry, veterinary surgery or architecture on or after 1 September 2009 and before 1 September 2012*

*If the current course was a course in social work, medicine, dentistry, veterinary surgery or architecture, it is immaterial whether any previous study undertaken commenced before or after 1 September 2008.

7 Annex B – Taxable income and benefits

7.1 Taxable income

- Interest from UK banks, building society or unit trusts
- Income from UK life insurance gains, securities and partnerships
- Interest from taxable National Savings and Investments
- Interest distributions from authorised unit trusts and open-ended investment companies
- Income from UK investments and dividends
- Income from foreign investments and dividends
- Income from taxable benefits in kind
- Regular income from private pensions, for example, pensions from previous employers, personal pensions, retirement annuities
- Taxable element of cash lump sum payments taken from an occupational or personal pension
- Income from an overseas pension

- Other overseas income and gains
- Earnings from salary/wages
- Income from taxable statutory pay (Statutory Adoption, Maternity, Paternity and Sick Pay)
- Earnings from self-employment after deduction of allowable expenses
- Income from a state retirement pension
- Income from savings and investments
- Other income and lump sums (for example - pensions lump sums or redundancy payments)
- Income from property lettings
- Income from UK trusts
- Chargeable event gains from life insurance policies
- Foreign income
- Share of joint income

7.2 Taxable state benefits

- Bereavement Allowance – replaced Widow’s Pension from 9 April 2001 although WP is still paid to widows whose entitlement arose before 9 April 2001
- Carer’s Allowance
- Contribution based Employment and Support Allowance
- Graduated retirement benefit
- Income Support when paid to strikers or people involved in a trade dispute
- Incapacity Benefit after 28 weeks of incapacity
- Pensions payable under the Industrial Death Benefit Scheme
- Jobseeker's Allowance
- Widowed Parent’s Allowance
- Industrial Death Benefit

8 Annex C – Non-taxable income and benefits

8.1 Non-taxable income

- Income from tax-free National Savings and Investments, for example savings certificates
- Interest, dividends and other income from investments held in a Personal Equity Plan (PEP)
- Interest, dividends and other income from an Individual Savings Account (ISA)
- Interest and terminal bonuses under Save As You Earn schemes
- Premium Bonds, National Lottery winnings or gambling prizes
- Child and Working Tax Credits
- Income from a scholarship, exhibition, bursary or similar educational endowment
- Higher Education Bursary (paid by Local Authorities under Section 21 of the Children and Young Persons Act, 2008) to care leavers who start a HE course
- Non-taxable element of cash lump sum payments taken from an occupational or personal pension, for example, a Pension Commencement Lump Sum payment

8.2 Non-taxable state benefits and credits

- Attendance Allowance
- Access to Work grants
- Bereavement Payment
- Bereavement Support Payment (replaced Bereavement Payment where the recipient is bereaved on or after 6 April 2017)
- Child Benefit
- Cold Weather Payments
- Council Tax Reduction (formerly Council Tax Benefit)
- Constant Attendance Allowance – see industrial Injuries Benefit

- Disability Living Allowance
- Employment Support Allowance (Income based only)
- Exceptionally Severe Disablement Allowance
- Guardian's Allowance
- Housing Benefit
- Incapacity Benefit for the first 28 weeks of entitlement
- Income Support – most payments
- Industrial Injuries Benefit – a general term covering industrial injuries pension, reduced earnings allowance, retirement allowance, constant attendance allowance and exceptionally severe disablement allowance
- Invalidity Benefit – replaced by Incapacity Benefit from April 1995 but still payable where invalidity commenced before April 1995
- Maternity Allowance
- Pensioner's Christmas Bonus
- Severe Disablement Allowance
- Social Fund payments to people on a low income to help with maternity expenses, funeral costs, financial crises and community care grants and any interest free loans paid out
- War widow's pension
- Winter Fuel payment
- Armed Forces Independence Payment
- Personal Independence Payments
- Universal Credit

9 Annex D – HMRC Basis Period Reform (new accounting year for self-assessment)

Basis period reform means that all unincorporated businesses must move to reporting their business profits on a standard tax year basis (6th April – 5th April) from the 2024-25 tax year, with a transition tax year in 2023-24. It will affect sole traders and partnerships that currently do not have an accounting year end date of 31 March to 5 April inclusive.

Individuals will be affected by basis period reform if both of the following apply:

- they are self-employed or in a trading partnership
- their business accounting year end does not match the tax year (is not on or between 31 March and 5 April)

In 2023-24, profits for impacted self-assessed individuals are comprised of:

Standard profits + (transition profits - less overlap relief)

- Standard profits are based on the 12-month accounting period which ends in 2023-24.
- The transition profits are those from the end of the standard profits period to 5 April 2024.
- Overlap relief is deducted from the transition profits.

Individuals can also spread their transition profit over the forthcoming five years, up to 2027-28 tax year; this is managed by HMRC.

Further information can be found at Gov.uk:

<https://www.gov.uk/guidance/get-help-with-basis-period-reform>

The Regulations provide that income from the financial year, as defined for the purposes of the relevant income tax calculation (or the basis period), is considered for the purposes of student support assessment.

Therefore, the amount of profits to be used when calculating the income of a self-assessed student or sponsor for the purposes of student finance will be standard profits, plus transition profits, reduced by any overlap relief.

10 Annex E – case studies (single student)

2016 cohort students

Student (not eligible for benefits)

Lorna is 18 years old and starts a BA Honours degree in September 2025, with five extra weeks of study in the academic year. They live away from home and are studying at a HE provider outside London. They have no previous study. Their mother has an income of £44,000. Lorna has no income of their own and no siblings and is not eligible to receive DWP benefits.

Step 1 – Determine whose income should be included in the household income assessment:
Lorna and their mother

Step 2 – Determine the taxable income of those identified at step 1 – in this case the student (£0) and their mother (£44,000)

Step 3 – Make permitted deductions – No deductions are applicable

Step 4 – Calculate income assessment to loan at household income of £44,000.

$£44,000 - £25,000 = £19,000$

$£19,000 / £6.64 = £2,861$

Lorna will qualify for £10,544 (maximum loan) - £2,861 = £7,683 (comprising the non-income assessed element of the full year 'elsewhere' rate of loan, £4,915 plus an additional income assessed element, £2,768).

This income assessment reduces entitlement to the maximum income assessed element of the loan (£5,629) to £2,768. ($£5,629 - £2,861 = £2,768$).

The assessed contribution for Lorna is calculated by deducting £2,692 (the elsewhere rate contribution disregard) from the income assessment figure (£2,861). This gives a contribution of £169 to the loan for living costs (see table A18 of the academic year Financial Memorandum for further details).

The assessed contribution for the loan for living costs is added to the assessed contribution for supplementary grants and loans to determine whether the total contribution exceeds £6,210. If it does, the contribution that applies is £6,210.

Lorna is also entitled to Long Courses Loan (LCL) of £565 (five weeks at £113) towards which a separate contribution must be calculated using the income threshold £39,796:

Contribution towards supplementary support products

$$£44,000 - £39,796 = £4,204$$

$$£4,204 / £8.73 = £481$$

This contribution reduces Lorna's LCL to £84 (£565 - £481).

Student (eligible for DWP benefits)

Zayn is 20 years old and starts a Bachelor of Dental Surgery Honours degree in September 2025. They have no previous study. They will be living away from home and studying in London. Zayn's parents have a joint household income of £49,000 and contribute £3,000 a year into a private pension. They have no other children. Zayn has no income of their own and is applying for a travel grant in respect of £1,230 expenditure incurred for travel associated with their clinical training.

Step 1 – Determine whose income should be included in the household income assessment:
Zayn and their parents

Step 2 – Determine taxable income of those identified at step 1 – in this case, the student (£0) and their parents (£49,000)

Step 3 – Make permitted deductions - pension premium of £3,000
£49,000 (parents' taxable income) – £3,000 = £46,000

Step 4 – Calculate the income assessment to loan based on the household income of £46,000.

Zayn will qualify for £10,547 loan for living costs (comprising non-income assessed element of the full-year maximum 'London' rate of loan: £6,853 plus an additional £3,694 income assessed element).

The income assessment to loan is calculated as follows:

Income assessment towards loan for living costs: incomes between £25,000 and £42,875
£42,875 - £25,000 = £17,875 / £4.487 (lower taper for non-final year London rate for students who are eligible for benefits) = £3,983.

Income assessment towards loan for living costs: incomes between £42,875 and £46,000
£46,000 - £42,875 = £3,125 / £6.53 (upper taper for non-final year London rate for students who are eligible for benefits) = £478.

Total income assessment to the loan for living costs for 2016 cohort students who are eligible for benefits is: £3,983 + £478 = £4,461.

This income assessment reduces entitlement to the maximum income assessed element of the loan (£8,155) to £3,694 (£8,155 - £4,461 = £3,694)).

The assessed contribution for Zayn for the loan for living costs is calculated as follows:

$$£46,000 - £42,875 = £3,125 / £6.53 = £478.$$

Travel grant amount applied for = £1,230

£1,230 - £303 disregard = £927

Assessed contribution towards travel grant is calculated as follows:

£46,000 (Zayn’s household income) - £39,796 = £6,204 / £8.73 = £710.

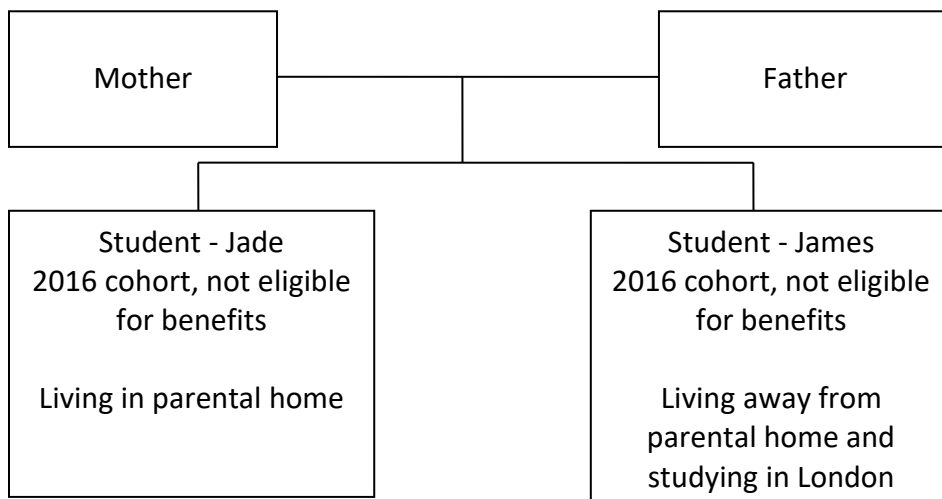
Deduct this from the travel grant applied for net of the disregard: £927 - £710 = £217.

11 Annex F – case studies (split contributions)

The following examples show how split contributions are applied for 2016 students.

Income thresholds for 2016 cohort students are as follows - £42,875 for income assessed loan for living costs (except 2016 cohort students who are aged 60 or over at the start of the first academic year of the course) and £39,796 for supplementary income assessed products (all 2016 cohort students).

Case Study 1



Students Jade and James are siblings who are both 2016 cohort students. Student Jade is living in the parental home and James is living away from the parental home and studying in London. Neither student is eligible for benefits. Household income is £51,130.

James is studying on a longer course and is entitled to living costs support for an additional 10 weeks of study. The weekly London rate of LCL is £145 so the maximum LCL James is eligible for is £1,450.

Household income taken into account for the dependent students is £51,130 - £1,130 = £50,000.

Contribution to supplementary income assessed products, including LCL:

James

£50,000 - £39,796 income threshold = £10,204

Contribution rate is £1 for every £8.73 above the income threshold:

£10,204 / £8.73 = £1,168.

Contribution to income assessed loan for living costs:

Jade

The maximum income assessed element of the loan (2016 cohort not entitled to benefits, parental home rate): £4,970.

Income assessment to loan for Jade is calculated as follows:

£50,000 - £25,000 = £25,000

£25,000 / 6.71 = £3,725 income assessment to loan

Assessed contribution to loan is £3,725 – £2,663 (parental home rate of contribution disregard) = £1,062.

James

The maximum income assessed element of the loan (2016 cohort not entitled to benefits, London rate): £6,909

Income assessment to loan for James is calculated as follows:

£50,000 - £25,000 = £25,000

£25,000 / 6.53 = £3,828 income assessment to loan

Assessed contribution to loan is £3,828 – £2,737 (London rate of contribution disregard) = £1,091.

Split contributions are applied as follows:

	Student – Jade (2016 cohort, not eligible for benefits, parental home rate)	Student - James (2016 cohort, not eligible for benefits, London rate)
Non-income assessed element of loan	£3,907	£6,853
Max income assessed element of loan	£4,970	£6,909
1. Income assessment to loan (2016 cohorts who are not eligible for benefits) at household income of £50,000	£3,725	£3,828
2. Assessed contribution to loans for living costs at household income of £50,000	£3,725 - £2,663 = £1,062	£3828 - £2,737 = £1,091
3. Contribution (£1,062 / 2) – Jade	£531	
Contribution (£1,091 / 2) – James		£545
4. Maximum Assessed Contribution (max income-assessed element of loan – contribution disregard)	£2,306	£4,172
5. Apply split contribution to maximum assessed contribution	£2,306 – £531 = £1,775	£4,172 - £545 = £3,627
6. Add (5.) to non-income assessed element of Loan	£3,907 + £1,775 = £5,682	£6,853 + £3,627 = £10,480
7. Assessed contribution towards LCL (£1,168 / 2)		£584
8. Apply contribution to LCL		£1,450 - £584 = £866

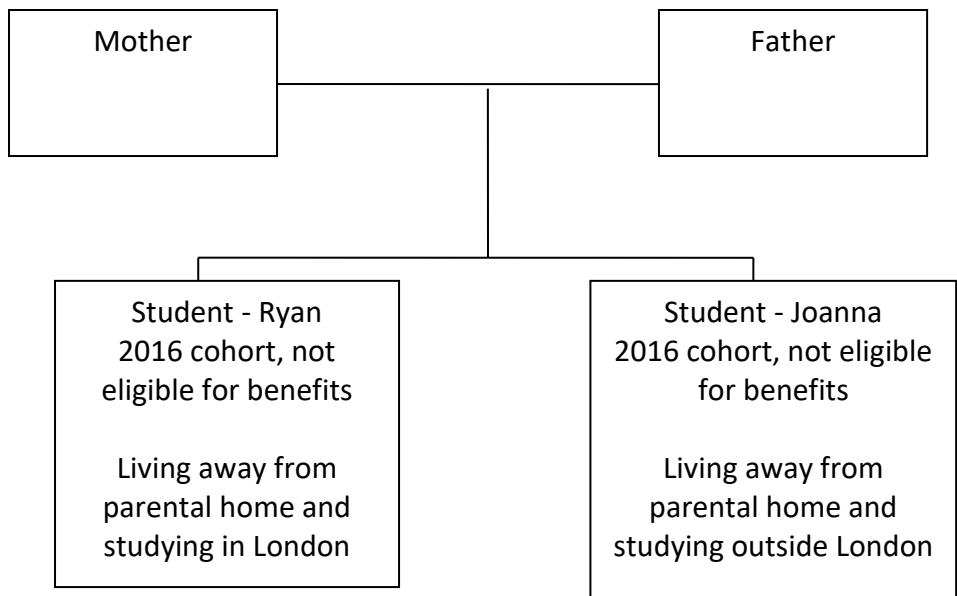
The total maximum assessed contribution cannot exceed £6,210.

Total assessed contribution applied to the loan for living costs is £531 + £545 = £1,076.

The remaining assessed contribution which can be applied to other income assessed products (in this case LCL) is £5,134 (£6,210 - £1,076). This is greater than the assessed contribution towards the LCL of £584, therefore the remaining assessed contribution to be taken into account for James's LCL is £584.

James qualifies for LCL of (£1,450 - £584) = £866.

Case Study 2



Ryan and Joanna are siblings who are living away from the parental home. Ryan is studying in London while Joanna is studying outside London. Both students are 2016 cohort. Neither student is eligible for benefits. Parental income is £55,000.

Parental income taken into account for the dependent students is £55,000 – £1,130 (disregard for additional eligible student) = £53,870

Ryan has an income of £8,000

Contribution to income assessed loan for living costs:

Ryan

The maximum income assessed element of the loan (2016 cohort not entitled to benefits, London rate): £6,909

Parental contribution

Income assessment to loan is calculated as:

$$£53,870 - £25,000 = £28,870$$

$$£28,870 / 6.53 = £4,421 \text{ income assessment to loan}$$

Assessed contribution to loan is £4,421 – £2,737 (London rate of contribution disregard) = £1,684

Ryan’s personal contribution

$\pounds 55,000 + \pounds 8,000 - \pounds 1,130$ (disregard for additional eligible student) = $\pounds 61,870$ total household income

Income assessment to loan is calculated as:

$\pounds 61,870 - \pounds 25,000 = \pounds 36,870$

$\pounds 36,870 / 6.53 = \pounds 5,646$ income assessment to loan

Assessed contribution to loan is $\pounds 5,646 - \pounds 2,737$ (London rate of contribution disregard) = $\pounds 2,909$

$\pounds 2,909 - \pounds 1,684$ parental contribution = $\pounds 1,225$ Ryan's contribution

Joanna

The maximum income assessed element of the loan (2016 cohort not entitled to benefits, elsewhere rate): $\pounds 5,629$

Parental contribution

Income assessment to loan is calculated as:

$\pounds 53,870 - \pounds 25,000 = \pounds 28,870$

$\pounds 28,870 / 6.64 = \pounds 4,347$ income assessment to loan

Assessed contribution to loan is $\pounds 4,347 - \pounds 2,692$ (Elsewhere rate of contribution disregard) = $\pounds 1,655$

Joanna has no income so does not make a personal contribution.

Split contributions are applied as follows:

	Student – Ryan (2016 cohort, not eligible for benefits, London rate)	Student – Joanna (2016 cohort, not eligible for benefits, Elsewhere rate)
Non-income assessed element of loan	$\pounds 6,853$	$\pounds 4,915$
Max income assessed element of loan	$\pounds 6,909$	$\pounds 5,629$
1. Income assessment to loan (2016 cohorts who are not eligible for benefits) at parental income of $\pounds 53,870$	$\pounds 4,421$	$\pounds 4,347$
2. Assessed contribution to maintenance loan at household income of $\pounds 53,870$	$\pounds 1,684$	$\pounds 1,655$
3. Parental Contribution ($\pounds 1,684 / 2$) – Ryan	$\pounds 842$	

Parental Contribution (£1,655/ 2) – Joanna		£827
4. Student contribution	£1,225	£0
5. Total assessed contribution (Add 3. And 4.)	£842 + £1,225 = £2,067	£827 + £0 = £827
5. Maximum Assessed Contribution (max income-assessed element of loan – contribution disregard)	£4,172	£2,937
6. Apply split contribution to income-assessed element of loan	£4,172 – £2,067 = £2,105	£2,937 – £827 = £2,110
7. Add (6) to non-income assessed element of Loan	£6,853 + £2,105 = £8,958	£4,915 + £2,110 = £7,025

The total maximum assessed contribution cannot exceed £6,210.

Total assessed contribution applied to the loan for living costs is £2,067+ £827 = £2,894.

12 Annex G – Long Courses Loan (LCL) calculations

Regulation 81 provides for students to receive an extra amount of loan when a student attends their course for more than 30 weeks and 3 days. The loan amount is increased for each week or part week of attendance after the student has attended for 30 weeks and 3 days. (The short vacations should not be included in the calculation of extra weeks' loan).

The following table sets out the number of weeks for which the extra loan should be paid when a student attends full or part weeks after 30 weeks and 3 days attendance.

Full weeks attended	Part weeks attended (after 30 weeks and 3 days attendance)	No. of weeks for which extra loan is payable
Between 30 weeks 4 days and 31 weeks 3 days	Between 1 and 7 days	1 week
Between 31 weeks 4 days and 32 weeks 3 days	Between 8 and 14 days	2 weeks
Between 32 weeks 4 days and 33 weeks 3 days	Between 15 and 21 days	3 weeks
Between 33 weeks 4 days and 34 weeks 3 days	Between 22 and 28 days	4 weeks
Between 34 weeks 4 days and 35 weeks 3 days	Between 29 and 35 days	5 weeks
Between 35 weeks 4 days and 36 weeks 3 days	Between 36 and 42 days	6 weeks
Between 36 weeks 4 days and 37 weeks 3 days	Between 43 and 49 days	7 weeks
Between 37 weeks 4 days and 38 weeks 3 days	Between 50 and 56 days	8 weeks
Between 38 weeks 4 days and 39 weeks 3 days	Between 57 and 63 days	9 weeks
Between 39 weeks 4 days and 40 weeks 3 days	Between 64 and 70 days	10 weeks
Between 40 weeks 4 days and 41 weeks 3 days	Between 71 and 77 days	11 weeks
Between 41 weeks 4 days and 42 weeks 3 days	Between 78 and 84 days	12 weeks
Between 42 weeks 4 days and 43 weeks 3 days	Between 85 and 91 days	13 weeks
Between 43 weeks 4 days and 44 weeks 3 days	Between 92 and 98 days	14 weeks
Between 44 weeks 4 days and 44 weeks and 6 days	Between 99 and 101 days	15 weeks
45 weeks and over	102 days +	22 weeks

13 Annex H – Updates log

Date	Updates
27/12/2024	First draft updated AY references and rates Added a new section (4.7) on Foundation Years Annex D – HMRC Basis Period Reform (new accounting year for self-assessment)
07/02/2025	Updated with comments from DfE review.
11/02/2025	Updated Annex references.
21/02/2025	Document finalised and published.
11/03/2025	Updated to clarify Foundation Year change applies from AY 25/26, including for repeating students, as per amending regulations.
02/04/2025	Section 4.6 – Updated text to clarify funding for students on a placement whose periods of FT study are less than 10 weeks.
02/04/2025	V2.0 Document finalised and published.
08/10/2025	V3.0 Amendment to section 2.1.5 and evidence requirements for maintenance support due to distance learning as result of a disability