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# Change of Circumstances and Overpayments

## Higher Education Student Finance in England

### Academic Year (AY) 25/26 – Version 3.0

This guidance applies to full-time (FT) and part-time (PT) students and those who are treated as FT and PT students for the purposes of the Education (Student Support) Regulations 2011, as amended (hereafter referred to in this document as ‘the Regulations’).

Nothing in this guidance can replace the Regulations and if there is any difference between this guidance and the Regulations, the Regulations prevail. This guidance is based on the Regulations that apply to the academic year which begins on or after 1 August 2025. If you have any enquiries on this guidance, please contact:

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For guidance on Postgraduate (PG) loan changes of circumstances, please refer to the separate AY 25/26 ‘Postgraduate Loans’ guidance.

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**Table of Contents**

<b>1.</b>	<b>Introduction .....</b>	<b>5</b>
<b>2.</b>	<b>Definitions .....</b>	<b>5</b>
<b>3.</b>	<b>Withdrawals (tuition fee payments) .....</b>	<b>7</b>
	3.1 Tuition fee payments ((FT) courses starting on or after 1 September 2012) .....	7
	3.2 Tuition fee payments: part-time (PT) tuition fee loans (students who start a PT course on or after 1 September 2012) .....	7
<b>4.</b>	<b>Suspensions (tuition fee payments) .....</b>	<b>8</b>
<b>5.</b>	<b>Transfers (tuition fee payments) .....</b>	<b>9</b>
	5.1 Current system students – tuition fee loans .....	9
<b>6.</b>	<b>Withdrawal .....</b>	<b>13</b>
	6.1 Grants and loans for living costs (full-time (FT) only) .....	13
	6.2 Grants for living and other costs .....	14
	6.3 Loans for living costs .....	15
	6.4 Reassessment of a student’s loan entitlement resulting in an underpayment .....	16
	6.5 Long courses loan for full-time courses .....	17
	6.6 Withdrawals .....	17
<b>7.</b>	<b>Household contribution towards living costs (FT students only) .....</b>	<b>18</b>
	7.1 2016 cohort example – not eligible for DWP benefits .....	19
	7.2 2016 cohort example eligible for DWP benefits .....	20
	7.3 2016 cohort example over 60 on the first day of the first academic year of the course .....	20
	7.4 Part-year repeats .....	21
<b>8.</b>	<b>Suspensions .....</b>	<b>21</b>
	8.1 Circumstances when a student may suspend their studies .....	21
	8.2 Reassessments for students who are absent from their course (FT students) .....	21
	8.3 Extending student support to students who suspend their studies .....	22
	8.4 Benefit provision for students who have suspended their studies .....	23
	8.5 Students without financial support .....	23

---

	8.6 Procedures for suspending study .....	24
	8.7 Students suspending their studies and returning later in the same term (tuition fee payments) .....	24
	8.8 FT grants and loans for living costs .....	25
	8.9 Students suspending their studies and returning later in the same academic year	25
	8.10 Students suspending their studies and returning in the following academic year	26
	8.11 Change of seasonal intake.....	28
	8.12 Suspensions and long courses loan entitlement .....	29
<b>9.</b>	<b>Part-time loan for living costs and changes to intensity .....</b>	<b>30</b>
<b>10.</b>	<b>Part-year repeats (full-time (FT) students).....</b>	<b>31</b>
<b>11.</b>	<b>Overpayments .....</b>	<b>33</b>
	11.1 Overpayments of loan for living costs (FT and PT) or long courses loan (FT only)	35
	11.2 Overpayments of FT grants for living and other costs .....	36
	11.3 Equipment supplied before the student starts the course / delivered after the student has left the course (FT and PT students).....	36
	11.4 Change of 'worker' status .....	37
	11.5 Overpayments made as the result of an internal error.....	37
<b>12.</b>	<b>Annex A updates log .....</b>	<b>38</b>
	New section added (8.10) - Students suspending their studies and returning in the following academic year.....	38

## Abbreviations

Abbreviation	Term in full
ADG	Adult Dependants' Grant
AY	Academic Year
CCG	Childcare Grant
DfE	Department for Education
DSA	Disabled Students' Allowance
DWP	Department for Work and Pensions
EEA	European Economic Area
FE	Further Education
FT	Full-time
FY	Financial Year
HE	Higher Education
ICR	Income Contingent Repayment
PG	Postgraduate
PGL	Postgraduate Loan
PTML	Part-Time Maintenance Loan
PLA	Parents' Learning Allowance
PT	Part-time
SFE	Student Finance England
SLC	Student Loans Company Limited

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## 1. Introduction

This chapter provides policy guidance on changes to students' circumstances that may have an impact on their entitlement to support in AY 25/26, and on the recovery of overpayments of grants and loans from students who have received support under the Regulations.

This chapter deals with the following subjects:

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

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

Guidance on the following policy areas can be found in the AY 25/26 'Assessing Eligibility' guidance:

- previous study, including termination of eligibility and Student Finance England (SFE) discretion, and
- transfers between courses.

## 2. Definitions

**Abandonment:** Abandonment occurs where an eligible student does not return to a later academic year of a designated course and does not notify their higher education (HE) provider or Student Loans Company Limited (SLC). Abandonment is considered a termination of a student's period of eligibility; if they wish to return to study in the future, they will be considered a new student.

**Academic Year:** The academic year is defined in the Regulations as the period of twelve months beginning on 1 January, 1 April, 1 July or 1 September of the calendar year. The start date of the academic year of the course in question depends on whether the academic year begins 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, respectively (see table below).

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

For the purposes of the Regulations, courses commencing on or after 1 August 2025 and on or before 31 July 2026 are considered to commence in AY 25/26, and students on these courses are assessed accordingly.

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

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

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

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

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

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

**Withdrawal:** A withdrawal occurs where an eligible student, with the agreement of their HE provider, ceases study on a designated course with no intention of returning. A withdrawal is considered a termination of a student's period of eligibility. If they wish to return to study

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

### **3. Withdrawals (tuition fee payments)**

There are separate provisions in the Regulations that govern payment of tuition fee support and living costs support where a student has withdrawn from the course. These are summarised below:

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

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

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

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

Where a student withdraws from their course in AY 25/26, the Department for Education (DfE) expects HE providers to charge that student a fee amount which is no greater than the amount of tuition fee loan the student is liable to repay up to the date of withdrawal from the course.

#### **3.2 Tuition fee payments: part-time (PT) tuition fee loans (students who start a PT course on or after 1 September 2012)**

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

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The PT tuition fee loan is paid to the HE provider in three instalments per academic year. Each of the three payments will be released following receipt of an attendance confirmation from the HE provider confirming that the student is still undertaking the course. A payment will not be made if the HE provider does not confirm the student's attendance or confirms that the student has withdrawn from or suspended their studies before the start of the subsequent payment period.

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

Students continuing PT courses that started prior to 1 September 2012 remain on the fee and course grant support package, so the above paragraphs do not apply. The entitlement of these students following a change of circumstances should be assessed as detailed in the AY 25/26 'Support for Part-Time Students' guidance.

#### **4. Suspensions (tuition fee payments)**

If a student suspends their studies, the higher education (HE) provider should notify Student Loans Company Limited (SLC) as soon as reasonably possible before the next liability date. The following rules apply to tuition fee loan payments where a student has suspended study.

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

- **Jade** starts a course on 1 September 2025 and the first tuition fee loan payment (25% of the tuition fee loan request amount for the academic year) is made to the HE provider. Jade suspends their studies on 1 November 2025 and resumes on 1 December 2025 - before the second liability point. The second 25% tuition fee loan instalment is paid to the HE provider.
- **Frank** starts a course on 1 October 2025 and the first tuition fee loan payment (25% of the tuition fee loan request amount for the academic year) is made to the HE provider. Frank suspends their studies on 1 December 2025 and resumes on 1 February 2026 - after the second liability point but before the third liability point. The second 25% tuition fee loan instalment is paid to the HE provider.

A student who suspends their studies during the first term, remains suspended during the whole of the second term and resumes their studies during the third term (on or after the



third liability date) will be liable for the first and third tuition fee loan instalments but not the second tuition fee loan instalment. For example:

- **Ben** starts a course on 1 September 2025 and the first tuition fee loan payment (25% of the tuition fee loan request amount for the academic year) is made to the HE provider. Ben suspends their studies on 1 November 2025 and resumes on 15 April 2026 - after the third liability point. The second 25% tuition fee loan instalment will not be paid to the HE provider. However, the third 50% tuition loan instalment is paid to the HE provider, as Ben has resumed their studies in the third term, becoming liable for the third term tuition fee instalment.

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

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

## **5. Transfers (tuition fee payments)**

### **5.1 Current system students – tuition fee loans**

Where a student transfers course and/or higher education (HE) provider after the start of the academic year to a course with a different tuition fee amount, the total tuition fee loan that can be paid in the academic year will never exceed the highest tuition fee available in that academic year. Note that this rule applies where both the old and new courses have the same academic year start date.

- If the student transfers to a different course with a later academic year start date, a new academic year of tuition fee loan funding will become available.
- If the student is remaining on the same course but is transferring to a later academic year start date of that course, a new academic year of tuition fee loan funding is not available, as this change does not meet the definition of a 'transfer' in the Regulations. Fee funding available will continue to be the amount applicable in respect of the original academic year start date.

For example:

- **Robyn** started an Honours degree in computing in September 2025 (academic year start date of 1 September 2025). During term 1, Robyn decides to transfer to the January start intake of the same course (academic year start date of 1 January). Robyn's funding entitlement will remain as the amount applicable in respect of the September start intake of the course (1 September to 31 August).

Where a student transfers course between two separate HE providers, it will be for the HE providers to agree how to apportion the tuition fee charged for that term (subject to the annual tuition fee that applied at the start of that term and the maximum tuition fee loan instalment paid for that term). Any change in the annual tuition fee for the new course will only be applied at the start of the next term. The amount already paid for the term in which the student transfers will not be adjusted.

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

Students transferring from a standard intensity full-time (FT) course in AY 25/26 to an accelerated degree course will, after transfer, be subject to higher maximum fees for accelerated courses after the transfer – 20% higher than those for a standard intensity FT course. Further details on accelerated degree courses and the student finance arrangements that apply to these courses are set out in the AY 25/26 'Assessing Financial Entitlement' guidance.

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

If the student transfers after the start of term one, the new HE provider offering the accelerated degree course will only receive 75% of the tuition fee loan at the accelerated rate for the second course. If the student transfers after the start of term two, the new HE provider will only receive 50% of the tuition fee loan at the accelerated rate for the second

course, and if the student transfers after the start of term three, the new HE provider will not receive any further tuition fee loan payment until the start of the following academic year.

For example:

- **Carla** starts a part-time (PT) course in September 2025. The tuition fee for that academic year is £7,145. Carla's attendance for the first term at HE provider 1 is confirmed and the first instalment of the tuition fee loan of £1,786.25 is paid.

During the first term, Carla transfers to a new PT course at a different HE provider (HE provider 2) which has the same tuition fee of £7,145.

HE provider 2 will only receive 75% of the £7,145 tuition fee (£5,358.75) for the second course. This total amount will be split 33% and 67% for instalments two and three respectively. This equates to 24.75% and 50.25% of £7,145. Note that these figures are a slight variance on the normal 25%/50% split for instalments two and three where a student studies on only one course during the academic year. The revised split is necessary to accommodate SLC's systems.

Carla's attendance is confirmed by HE provider 2 for the second term and the second instalment of £1,768.39 is paid to HE provider 2. Carla's attendance is confirmed for the third term and the third instalment of £3,590.36 is paid to HE provider 2.

- **Geoff** starts an FT course in September 2025, for which the tuition fee is £7,145. Geoff's attendance for the first term is confirmed and the first instalment of the tuition fee loan of £1,786.25 is paid. Geoff's attendance for the second term is confirmed and the second instalment of the tuition fee loan of £1,786.25 is paid.

Geoff transfers during the second term to a new FT course at a different HE provider (HE provider 2), which has a higher tuition fee of £9,535. HE provider 2 will only receive 50% of the £9,535 tuition fee loan (£4,767.50) for the second course. Geoff's attendance for the third term is confirmed and the third instalment of the tuition fee loan of £4,767.50 (50% of new tuition fee amount) is paid.

- **Angela** starts an FT course in September 2025, for which the tuition fee is £9,535. Angela's attendance for the first term is confirmed and the first instalment of the tuition fee loan of £2,383.75 is paid. Angela's attendance for the second term is confirmed and the second instalment of the tuition fee loan of £2,383.75 is paid. Angela's attendance is confirmed for the third term and the third instalment of tuition fee loan of £4,767.50 is paid.

Angela transfers during the third term to a new FT course at a different HE provider, which has the same tuition fee of £9,535. As the third liability date has passed, no tuition fee loan payment is made to the new HE provider.

- **Mila** starts an FT course starting in July 2025 (AY 24/25) for which the tuition fee is £9,250. Mila's attendance for the first term is confirmed and the first instalment of the tuition fee loan of £2,312.50 is paid. Mila transfers to an accelerated degree FT course starting in September 2025 at a different HE provider (HE provider 2) which has a higher tuition fee of £11,440.

HE provider 2 will receive 75% of the £11,440 tuition fee for the accelerated degree FT course (£8,580). This total amount will be split 33% and 67% for instalments two and three respectively. This equates to 24.75% and 50.25% of £11,440. Note that these figures are a slight variance on the normal 25%/50% instalment split for instalments two and three where a student studies on only one course during the academic year. The revised split is necessary to accommodate SLC's systems.

Mila's attendance is confirmed by HE provider 2 for the second term and the second instalment of £2,831.40 is paid to HE provider 2. Mila's attendance is confirmed for the third term and the third instalment of £5,748.60 is paid to HE provider 2.

- **Dan** starts an FT course in September 2025, for which the tuition fee is £9,535. Dan's attendance for the first term is confirmed and the first instalment of the tuition fee loan of £2,383.75 is paid. Dan transfers to an FT accelerated degree course starting in October 2025 at a different HE provider (HE provider 2) which has a higher tuition fee of £11,440.

HE provider 2 will receive 75% of the £11,440 tuition fee for the accelerated degree FT course (£8,580). This total amount will be split 33% and 67% for instalments two and three respectively. This equates to 24.75% and 50.25% of £11,440. Note that these figures are a slight variance on the normal 25%/50% instalment split for instalments two and three where a student studies on only one course during the academic year. The revised split is necessary to accommodate SLC's systems.

Dan's attendance is confirmed by HE provider 2 for the second term and the second instalment of £2,831.40 is paid to HE provider 2. Dan's attendance is confirmed for the third term and the third instalment of £5,748.60 is paid to HE provider 2.

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

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## 6. Withdrawal

### 6.1 Grants and loans for living costs (full-time (FT) only)

Entitlement to part-time (PT) loan for living costs (also known as part-time maintenance loan (PTML)) following a withdrawal will be calculated in line with FT loan for living costs policy.

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

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

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

Regulation 109(11) provides that no grants for living and other costs are payable in respect of a payment period beginning after an eligible student's period of eligibility terminates. This covers cases where the student has withdrawn from, abandoned or been expelled from their course. Regulation 109(11) also covers cases where students' eligibility has been terminated because they have shown by their conduct that they are unfit to receive support and cases where students' eligibility has been terminated because they have failed to provide requested information or who have knowingly provided materially inaccurate information. SFE does not have discretion to determine otherwise in these circumstances. Discretion is limited to the payment period during which the student withdraws from the course. In addition, Regulation 6(5) and 6(6) gives SLC the authority to treat any amount

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paid as an overpayment in these circumstances, including an amount paid prior to the termination of eligibility.

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

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

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

## **6.2 Grants for living and other costs**

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

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

Maintenance Grant, Special Support Grant, ADG and PLA are paid in three instalments by SFE per academic year and the payments are split 33% (term one), 33% (term two) and 34% (term three). Where a student withdraws from their course part-way through a payment period, a reassessment of these grants should normally be based on the number of days that the student was attending, or can be treated as attending, the course from the first day of the academic year to the date of withdrawal. However, under regulations 109(14) and 109(15) SFE has discretion, taking into account the student's circumstances, to extend the student's eligibility in respect of grants for living and other costs to the end of the payment period in which the student leaves the course. For example:

- **Hannah's** entitlement to PLA for AY 25/26 (starting 1 September 2025) is £900.

Hannah leaves the course on 25 October 2025. The first term end date is 13 December 2025.

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

$$(55/365) \times £900 = £135.62$$

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

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

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

- **Derek** starts a course on 1 September 2025. Derek's partner has been deemed their dependant, and Derek has been awarded the maximum ADG amount of £3,545.

Derek's partner subsequently starts a Higher National Diploma on 2 January 2026. ADG cannot be claimed in respect of a partner who is also an eligible student.

ADG eligibility is assessed based on the number of quarters in which the student remains eligible (other than the quarter during which the longest vacation occurs). Therefore, ADG should not be paid in any quarter where the partner is also an eligible student. As Derek's partner became an eligible student within the second quarter, Derek is only entitled to ADG for one quarter of the academic year.

The revised entitlement to ADG is as follows:

$$33\% \text{ of } £3,545 = £1,169.85$$

### 6.3 Loans for living costs

Where a student withdraws at the end of a term, the SLC assessment system will calculate the student's revised loan entitlement on the basis of a third of the assessed loan where the student leaves the course at the end of the first term, two thirds at the end of the second term and 100% if the student completes the third term. This applies to all students, including those who cease to attend the course on commencement of a custodial sentence - all payments should cease from the date of withdrawal.

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

Note that in the case study below the student is aged under 60.

- **Avril's** academic year starts on 1 September 2025. There are 75 days in the first term. Avril qualifies for the full 'elsewhere' rate of loan for living costs available to students who are not eligible for benefits (£10,544). The 'elsewhere' rate of loan for living costs is that paid to students living away from their parental home who are not studying in London or overseas.

Having received the instalment of loan payable in respect of the first payment period, Avril leaves the course on 3 October 2025 (having attended the course for 33 days) and does not return. SFE determines that Avril is only entitled to support for the number of days that they were undertaking the course. Avril's revised entitlement is as follows:

Maximum loan: £10,544 (full 'elsewhere' rate)

Number of days attended in term: 33

Number of days in term: 75

Number of terms in AY: 3

33% of £10,544 = £3,479.52

$(33/75) \times £3,479.52 = £1,530.99$

#### 6.4 Reassessment of a student's loan entitlement resulting in an underpayment

When a student withdraws from a course, it is possible that they are entitled to a higher amount of loan than they have so far claimed, for example, because their original assessment, which was provisional, has now been finalised. Regulation 89(3) provides that where an eligible student has applied for a loan for living costs or long courses loan (FT students only) of less than the maximum amount to which they are entitled in relation to the academic year, the student may apply to borrow an additional amount which, when



added to the amount that they have already applied for, does not exceed the relevant maximum applicable in the student's case. Note that regulation 89(3) can apply in circumstances other than when a student withdraws from a course.

For example:

- **Jack** starts a course in September 2025. Based on a provisionally assessed household income of £60,000, Jack has been assessed as entitled to £8,403 for AY 25/26 (the rate for students who are living away from the parental home, studying in London and who are eligible for benefits). This is payable in three instalments. The first instalment of £2,772.99 (33% of £8,403) is paid.

Jack withdraws from the course in December 2025. Jack receives a revised support notification from SFE, following confirmation of a lower household income of £40,000.

Jack is only eligible for support for the number of days that they were undertaking the course. Jack's revised, finalised entitlement is as follows:

Loan:	£11,666 (entitlement with household income of £40,000)
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Number of days attended in term:	91
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Number of days in term:	105
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Number of terms in AY:	3
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33% of £11,666 = £3,849.78

$(91/105) \times £3,849.78 = £3,336.48$

As Jack received £2,772.99 for the first instalment in September, they can apply for the remaining £563.49, provided that they do so not later than one month before the end of the academic year, or one month after the date on which they receive the revised support notification, whichever is later.

## 6.5 Long courses loan for full-time courses

Where FT students have attended their course for longer than 30 weeks and 3 days in an academic year, they may qualify for long courses loan. The amount of long courses loan entitlement is added to the main loan for living costs entitlement and paid in three instalments.

## 6.6 Withdrawals

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

- **Elsie** is eligible for benefits and is living away from home and studying outside London. Elsie starts study in September 2025 and Elsie's course has an academic year of 33 weeks.

Original assessment:

Loan for living costs: £10,544 (maximum 'elsewhere' rate)

Long courses loan: £339 (3 weeks/part weeks @ £ 113 per week/part week)

Total loan for year: £10,883

Elsie withdraws at the end of the first term:

Loan received in respect of the first term: £3,591.39 (33% of £10,883)

Loan due on reassessment: £3,479.52 (33% of £10,544) (i.e. minus any amount paid in respect of long courses loan). A loan overpayment of £111.87 is owed by the student.

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

## **7. Household contribution towards living costs (FT students only)**

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

Annex A of the AY 25/26 'Assessing Financial Entitlement' guidance defines '2009', '2012' and '2016' cohort students. For 2009, 2012 and 2016 cohort students, the assessed contribution figures are used to determine entitlement for supplementary support (i.e. dependants' grants, travel grant and long courses loan). They are also used to determine entitlement to loans for living costs and supplementary support for households where there is more than one student in the household.

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

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

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

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

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

An assessed contribution is not applicable for the loan for living costs paid for 2016 cohort students aged 60 or over at the start of the first academic year of their course.

### 7.1 2016 cohort example – not eligible for DWP benefits

- **Mike** is a 2016 cohort student eligible for the 'parental home' rate of loan available to 2016 cohort students who are not eligible for DWP benefits (maximum available loan is £8,877). The household income is £45,000 therefore the income assessment to loan is calculated as £2,980 and deducted from the maximum loan to give Mike's loan entitlement of £5,897.

For 2016 cohorts, the assessed contribution is calculated at household income of £42,875 and above. In this example, the assessed contribution is £317 (£2,980 - £2,663, the home rate income assessment to loan at £42,875, known as the contribution disregard). Mike's loan entitlement is £5,897 (£6,214 entitlement at a household income of £42,875, minus £317).

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

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

$$33\% \text{ of } £5,897 = £1,946.01$$

## 7.2 2016 cohort example eligible for DWP benefits

- **Lawrence** is a 2016 cohort student who is eligible for the 'London' rate of loan available to students who are eligible for DWP benefits (maximum available loan rate is £15,008). The household income is £50,000 therefore the income assessment is calculated to be £5,074 and deducted from the maximum loan rate to give Lawrence's loan entitlement of £9,934.

For 2016 cohort students who are eligible for benefits, the assessed contribution is calculated where household incomes are above £42,875. Where the household income is £50,000, the assessed contribution is calculated as follows:  $(£50,000 - £42,875) / £6.53 = £1,091$ .

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

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

66% of their full-year loan rate (£9,934) = £6,556.44. For 2016 cohort students eligible for benefits who withdraw from their course, the assessed contribution for the academic year is not deducted from the final loan entitlement.

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

- **Alicia** is a 2016 cohort who is 60 on the first day of the first academic year of the course. Alicia's household income is £21,000 therefore they are entitled to the full rate of loan of £4,461.

Please note, there is only one maximum rate of loan for living costs of £4,461 and there is no assessed contribution for students who are 60 or over on the first day of the first academic year of the course.

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

Alicia withdraws from the course partway through the second term and does not return. As a result, Alicia is eligible for support in respect of the entire first quarter and for the days in attendance in the second quarter of the academic year. Their revised entitlement will be as follows:

a) 33% of the full-year loan rate (£4,461) = £1,472.13 for term one.

b) 33% of the full-year loan rate prorated by the number of days spent in attendance in the second term which was in this case 16 days of the 75 day term.

$(16/75) \times £1,472.13 = £314.05$  for term two

The student's first term entitlement (£1,472.13) and the student's second term entitlement (£314.05) are aggregated to give a total loan entitlement at withdrawal of £1,786.18.

## 7.4 Part-year repeats

For 2016 cohort students, no maintenance grant is payable, therefore there is no loan reduction applied based on maintenance grant entitlement. For example:

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

Dawn was in attendance for term two in full, therefore is entitled to 33% of the full year 'parental home' rate of the loan for living costs (33% of £8,877 = £2,929.41).

## 8. Suspensions

### 8.1 Circumstances when a student may suspend their studies

Students may have to interrupt their studies for a variety of reasons, including illness, pregnancy, caring responsibilities, financial difficulties, bereavement or premature termination of a work placement. In some of these cases, when the students are ready to resume their studies, their higher education (HE) provider may not allow them to do so immediately. The HE provider may require the student to wait until the beginning of the next academic year to resume their studies, or wait until a later point in the next academic year, for example at a point comparable to when the student had left the course in the previous academic year.

Note that for part-time (PT) students, entitlement to part-time loan for living costs (part-time maintenance loan (PTML)) following a suspension is in line with full-time (FT) loan for living costs policy.

### 8.2 Reassessments for students who are absent from their course (FT students)

For detailed information on reassessment of PT students who are absent from their course, please see the AY 25/26 'Support for Part-Time Students' guidance.

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

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

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

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

When a student suspends their studies prior to their next academic year commencing or during the academic year and the HE Provider has confirmed that the student is absent due to illness and provided a date that student will be returning, the student can be awarded 60 days of additional funding.

When a student suspends their studies and the HE Provider has confirmed that the student is absent due to illness and the student returns to study then suspends again for illness this would be considered a different period of suspension. The student can be awarded 60 days of additional funding for both suspension periods, even when the suspensions are within the same academic year.

### **8.3 Extending student support to students who suspend their studies**

Lack of financial support during a suspension period may lead to financial hardship and subsequent withdrawal from the course. Clearly, it is not in the student's interests or the

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public interest for students to withdraw from their courses in these circumstances, given that any expenditure on their tuition fee and living costs support would have effectively been wasted. SFE will, where appropriate, use the discretionary powers available to avoid students having to drop out due to financial pressures.

The discretionary power to determine that part or all of the student support is payable can be exercised in circumstances of illness in excess of 60 days and circumstances other than illness. The list of circumstances noted above is neither prescriptive nor exhaustive. Students who suspend their studies for a variety of reasons, including illness, can apply to SFE for their living costs support to be continued while they are absent from their course. In deciding on the exercise of their discretion, SFE will consider each case on its own merits, including the reasons for the absence, whether the student will face financial hardship during their absence, whether the student has dependants, and the prospect of the student returning to the course. This includes when a student will not be in attendance at any point during the academic year due to suspension. SFE will also take account of how the provider treats the student's absence, particularly if the provider has given the student permission to be absent, and on what terms.

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

#### **8.4 Benefit provision for students who have suspended their studies**

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

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

#### **8.5 Students without financial support**

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

- Students waiting to rejoin their course after the expiry of one year since suspension,

- 
- Students who remain sick unless they are entitled to Disability Living Allowance, Personal Independence Payment or Armed Forces Independence Payment
  - Students who cannot meet the work-related requirements for Jobseeker's Allowance or Universal Credit because they are doing significant amounts of study in preparation for their return to their course.

### **8.6 Procedures for suspending study**

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

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

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

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

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

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



- **Luisa** starts a course on 1 September 2025 and the first tuition fee loan payment (25% of the tuition fee for the academic year) is made to the HE provider. Luisa suspends on 1 November 2025 and resumes study before the second liability point. The second 25% tuition fee loan instalment is paid to the HE provider.
- **David** starts a course on 1 September 2025 and the first tuition fee loan payment (25% of the tuition fee for the academic year) is made to the HE provider. David suspends on 1 November 2025 and resumes study after the second liability point but before the third liability point. The second 25% tuition fee loan instalment is paid to the HE provider.

### 8.8 FT grants and loans for living costs

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

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

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

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

- **Charles** is a 2016 cohort student who is eligible for benefits and begins the first year of their course in September 2025. However, Charles suspends study in October, having attended for 45 days of the first term and having received payment of the instalment of loan for living costs due in respect of the first period. There are 75 days in the first term. The household income is £22,000.

Charles is eligible for the full £12,019 'elsewhere' rate of loan for living costs for students eligible for benefits. As a student whose household income is below the threshold, a contribution would not be applicable.

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Charles receives the first termly payment of £3,966.27 (33% of £12,019). After reassessment following suspension, Charles' entitlement is £2,379.76 (45/75 x £3,966.27).

Rather than returning to the original course, Charles starts a new course in January 2025, the academic year of which runs from 1 January 2026 to 31 December 2026.

SFE are required to process this as a course transfer.

*Original course* – Charles was in attendance on 1 September 2025 and will not return to the original course.

*New course* – Charles starts the new course in January 2026. As the academic year of the new course runs from January 2026 to December 2026, Charles' loan for living costs entitlement for the first academic year of the new course will still be payable in three instalments, the first becoming due in the quarter beginning on 1 January 2026. Charles is eligible for the £12,019 'elsewhere' rate of loan for living costs for their new course, with no assessed contribution applicable.

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

## **8.10 Students suspending their studies and returning in the following academic year**

Students who suspend their course may resume in the following academic year with the agreement of their HE provider. Students must submit an application for student funding for the following academic year and the HE provider must confirm the date that the student is resuming study. Once the student's attendance has been confirmed, tuition fee loan instalments will be released as follows:

### **Student studies over three terms in the following academic year**

Where the HE provider does not submit study period start and end dates that differ from the standard term dates for the course year, tuition fee loan payments are split over the three terms of the new academic year in the standard 25/25/50% proportions. The student is eligible for the full tuition fee loan rate (maximum £9,535 in AY 25/26, subject to completing the course year in 15 weeks or more).

For example:

**Samir** started a three-year degree course in AY 22/23. They suspend their studies during term two of their third and final year in AY 24/25 after receiving two 25% tuition fee payments for terms one and two. Samir has an agreed return date of 15 September 2025 (the first day of term one of AY 25/26). Samir will be undertaking the full year of study, so is effectively repeating a full year of study.

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Samir submits an application for funding for AY 25/26 and the HE provider confirms Samir's attendance. As Samir is completing their study in AY 25/26 in more than 15 weeks, they are eligible for the full-rate tuition fee loan (maximum £9,535). This is paid to Samir's HE provider in three instalments, in the standard proportions of 25%/25%/50%.

### **Student completes their study in less than a full course year (e.g. one or two terms)**

Where a student only has to undertake part of the new course year in the following academic year, tuition fee loan payments that were not released in the previous academic year are assigned to the new year in line with the study dates confirmed by the HE provider, subject to the 25%/25%/50% termly caps on tuition fee payments. Note that there is an exceptional arrangement for the one-year PGCE courses where the student has suspended study prior to payment of the third tuition fee loan instalment – see below for further details.

Tuition fee payments are made as follows:

- Missed payments from the previous academic year are assigned to terms of the new academic year that the student is undertaking, subject to the caveat that only 25% of the tuition fee loan can be assigned to the first or second terms of the academic year, including in cases where the 50% instalment was not released in the previous academic year.

For example:

**Kirsten** started a three-year degree course in AY 23/24. They suspend their studies during term two of their second year in AY 24/25, after the HE provider has received two 25% tuition fee payments for terms one and two of AY 24/25.

Kirsten has an agreed return date of 15 September 2025 (first day of term one of AY 25/26). The HE provider has confirmed that Kirsten will undertake term one only in AY 25/26. Kirsten is therefore eligible for a 25% tuition fee payment which is in line with their attendance in the first term only, and is paid to the HE provider in a single instalment.

See also **Section 10** on part-year repeats for information on payment of non-fee products.

### **One-year Postgraduate Certificate in Education (PGCE) courses**

Where a student who is undertaking a one-year PGCE course suspends their studies prior to payment of the third term's fee payment (50% of the tuition fee loan amount for that year), and returns to complete their study in the following academic year, the following applies:

- The HE provider must confirm the student has resumed their suspended year of study. In this scenario the student does not need to submit an application for funding for the following academic year.
- The remaining 50% tuition fee loan payment from the previous academic year is paid to the HE provider as a single payment.

For example:

**Nadine** started a one-year PGCE course in AY 24/25. They suspend their studies during term two, after payment of two 25% tuition fee payments to the HE provider for terms one and two of AY 24/25. Nadine has an agreed return date of 15 September 2025 (the first day of term one of AY 25/26).

Nadine's HE provider confirms the student has resumed study by raising a resumption task against their AY 24/25 application. The remaining AY 24/25 50% tuition fee instalment is paid to Nadine's HE provider as a single instalment.

### 8.11 Change of seasonal intake

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

For example:

- **Anthony** started a Honours degree in September 2025 (academic year start date of 1 September 2025). During term 2, they decide to join the April start intake of the same course (academic year start date of 1 April 2026). This change of seasonal intake does not meet the definition of a course transfer, therefore for student funding purposes Anthony would remain on the original intake and their payments will continue to align with the September intake.

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

For example:

- **Paul** starts an Honours degree in chemistry in September 2025 (academic year start date of 1 September 2025). During term 1, with the agreement of their HE provider,

they transfer to the January intake of an Honours degree in human biology (academic year start date of 1 January 2026). As Paul has transferred to a new course, this meets the definition of a course transfer. Paul is permitted to access full support for the January intake course, on account of having enough standard entitlement, as well as retaining the support they were entitled to for their attendance on the original course.

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

Subject to previous study and equivalent or lower qualification rules, a student can access a full year of support for the new course in a multi-academic year.

### 8.12 Suspensions and long courses loan entitlement

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

- **Alexander** starts a 45-week course on 12 September 2025 and qualifies for the full 'elsewhere' rate of loan for living costs available to students who are not eligible for benefits (£10,544) and 22 weeks of long courses loan at £113 per week (£2,486). Alexander's total entitlement for AY 25/26 is £13,030.

Original assessment:

Loan for living costs: £10,544 (maximum 'elsewhere rate')

Long courses loan: £2,486 (22 weeks @ £113 per week)

The first term of Alexander's course runs from 12 September 2025 until 20 December 2025 (100 days). Alexander suspends their studies on 1 November 2025, meaning they were in attendance for a total of 51 days. Alexander intends to return to their course in September 2026 and they do not request living costs support during the suspension.

Loan for living costs received in respect of the first term: £3,479.52 (33% of £10,544)

Long courses loan received in respect of the first term: £820.38 (33% of £2,486)

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Total loan paid in respect of the first term: £4,299.90

Loan due on reassessment: £2,192.95 ( $51/100 * £4,299.90$ )

In order to qualify for long courses loan in the year that the student resumes study, the period of attendance in that year must exceed 30 weeks and 3 days. If a student suspends their study after term one and then returns in the following academic year to repeat only terms two and three, their loan entitlement for those terms would be 33% for term two and 34% for term three of the total entitlement amount. Long courses loan would not be payable unless the total period of study exceeds 30 weeks and 3 days.

For example:

- **Cameron** starts a course in September 2024 (AY 24/25) and suspends their studies at the end of term one, having received a 33% instalment of the loan for living costs and long courses loan. Cameron intends to resume their studies in January 2026 (AY 25/26) and applies to SLC for their living costs support to be continued for the period of suspension. In line with Regulation 116(12) and (13), Cameron is awarded full payment through suspension for the remainder of AY 24/25, which means they retain their full entitlement, including all long courses loan, in AY 24/25.

Cameron returns in AY 25/26 academic year from January to complete terms two and three of their course which has a duration of 45 weeks. If Cameron were attending for the full AY 25/26, their entitlement would be:

Loan for living costs: £8,877 (maximum parental rate)

Long courses loan: £1,650 (22 weeks @ £75 per week)

Cameron's attendance in term two and three totals 30 weeks, which means their entitlement will be:

Loan for living costs: £5,947.59 (67% of £8,877)

Since Cameron will not be attending for more than 30 weeks and 3 days, they are not entitled to any long courses loan.

## 9. Part-time loan for living costs and changes to intensity

Please see the AY 25/26 'Support for Part-Time Students' guidance for details of changes to part-time loan for living costs (also referred to as part-time maintenance loan (PTML)) entitlement following a change of study intensity.

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## 10. Part-year repeats (full-time (FT) students)

This section details policy in respect of FT students. Please see the AY 25/26 'Support for Part-Time Students' guidance for details of changes to part-time loan for living costs (also referred to as part-time maintenance loan (PTML)) entitlement where the student repeats study.

Where the student has not completed/passed all the required modules to progress to the next year of their course, the HE provider may allow the student to repeat the missed/failed modules. This may not always be a repeat of the full year but more commonly a repetition of specific terms or part terms. Where repeat study is required after the end of the final year of the course, study can be extended into the following academic year.

Note that there is no minimum period of study required in a new academic year in order for the student to be entitled to funding for a period of missed or repeat study.

SLC should confirm the extension start and end dates with the HE provider. The reason for the extension (missed or repeat study) does not have to be confirmed. An application for funding must be submitted by the student for a new academic year of study, including where they are only undertaking part of the new academic year.

Loan for living costs funding is prorated for part-year and termly repetitions as follows:

- Where a student is in attendance for a full term, they will be entitled to that term's payment. No pro-rating is required.
- Where the student is in attendance for a period other than a full term, funding should be prorated on a daily basis. Funding will be available, calculated on a daily basis, from the start of the academic year if the student is undertaking a part-year repetition and has undertaken the course without a break from the previous academic year.
- Where a student is repeating the final year, the year of the course that would ordinarily be the final year will still be assessed for the final year rate of loan for living costs; it will not be reassessed to award the full year rate of loan for living costs.
- For pre-2016 cohort students who are income assessed, the loan reduction is impacted by the student's maintenance grant entitlement. For 2012 cohort students, the maximum amount of loan for living costs will be reduced by £0.50 for every £1 of maintenance grant received. This is known as 'substitution.'

Maintenance grant (only applicable to returning pre-2016 cohort students) is payable over 365 days of the year. Therefore, to calculate a student's entitlement, the full maintenance grant entitlement should be divided by 365 and then multiplied by the number of days the student is in attendance on their course. For a full year of a course, days must be calculated from the first day of the academic year. For example, if a student begins a course in

September, their entitlement would be calculated from 1 September until their attendance ceases or to the end of the term (whichever is earliest). For term three repeats, the calculation would be from the first day of term three to the end of the academic year (31 August for September starts).

Grants for dependants are payable over 365 days of the year. When a student repeats a part-year of study, the full annual entitlement should be divided by 365 and then multiplied by the number of days the student is in attendance on their course, starting from the first day of the academic year in all cases. Where the student is repeating the final year of the course, the final date of the course year for funding purposes is the final day of the student's attendance on the course.

For example:

- **Edith** is undertaking a three-year degree which starts in September 2022 (AY 22/23) and ends in July 2025 (AY 24/25). However, Edith needs to repeat a period of study in order to complete the course, and therefore extends study into AY 25/26. Edith undertakes the course continuously until the end of AY 24/25 and receives long courses loan in respect of this period. Edith is eligible for grants for dependants, including Childcare Grant (CCG). Additional CCG funding is available in AY 24/25 from the original course end date until the final day of AY 24/25 (31 August 2025).

Edith undertakes the course in AY 25/26 from 1 September 2025 until 15 December 2025; these dates are confirmed by the HE provider. The standard first term dates for this course are 15 September 2025 to 15 December 2025.

- Loan for living costs is paid for the full first term of the course (covering the period 15 September to 15 December). An additional amount of loan for living costs, based on a prorated daily entitlement amount, is paid for the period 1 September to 14 September inclusive.
- Grants for dependants entitlement is calculated on a daily basis starting from the first day of the academic year (whether or not that is the first day of study in the repeat year) and ending on 15 December 2025, as that is the final date of the course extension.

Academic year start dates are shown below:

Date the student started the course	Academic year start date
Between 1 August and 31 December	1 September
Between 1 January and 31 March	1 January



Between 1 April and 30 June	1 April
Between 1 July and 31 July	1 July

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

**Hettie** started a course in September 2024 and is repeating all of term one and part of term two of the first academic year of the course in AY 25/26. In AY 25/26, Hettie will be in attendance from 23/09/2025 - 31/01/2026. Hettie is living in the parental home, is not eligible for benefits and has a household income below £25,000. Maximum loan entitlement in AY 25/26 is therefore £8,877.

As Hettie will be studying for all of term one, the full loan for living costs should be paid for that term. The loan for living costs for term two will be prorated, and any loan for living costs amount for term three and any long courses loan removed. The total number of days in term two is 70 days. However, as Hettie is completing their studies on 31/01/2026, they will only be in attendance for 26 days of that term.

First term loan for living costs entitlement:  $(33\% \text{ of } £8,877) = £2,929.41$

Second term loan for living costs entitlement:  $(26/70) \times £2,929.41 = £1,088.07$

Total loan entitlement for the part-year repeat in AY 25/26 =  $£2,929.41 + £1,088.07 = £4,017.48$

**Tom** started a course in September 2025 and is repeating part of their second year in AY 25/26 but will be in attendance for term two only in that year. Tom has not applied for any income assessed support and is therefore only entitled to the full term two non-income assessed loan for living costs for 2016 cohort students. The applicable rate of loan for living costs in this example is £3,907 (the parental home rate for students who do not qualify for benefits):

$33\% \text{ of } £3,907 = £1,289.31$

## 11. Overpayments

Where a customer receives funding that they are not entitled to, the Regulations, specifically regulations 117 (overpayment of fee loan), 119 (overpayment of support for living costs), 156 (overpayment of part-time (PT) Disabled Students' Allowance DSA), 157 (overpayment of fee loans for PT courses), 157R (overpayment of loans for living costs for PT courses), 168 (overpayment for postgraduate DSA), provide that the Secretary of State may decide whether or not an overpayment should be repaid.

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

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

The borrowers’ terms and conditions set out that:

*‘You’ll normally need to repay your loan overpayment separately and earlier than the rest of your loan balance. This also applies if you’re already having repayments taken from your salary or your tax return. In some cases, loan and grant overpayments can be recovered from future student funding. Based on government regulations, the SLC has a legal responsibility to recover any loan or grant overpayment’.* The declaration borrowers sign when taking out student finance also states:

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

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

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<sup>1</sup> Here we take ‘cancelled’ to mean that the customer’s liability to repay the overpayment is cancelled. In practice, we consider this to mean that the balance of the overpayment is reduced to £0, that no repayments are due, and that if a repayment was made toward the overpayment after it had been cancelled, that the amount should be refunded.

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

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

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

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

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

The function of recovering overpayments has been delegated to Student Loans Company Limited (SLC).

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

Regulations 119 (overpayments of support payable under part 5 and part 6), and 157R (overpayments of loans for living costs for PT courses) provide that loan overpayments can be recovered via:

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

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

### **11.2 Overpayments of FT grants for living and other costs**

Regulations 119 (overpayments of support for living costs), 156 (overpayments of PT DSA), and 168 (overpayment for postgraduate students) provide that grant overpayments can be recovered via:

- a) subtracting the overpayment from any kind of grant or loan payable to the student from time to time pursuant to Regulations made by the Secretary of State under section 22 of the 1998 Act
- b) taking such other action for the recovery of an overpayment as is available to the Secretary of State.

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

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

A DSA assessment may be provided before a student has started their course to ensure that any equipment or other support that they need can be arranged and delivered for the beginning of term. In some cases it may be appropriate to supply DSA equipment early, for example where training in the use of the equipment is necessary before the student starts their course. However, if the student subsequently does not start the course, this may

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constitute an overpayment (see regulation 119(4) in the case of a FT student, regulation 156(5) in the case of a PT student or regulation 168(4) in the case of a postgraduate (PG) student).

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

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

Current practice is to not recover overpayments from future DSA payments. Recovery of overpayments under the Regulations should only be implemented following recovery of grant overpayment from further instalments of that specific grant due in that academic year (or loan and other grants, if deductions from the original loan or grant still leave an outstanding overpayment).

#### **11.4 Change of ‘worker’ status**

The AY 25/26 ‘Assessing Eligibility’ guidance details the conditions for status of European Economic Area (EEA) migrant workers, EEA frontier workers, EEA frontier self-employed persons, EEA self-employed persons, and the Swiss equivalents or family member of these persons. It is possible that a student can cease to be eligible under this status during the academic year, for example, if they or their family member voluntarily stop working. SLC should reassess their entitlement, in line with the guidance for each product detailed earlier in this guidance, from that point onwards.

#### **11.5 Overpayments made as the result of an internal error**

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

overpayment of any grant for living and other costs unless they consider that it is not appropriate to do so. Regulation 157R(1) applies to overpayments of PT loan for living costs.

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

## 12. Annex A updates log

Date	Updates
January 2025	First draft created.
February 2025	Updated with minor comments from DfE review Additional information added on suspensions and entitlement to loan courses loan.
March 2025	Updated with minor comments from DfE review. Finalised and published.
May 2025	New section added (8.10) - Students suspending their studies and returning in the following academic year