

# Change of Circumstances and Overpayments Administration Guidance

**Text referring to new or amended provisions for 2011/2012 is set in green bold type.**

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## Introduction

1. This chapter gives administrative guidance to LAs about how to deal with changes to a student's circumstances that may have an impact on their entitlement to support.

This chapter therefore deals with the following subjects:

- stopping payment of support;
  - resuming payment of support;
  - repeating periods of study;
  - students who have suspended their study;
  - students who have transferred to another course at the same or a different HEI;
  - reassessment of students; and
  - students who have withdrawn from their studies.
2. This guidance should be read in conjunction with accessing the E-Learning Training Modules on the LA Portal Homepage.
  3. Changes have been made to the support notification letter (ASSESS 17) but there are still likely to be situations where the correspondence generated will not provide students with full details of the effect their change of circumstances has made to their financial support. In these cases LAs should continue using their own locally produced letters. Where this is necessary they should place a suitable note on the student's record.

## Administration of Change of Circumstances

### Change of Circumstances Forms

4. There are a number of forms associated with changes in circumstance:

#### For students

CO1 Change of Circumstances Form  
CO2 Change of Circumstances for part-time and postgraduate DSA

#### For HEIs

C of C Manual Notification of Student's Change of Circumstances

C of C Electronic Notification of Student's Change of Circumstances.

These forms are available on our website.  
(<http://www.heinfo.slc.co.uk/our-services/guidance.aspx>)

These forms can also be downloaded from <http://www.heinfo.slc.co.uk/> (where there are also versions of the HEI forms that can be completed electronically. ) Found under HEI Services tab.

5. Institutions may complete these forms and transmit them to LAs electronically. They must be sent from the individual mailbox of a member of staff who would formerly have signed the completed form. LAs have been instructed only to accept electronic notification forms in this way.
6. HEIs have been sent copies of the forms listed above and have been instructed to complete the appropriate form and send it to a student's LA immediately they know about a student's change of circumstance.
7. **LAs** should action a change of circumstance when in receipt of any of the forms mentioned in 4.
8. If the student informs the CSC of a change in their circumstance that may affect their level of support they will be instructed to complete a CO1 form and send it to their LA.
9. When LA staff process a change of circumstance for a student it is important that sufficient notes are made on the system to enable the CSC to respond to queries from these students. This is particularly important if it is not obvious from the information displayed on the system what has happened to the account.

### **Change of Circumstances Tasks**

10. In December 2009 a new process for C of C for HEIs was launched. The HEI will be able to create and send a C of C Task on the HE Portal which the LAs will be able to access on the LA Portal. This new process will be mandatory for HEIs in May 2010.

The CoC categories provided by the system will be:

- Withdrawal
- Suspension
- Resumption
- Repetition
- Transfer
- Fee

These tasks will appear on your LA task list under the task type 'Change of Circumstance' and 'Change of Circumstance- Withdrawal' and these will contain all the information that a paper CoC form would contain.

Where the change of circumstances is a withdrawal the task will be highlighted on the Tasks screen\*. This also applies to the Tasks screen accessed from the customer summary screen.

<a href="#">20/09/2009</a>	Handle Failed Correspondence	AMDSAINLENG, LEAENG	Open	Medium
<a href="#">23/09/2009</a>	Change of Circumstances - Withdrawal	BOTHWELL, PAUL	Open	Medium

On the change of circumstances screen the existing 'HEI Advice' source option has been replaced with 'HEI Paper Advice' and a new option has been added named 'HEI Online Advice'.

**11.****Change of Address after Approval Stage**

Where any mail is returned to the SLC, (meaning we do not have a current home address for a customer), then all correspondence will be suppressed and any remaining instalments/ payments 'blocked', until such time as the SLC receives a new address for the customer. The SLC will then attempt to contact the customer (or their contacts), to obtain this information.

If in such cases the customer provides their new home address to their LA, then the LA should contact the LA Helpdesk, who will arrange for the address to be updated, correspondence suppression lifted and any remaining payment instalments to be 'unblocked'.

LA's should note, that in such cases updates of the address via the LA Portal will not feed the account through to all other systems ( CLASS, TALLYMAN )- so its essential that LA's contact the Helpdesk.

- 12.** There are CLASS payment notification codes for most changes of circumstance. These are listed in Appendix F of the LA Portal System User Guide. The codes are:

D	Deceased
F	Final Assessment
P	Provisional support notification
N	Resumption of study in 2 <sup>nd</sup> term
K	Resumption of study in 3 <sup>rd</sup> term
S	Study suspended
Z	Study in 2 <sup>nd</sup> term only
V	Transfer (fees to new college and only refers to assessments prior to 2006/07)
T	Transfer (fees to previous college and only refers to assessments prior to 2006/07)
W	Withdrawn (final assessment)
Y	Withdrawn (provisional assessment)

**Cancellations**

- 13.** If an applicant notifies their LA that they no longer intend to commence a course of study, LAs should follow the cancellation process in Section 10 of the LA Portal System User Guide [2010/2011](#). No further action will normally be required by the LA.
- 14.** A cancellation can only be processed in cases where no payment has been made to the student. Once a student has received a loan payment a withdrawal must be processed when the student notifies they are not proceeding with their course. A student will not enter repayment until the April following the effective date of the withdrawal. However, should the student have received any loan payment to which they were not entitled, please note SLC will contact the student for immediate repayment for this amount. Please see para 81.

**Stopping Payment**

- 15.** In all cases where a student's circumstances change LAs should consider the need to process a stop payment immediately particularly where they are

unable to complete a reassessment promptly and a payment is imminent. The following are some of the circumstances when LAs may need to stop payment, having received information either directly from the applicant or from the institution:

- an applicant informs their LA that they have decided not to commence a course of study;
- an applicant informs their LA that they do not intend to take up a designated course;
- the applicant is eligible but they would receive more support than they are entitled to;
- an applicant is not eligible for support (e.g. because they have shown by their conduct that they are unfit to receive support);
- the applicant dies;
- there are reasonable grounds to suspect that the applicant's application is fraudulent;
- LAs have reasonable grounds to consider that information supplied by the student is incorrect in a material particular but with no evidence of fraud, and as a result an overpayment will occur unless payments are stopped;
- students have suspended their studies after commencing their course and the LA has determined that they will not continue to receive support during the period of suspension;
- students leave their course.

When using the stop payment option a reason code must be entered. These are listed in Appendix E of the LA Portal System User Guide 2011/2012. These codes are:

C	Cancelled
D	Deceased
F	Fraud
M	Incorrect information
S	Suspension
T	Transfer
W	Withdrawal
X	Other

16. The SLC will only stop making payments to a student when instructed to do so by the student's LA. This will ensure that the stop payment action takes place on the CLASS system. When the stop payment is processed a letter will be generated by CLASS and sent to the student.

#### **Notifying a student of stopping payment**

17. There will be circumstances, for example death, fraud, misconduct or overpayment where an LA will decide that it would be inappropriate to advise the student that payments have been stopped. In these circumstances they must raise a task for the SLC instructing them not to issue a stop payment letter. They should send details of their reasons separately to the CSC.

#### **Reassessments and editing amounts in assessment summaries**

18. Whenever a student's circumstances change LA staff should consider whether a reassessment is required. When more than one change is being

actioned at the same time then the changes should be taken in the order of the events irrespective of when the LA is taking the actions.

19. If the LA only wishes to change details in the student's application, but not their financial information they should select 'Change Application Data' on the Change of Circumstance screen. This will take the user to the application form where they can change the data. Once the LA has made the changes and pressed exit, the application should then be reassessed.
20. The system does not allow an LA to alter the course end date shown on the HEI Database. Consequently there will be changes of circumstances where LA staff must reassess the student manually. They should enter the new amounts of entitlement for the whole year using the 'edit all' facility on the automated assessment summary screen by overwriting the system generated amounts. The system will then pay the student the new amounts for each term.
21. When a reassessment is passed to the CLASS payments system it will pay the student's support (excluding Childcare and DSA grants) in the proportions 33/33/34 for the autumn, spring and summer terms subject to the CLASS notification code entered on the payments screen (see paragraph 11 above). Therefore if a student is entitled to an extra weeks attendance loan / long course loan for living costs support beyond the usual 30 weeks and 3 days their additional support will be added to the payment for each term in the same proportions and not made as an addition to one term's payment.
22. However, where the LA officer wishes to adjust a Childcare payment for a particular term they may manually change the amount shown in the instalment fields for each term on the automated assessment summary screen to ensure that a student is paid the correct amount of support for each period of entitlement.
23. If a reassessment results in an underpayment, CLASS will immediately correct this by paying the student the outstanding amounts due. In general, where a student has received an overpayment CLASS will adjust the student's next payment downwards to take account of the overpayment. **For further information, refer to guidance on recovery of overpayments.**

### Examples

Student A is assessed before the start of their course in September for NMTO loan support of £3000 for the year. They receive their 1<sup>st</sup> term payment of £990 (33%). On 15 November a final assessment is processed for them showing an entitlement for the year of £4000. Assuming they had ticked the 'maximum loan' box on their support request form they will receive an immediate payment of £330, a 2<sup>nd</sup> term instalment of £1320 and a 3<sup>rd</sup> term instalment of £1360.

Student B is assessed before the start of their course in September for NMTO loan support of £3000 for the year. They receive their 1<sup>st</sup> and 2<sup>nd</sup> term payments of £990. On 15 February a final assessment is processed for them and showing an entitlement for the year of £4000. Assuming they had ticked the 'maximum loan' box on their support request form they will receive an immediate payment of £660 (shortfall on 1<sup>st</sup> and 2<sup>nd</sup> terms) and a 3<sup>rd</sup> term instalment of £1360.

### **Students who withdraw or suspend their studies who are provisionally assessed**

24. Whenever a student withdraws from their course or suspends their studies and their application status is still provisional they are still required to provide the financial information requested by the LA to make a final assessment. They, and their sponsors, should be given the opportunity to supply the missing information before a final financial assessment is completed for the academic year in which their change of circumstance occurred.
25. Therefore LAs should write to the student and their sponsors before completing the student's final financial assessment. The student should be advised that unless they and their sponsors supply the required financial information within four weeks or provide good reason for not being able to do so, the LA will reassess the student based on the information they have.

### **Students who supply financial information to allow a final assessment to be made**

26. Once the financial information is received from the student and their sponsors (if relevant), the LA should process a re-assessment for the student.

### **Students who do not supply the required information within the requested time**

27. Where the student does not supply the required financial information within the time limit stated on the letter and the student does not provide a genuine reason for not doing so, the LA should process a reassessment based on what they definitely know the student is entitled to receive. In most cases this will be the non income-assessed support only.

### **Students who withdraw who are not able to supply the required financial information for genuine reasons**

28. In some cases the student cannot supply financial information immediately for genuine reasons. For example students whose parents or spouse/partner have asked to be assessed on a 'current year income' basis and who are entitled to dependants' grant because their spouse or partner has a low income and an accurate assessment of the student's entitlement to a grant cannot therefore be made. In these cases a CLASS payment notification Code of Y should be entered on the payments screen – 'student has left/withdrawn from their course, but for genuine reasons a 'final' assessment cannot be completed'. Once the financial information is received from the student and their sponsors (if relevant), the LA should re-assess the student with a CLASS payment notification Code of 'W' – 'final assessment of a student who has withdrawn from their course'.

### **Students Who Die During Their Course**

29. When an LA is notified of a student's death, they must immediately put a stop payment onto the account coded 'D' on the payments screen. The LA should also advise the SLC of the 'date of death' by sending a task immediately to the CSC who will update the student's records on the system to ensure no unnecessary communication is made with relatives of the deceased. The task to use should be 'SLC Administration Support'. The CSC will advise the SLC's Customer Services Support Team.
30. The SLC must have sight of the original death certificate. The SLC will request this, keep a copy and return the original without delay. If the LA



receives the death certificate they should immediately send it to:

**Patsy Devlin**  
**Operations Services**  
**4E**  
**100 Bothwell Street**  
**Glasgow**  
**G2 7JD**

31. If the LA receives details of the contact who is managing the affairs of the deceased they should send a task to the CSC informing them who the contact is. If appropriate, LAs should request this contact to send the original death certificate to the SLC Customer Services Support Team at the address above.
32. The SLC's Customer Services Support Team will write to the executors confirming the final financial position for the deceased. The SLC will not recover any payments the student has had and any debts will be written off.

#### Students Who Enter or Leave Prison

33. If a student spends any time in prison they are ineligible for any support whilst the student is in prison (whether on remand or otherwise). In exceptional circumstances, LAs will have the discretion to determine whether to pay full or partial support, or none at all whilst a student is in prison in an AY. LAs should only use their discretion where stopping or recovering payments will cause financial hardship to students and prevent them from continuing with their course. In order to determine if a student should receive grants and loans for living costs for periods spent in prison during the AY, LAs need to consider factors such as a student's difficulty to pay rent and other living costs to enable them to continue with their course. It is expected that exercising the discretion would be appropriate when a student spends a very short time in prison.

See also Change of Circumstances & Overpayments Policy Guidance

#### Payment of fees to universities

34. Fee payments will not be paid until the HEI has confirmed the student is in attendance 3 months after the start of the academic year (1 December for September start courses).
  - Where a grant for fees is payable in respect of an existing student this will continue to be paid in one instalment, 5 months after the start of the academic year (February for September start courses).
  - Payment of the tuition fee loan for both new and existing students deferring all or part of their fee will be paid to HEIs in two instalments, 5 and 8 months after the start of the academic year (February and May for September start courses).
  - The effect of the general rule above is that any fee grant the student is eligible for, or any fee loan they choose to take out, will be paid to the institution the student is attending 3 months after the start of the academic year. An exception can be made where there is no fee outstanding at this institution (e.g. because the student has already paid the fee upfront and then transfers to another

institution, or because they have deferred the whole fee but have transferred to a more expensive course attracting extra loan). In this case, fee loan may be paid to the institution the student transferred to after the 3 month trigger date.

A student will generally be entitled to fee loan up to the maximum amount charged by the institution they are attending, providing they are in attendance on the required date (i.e. usually 3 months after the start of their course).

Where a student transfers to another course after their attendance has been confirmed by the original HEI (i.e. after the 3 month attendance period) and the new course fee is greater, then the student will be entitled to an increased fee loan amount, to cover the difference charged by the second institution. (N.B. up to a maximum of **£3,290** for new students and **£1,310** for existing students).

In cases where a student transfers to a course with lower tuition fees please note that where the original HEI does not split the fee entitlement with the new HEI, the student will only ever be entitled to a fee loan for the most expensive course, rather than the full **£3,290**.

- If a student deferring their fee suspends their studies 3 months or more from the start of the academic year, or if they suspend within 3 months but then return later in the same academic year, the tuition fee will be paid to the HEI.
- CARE: existing students who transfer and who are eligible to receive a fee grant of up to **£1,310** could be charged up to **£3,290** for fees by their university. In this instance the student cannot take out any further fee loan.

### **Transfers**

35. There are several types of transfer including:

- transfer from one designated course to another at the same institution within the same academic year;
- transfer from one designated course to another at a different institution within the same academic year;
- transfer from one designated course to another at the same or a different HEI between academic years.

36. If there is a change to the amount of course fees payable or tuition fee loan required, please also refer to section 72 which details scenarios in which action will be required by LAs.

#### **Students who transfer from one designated course to another at the same institution within the same academic year**

37. Where a student has transferred to a different designated course at the same institution within the same academic year, the LA should process a reassessment. The student will receive a new support notification letter (Letter 17) advising them of their revised periods and levels of support.

38. Where a student transfers to another designated course within the same academic year, a public contribution to tuition fees is paid for the course the

student is attending three months after the start of the academic year of the course.

- 39.** Students who transfer from one designated course to another at a different institution within the same academic year. Where the student has transferred to a different institution the rules engine will determine which institution should receive the public contribution to tuition fees based on the effective date of the transfer. The LA must indicate which institution should receive the public contribution to tuition fees in respect of the student when completing the payments screen for assessments prior to 2006/07 only. The codes are:

'T' if the student was in attendance at the 'old' institution three months after the start of the academic year. This will inform the SLC that any public fee contribution should be paid to that institution (although the most recent support notification letter will show the 'new' institution).

'V' if the student was in attendance at the 'new' institution within three months of the start of the academic year of their 'new' course. This will inform the SLC that any public fee contribution should be paid to that institution.

#### **Students who transfer from one designated course to another at the same or a different HEI between academic years**

- 40.** Where a student attends their 'old' course for the whole academic year and the transfer to their 'new' course is to take place after the end of that academic year, LAs need only take into account the new course details when they are considering any applications for support from the student in subsequent year(s). **LAs do not need to revisit the original assessment of the 'old' course.**
- 41.** Where the student attends their old course for only part of the academic year, and the transfer to their new course is to take place after the end of that academic year, the LA must reassess the student's support for that academic year (i.e. the support for their 'old' course). They must also take into account the new course details when they are considering any applications for support from the student in subsequent year(s).

#### **Request for transfer from students who have previously withdrawn from a course**

- 42.** Where an LA receives a 'Notice of Student Transfer' form for a student from an HEI and they have previously been notified that the student has withdrawn from another course they should consider whether it would be more appropriate for the transfer request to be treated as a new course of study for the student.

#### **Students who transfer from a designated course to a non-designated course**

- 43.** Where a student transfers and is found to be no longer attending a designated course, LAs will need to follow procedures as though the student had withdrawn or left their course permanently. A change of circumstances should be completed to ensure the student receives the balance of any support for their designated course. The student must then be sent a letter to inform them that they are not eligible for support for the course to which they have transferred.

### **Withdrawal and Suspension**

44. When a student withdraws or suspends LAs should process a change of circumstance indicating the date and term the student is withdrawing or suspending. The system will then re-assess the student and award them an entitlement for the relevant terms and CLASS will pay everything the student is entitled to up until the point of withdrawal or suspension. LAs should then check the amounts shown on the automated assessment summary screen and if necessary perform a manual override on the terms ensuring the total loan amount is correct. A CLASS Notification code of 'W' or 'S' as appropriate must be entered on the payment summary screen. This will ensure that payment to the student is stopped. If there is a change to the amount of course fees payable or tuition fee loan required, please also refer to section 72 which details scenarios in which action will be required by LAs.
45. If the student has been paid their entire entitlement already CLASS will stop all payments. If the student has not been paid their entire entitlement CLASS will pay the remainder immediately. The system will not reduce grant entitlement when processing a 'W' or 'S' transaction. This means that CLASS will pay all remaining grants immediately. Where the LA does not wish these living costs grants to be paid or in the case of a withdrawal the LA should amend the grant amount by using the manual override facility before authorising the payment.

### **Withdrawal and resumption of study at a new HEI in the same academic year**

46. Where a student leaves a course and starts another course in the same academic year his or her fees can only be paid to the university at which they were enrolled on 1 December, presuming the original course commenced in the autumn term.
47. Where he or she starts a new course at a different HEI **after 1<sup>st</sup> December** and the student has retained an entitlement to supported fees, they will be personally responsible for any fee charged by the HEI for the new course. Under the current change of circumstance functionality the student will have to be treated as if transferring between universities.

### **Students who receive support during their period of suspension**

48. LAs have the discretion to continue to pay all or part of the student's entitlement to them during their period of suspension (paragraphs 42 to 43 'Change of Circumstances Policy Guidance'). The LA should manually calculate the entitlement to support during this period. If the amount of support to be paid during the period of suspension is known before the suspension is processed on the system then the additional amounts can be entered at that time. If it is decided to pay this support after the student has been suspended on the system then the suspension will have to be removed from the student's record before any payment can be made. Once the suspension has been removed a further change of circumstance should be processed and the payment authorised. Once the payment has been passed to CLASS the student should be suspended again.

### **Repeat Periods of Study**

49. When an LA receives an application for support from a student who will be repeating periods of study LAs should refer to the policy guidance on repeating students in the 'Assessing Eligibility Guidance' chapter.

50. Where a student transfers from one designated course to another so they can repeat a period of study the LA should complete processing the course transfer before assessing the student for the repeat period(s) of study.

#### **Entitlement for repeating students**

51. The main scenarios where students are likely to be repeating study are:
- the student is still entitled to support for the whole academic year;
  - the student will complete the course before the end of the academic year;
  - the student attends for one or two terms of the year and suspends their study for the remaining part;
  - the student intends to continue their studies in the following academic year.

#### **The student is still entitled to support for the whole academic year**

52. If the student is entitled to support for the whole academic year, the LA should complete a reassessment and enter the relevant total amounts for the year in the appropriate boxes on the automated assessment screen.

#### **The student will complete the course before the end of the academic year**

53. If a student needs to repeat one attendance period, term or semester at some time during their period of study but will still complete their repeat study period within the same academic year, the LA will need to calculate the student's entitlement for the period they will actually attend, add the revised amounts to the existing amounts for the year and enter the new totals in the relevant boxes on the automated assessment summary screen using the manual override facility. The system will then pay the student the balance of their entitlement.
54. Where a period of repeat study results in a student being eligible for living costs support for a period that finishes after the course end date shown on the HEI database for that course the LA should use the 'edit all fields' facility on the automated assessment screen and enter the additional weeks of entitlement in the appropriate fields. This will then generate the appropriate payment(s) to the student.

#### **The student intends to continue their studies in the following academic year**

55. A student repeating their studies in the following academic year may still be eligible for full financial support. These students should complete an application form for the new academic year so that they may be assessed for their period of repeat study using up-to-date financial information. Where the student is attending for less than a full year they should be reassessed as described below.

#### **The student attends for one or two terms of the year and suspends their study for the remaining part**

56. When the LA has determined exactly which term(s) and what amounts of support are to be paid to a student they must enter the appropriate CLASS Notification Code on the payment screen and change the course end date to that shown on the student's most recent application subject to paragraph 19 above.

57. If the student will attend for the first term only the course end date should be changed to the last day of the first quarter of the student's academic year. The payment code field on the payments screen should be set to CLASS Notification Code 'F'. Where the Notification Code is set to 'F' the system will use the course end date to determine which terms support to pay the student. This will ensure that the student is paid only in their first term.
58. If the student will attend for the second term only the course end date should be changed to the Last day of the second quarter of the student's academic year. The payment code field on the payments screen should be set to 'CLASS Notification Code 'Z' – study in second term only'. This will ensure that the student is paid only in their second term.
59. If the student will attend for the third term only the course end date should be left unchanged. The payment code field on the payments screen should be set to 'CLASS Notification Code 'K' - study in 3rd term only'. This will ensure that the student is paid only in their third term.
60. If the student will attend for the second and third terms only the course end date should be left unchanged. The payment code field on the payments screen should be set to select CLASS Notification Code 'N' –study in 2<sup>nd</sup> and 3<sup>rd</sup> terms' only. This will ensure that the student is paid in their second and third terms.
61. If the student will attend for the first and second terms only the course end date should be changed to the last day of the second quarter of the student's academic year. The payment code field on the payments screen should be set to CLASS Notification Code 'F'. Where the Notification Code is set to 'F' the system will use the course end date to determine which terms support to pay the student. This will ensure that the student is paid in their first and second terms.
62. Where a student is repeating less than a full academic year a note should be made on the system giving the reason they are receiving less than a full year's financial support. When a student has completed their period of repeat study before the end of the third term of their academic year the system should be changed to show the student as suspended for this period.

### **Resuming Study**

63. If the student is not returning to the same course then transfer or withdrawal procedures must be followed according to the student's circumstances.

### **Suspended student resumes study on the same course and at the same institution in the same academic year**

64. A reassessment is required when the student resumes study. This should be done in time for the student to receive their support without delay. The LA should assess the student's entitlement to support and manually override the amounts shown on the automated assessment summary screen as required. The CLASS payment codes should be used to ensure payment is made only in the terms when the student is eligible.

### **Suspended student resumes study on the same course and at the same institution in a different academic year**

65. If a student resumes study in a different academic year they must complete an application form for the new academic year so that they may be assessed for their new period of study using up-to-date financial information. Where the

student is attending for less than a full year they should be reassessed as described in paragraphs 54 to 60 above.

### **Public Contribution to Fees**

66. When determining whether fee support should be paid on behalf of the student, LAs must refer to the 'Date student left course' field on the relevant form completed by the student's HEI.
67. An HEI's entitlement to a public contribution to a student's fees will depend on whether the student was in attendance on the expiry of three months from the start of the academic year (1 December for those whose courses start in September) and whether the student intends to return to their course within the same academic year.
68. In the case of students who withdraw from their course the LA may use the date of last attendance shown on the form if the actual date of withdrawal cannot be determined.
69. LAs should enter the amount of tuition fees on the automated assessment summary screen using these guidelines. The amount entered should be the annual contribution (including any household contribution) that the student would have paid towards the cost of their tuition if they had attended for the full academic year.
  - Enter '£0' if the student left before the expiry of three months after the start of the academic year and is not expected to return within the same academic year.
  - Enter the assessed amount if the student was in attendance on or after the expiry of three months after the start of the academic year or if the student suspended study before the expiry of three months but is expected to return to the course within the same academic year. This assessed amount will normally be the same amount as shown on the last support notification letter produced for the student.
  - Alternatively, enter '£0' if the student is means tested out of support.

### **Repayment**

#### **Students where a stop payment has been processed**

70. LAs should regularly review all their students where a stop payment has been processed pending clarification of the student's status. These students will not fall into repayment until they are moved into withdrawn status.

#### **Suspended students**

71. LAs should regularly review all their students who are showing as suspended on the system. Students who abandon their studies without completing their courses will only be moved into repayment by the system if their status is showing as withdrawn.

#### **Repeating students**

72. Repeating students will move into repayment if they do not apply for support in the academic year following the period of repeat study. In order to avoid this, LAs should extend the student's period of study on the system.

### Students who withdraw

73. Student loans become repayable from the April following the date of withdrawal (excepting where there is an overpayment, when SLC will take steps to recover the overpayment immediately by contacting the student).

### Fee or Liability Reduction

74. For further information also refer to the 'Tuition Fee Attendance Confirmation' chapter. If there is a change to the amount of course fees payable or tuition fee loan required, the following guidance covers various scenarios where action will be required by LAs.

Please note: The student cannot request a reduction to the tuition fee loan once the ACR report has been issued to the HEIs. Such adjustments are generated from the HEIs via a change of circumstances to the LAs.

#### **Example 1 – Student makes upfront payment prior to attendance confirmation report (ACR) but doesn't reduce loan**

The Course Fee is £3,290; the student requests a Loan of £3,290 and is expected to make a personal contribution of £0.

However, the student makes an upfront payment of £440 prior to the ACR date without requesting a Loan Adjustment.

SLC issue the student with a payment schedule letter (PSL) indicating:

Course Fee	£3290
Loan	£3290
Student Pays	£0

SLC issue the first ACR indicating:

Course Fee	£3290
Loan	£3290
Student Pays	£0

The HEI returns the ACR with a value of 'N' indicating upfront payment has been made which they do not intend to refund. At the same time the HEI should complete a COC form and send to the relevant LA.

N.B. the 'N' value is also reported to the LA via the LA Exception Report. Where the LA has not received a completed COC form from the HEI then they should contact the HEI to confirm the situation.

The LA issues a revised SN with a Reduced Fee Loan of £2785 with the reason "HEI Objection Received – Liability Changed"

SLC issue the student with a PSL indicating:

Course Fee	£3290
Loan	£2785
Student Pays	£505

SLC issue a subsequent ACR indicating:

Course Fee	£3290
Loan	£2785
Student Pays	£505



The HEI returns the ACR with a value of 'A' indicating a positive confirmation of attendance and agreement with the Fee and Loan information.

Example 2 – Student Makes Upfront Payment, Withdraws Post-ACR, Agrees Reduced Fee and Receives a Refund

The Course Fee is **£3290**; the student requests a Loan of £2000 and is expected to make a personal contribution of **£1290**.

SLC issue the student with a PSL indicating:

Course Fee	<b>£3290</b>
Loan	£2000
Student Pays	<b>£1290</b>

SLC issue the first ACR indicating:

Course Fee	<b>£3290</b>
Loan	£2000
Student Pays	<b>£1290</b>

The HEI returns the ACR with a value of 'A' indicating a Positive Confirmation of Attendance and agreement with the Fee and Loan information.

The student subsequently withdraws post-ACR date and agrees a reduction in fees with the HEI to £1500 and the HEI refunds the £1225 upfront payment to the student.

The HEI should complete a COC form and send to the LA informing them of the withdrawal and that there has been a change in Course Fee Amount and the value of the reduced Course fee Amount.

The LA issues a revised support notification with a Reduced Fee Loan of £1500 with the reason "Withdrawn – Reduced Course Fee"

SLC issue the student with a PSL indicating:

Course Fee	£1500
Loan	£1500
Student Pays	£0

SLC issue a subsequent ACR indicating:

Course Fee	£1500
Loan	£1500
Student Pays	£0

The HEI returns the ACR with a value of 'A' indicating a Positive Confirmation of Attendance and agreement with the Fee and Loan information.

Example 3 – Student Makes Upfront Payment, Withdraws Post-ACR, Agrees Reduced Fee but does not Receive a Refund

The Course Fee is **£3290**; the student requests a Loan of £2000 and is expected to make a personal contribution of £1225.

SLC issue the student with a PSL indicating:

Course Fee	<b>£3290</b>
Loan	£2000
Student Pays	<b>£1290</b>

SLC issue the first ACR indicating:

Course Fee	£3290
Loan	£2000
Student Pays	£1290

The HEI returns the ACR with a value of 'A' indicating a Positive Confirmation of Attendance and agreement with the Fee and Loan information.

The student subsequently withdraws post-ACR date and agrees a reduction in fees with the HEI to £1500 however the HEI declines to refund the £1290 upfront payment to the student.

The HEI pass a Course Notification – Withdrawal to the LA indicating that there has been a change in Course Fee Amount and the value of the reduced Course fee Amount.

The LA issues a revised support notification with a Reduced Fee Loan of £1500 with the reason “Withdrawn – Reduced Course Fee”

SLC issue the student with a PSL indicating:

Course Fee	£1500
Loan	£1500
Student Pays	£0

SLC issue a subsequent ACR indicating:

Course Fee	£1500
Loan	£1500
Student Pays	£0

The HEI returns the ACR with a value of 'N' indicating upfront payment has been made which they do not intend to refund.

The 'N' value is reported to the LA via the LA Exception Report (and to SLC Funding Services for info via the LA Exception Report Extract).

The LA contacts the HEI to confirm the situation.

The LA issues a revised support notification with a Reduced Course Fee of £1500 and a Reduced Fee Loan of £500 with the reason “Withdrawn – Reduced Course Fee”

SLC issue the student with a PSL indicating:

Course Fee	£1500
Loan	£500
Student Pays	£1000

SLC issue a subsequent ACR indicating:

Course Fee	£1500
Loan	£500
Student Pays	£1000

The HEI returns the ACR with a value of 'A' indicating a Positive Confirmation of Attendance and agreement with the Fee and Loan information.

#### Example 4 – Students submits CoC indicating Reduced Course Fee Pre-ACR

The Course Fee is £3290; the student requests a Loan of £3290 and is expected to make a personal contribution of £0.

The student submits a Change of Circumstance (CO1) form indicating a Reduced Course Fee of £2000 and a Loan Request Form to reduce their loan to £2000.

SLC issue the student with a PSL indicating:

Course Fee	£2000
Loan	£2000
Student Pays	£0

SLC issue the first ACR indicating:

Course Fee	£2000
Loan	£2000
Student Pays	£0

The HEI returns the ACR with a value of 'F' indicating they disagree with the Course Fee and complete a COC form and send to the LA.

The LA issues a revised support notification with a Course Fee of **£3290**.

SLC issue the student with a PSL indicating:

Course Fee	<b>£3290</b>
Loan	£2000
Student Pays	<b>£1290</b>

SLC issue a subsequent ACR indicating:

Course Fee	<b>£3290</b>
Loan	£2000
Student Pays	<b>£1290</b>

The HEI returns the ACR with a value of 'A' indicating a Positive Confirmation of Attendance and agreement with the Fee and Loan information.

#### Example 5 – Students submits CoC indicating Reduced Course Fee Post-ACR

The Course Fee is **£3290**; **the student requests a Loan of £3290** and is expected to make a personal contribution of £0.

However, the student makes an upfront payment of £500 prior to the ACR date without requesting a Loan Adjustment.

SLC issue the student with a PSL indicating:

Course Fee	<b>£3290</b>
Loan	<b>£3290</b>
Student Pays	£0

SLC issue the first ACR indicating:

Course Fee	<b>£3290</b>
Loan	<b>£3290</b>
Student Pays	£0

The HEI returns the ACR with a value of 'N' indicating upfront payment has been made which they do not intend to refund. The HEI should at the same time complete a COC form informing the relevant LA about this and send to the LA.

N.B the 'N' value is also reported to the LA via the LA Exception Report. Where the LA has not received a completed COC form from the HEI then they should contact the HEI to confirm the situation.

The LA issues a revised support notification with a Reduced Fee Loan of £2645 with the reason "HEI Objection Received – Liability Changed"

SLC issue the student with a PSL indicating:

Course Fee	<b>£3290</b>
Loan	£2645
Student Pays	<b>£645</b>

SLC issue a subsequent ACR indicating:

Course Fee	<b>£3290</b>
Loan	£2645
Student Pays	<b>£645</b>

The HEI returns the ACR with a value of 'A' indicating a positive confirmation of attendance and agreement with the Fee and Loan information.

## Overpayments Administration Guidance

### LA Responsibilities

- 75.** LA's statutory power to assess students' entitlement to support means that they will determine when an overpayment has occurred. This is usually as a result of a reassessment after receipt of additional or missing information. However it is the SLC's responsibility to recover any overpayments of grants and loans.

### Recovery of grants

When an LA establishes that a student has been overpaid a grant, they have an obligation to ensure that recovery action is initiated. Recovery action is taken by SLC. However in the case of a recovery being made because of the student committing fraud (see BIS Audit guidance), the LA should contact the Special Investigations Unit at SLC.

Contact details are: Email: [siu@slc.co.uk](mailto:siu@slc.co.uk)

Fiona Innes	SIU Team Leader: 0141 243 3487
Angela McArthur	SIU Administrator: 0141 243 3488
Debbie Goldie	SIU Administrator: 0141 243 3049
Gerry Brown	SIU Administrator: 0141 243 3814
Darren Brodie	SIU Administrator: 0141 243 3815

- 76.** LA's have no power to prevent the recovery of overpaid amounts of grant from future instalments of grant when there are further instalments to be paid within the current academic year and the amounts of grant due exceed the amount of overpayment to be recovered.
- 77.** Therefore whenever a reassessment of entitlement for grant is made after a student has received an instalment payment and the student's eligibility for grant is reduced then by authorising the reassessment for the reduced amounts of grant the LA officer will be approving the immediate recovery of the overpaid amounts of grant.

**Overpaid grants – recovery from previous or future academic years**

**78.** Where a student reaches the end of the current academic year or the final instalment of grants has been paid within the current academic year and there is an outstanding overpaid amount to be recovered then the LA may choose to defer recovery action being started until any future date. For example, an LA may choose to exercise this discretion for a student if immediate full repayment would cause such financial hardship to the student that they would be likely to withdraw from their course.

**79.** Where an LA decides to exercise this discretion they must take the following action;

If the LA wishes the deferral to be until after the student has completed their course then:

(i) The LA should complete a manual proforma quoting the full grant entitlement for the academic year (all type of Grants, i.e. CCG, ADG, PLA), payments will be scheduled as 33%, 33% and 34% for each term. Any amount that already been scheduled in the CLASS system should be deducted from the amount that LA wishes to pay. All Manual Payment requests should be emailed by the LA to the manual\_payment\_requests@slc.co.uk mailbox.

(ii) The LA should inform the student that the grant overpayment has been deferred and their grants are being processed manually; therefore the student may receive a grant over payment letter. If so, the student should contact the telephone number on the letter and advise the Grant overpayment department that the LA has agreed to defer repayment.

(iii) The LA should ensure that a full note is recorded against the student's account detailing the reason for the deferral, and notify the student in writing of their decision.

If the LA takes no action then the overpaid grants will be recovered in full from any future grant instalments. These future grant instalments will be reduced or wiped out in full until the entire overpaid amount is recovered.

**SLC Responsibilities**

**80.** There is no means within CLASS of separately identifying grants. The exception to this is Part time Grants (see Part time Guidance) and DSA payments made to a third party; currently these are not recovered although the Regulations do make provision for these grants also to be recovered. A student's grants are rolled into one payment within the CLASS system. CLASS will therefore recover any overpayment of grant from any further grants that a student is entitled to receive.

**SLC method of recovering overpayments of grants**

**81.** When the SLC discovers that an overpayment of grant has been made and the student is still undertaking a designated course, the SLC will immediately inform the student in writing that it will attempt to recover the overpayment by offsetting it against any future payment(s) of grant.

(i) On each occasion that an overpayment of grant is recovered in this way the SLC will inform the student on the payment schedule letter it sends him until all the overpayments have been fully recovered.

- (ii) Any overpayment will be deducted in full from the next grant paid to the student. Recovery will be triggered automatically when a new financial assessment is passed by Protocol to CLASS authorising payment of grant(s) to the student.
- (iii) As stated above payments to third parties are exempt from automatic recovery as the system has been set up to make these payments separately.
- (iv) Where part or all of an overpayment of grant is outstanding when the student leaves or completes his course the SLC will seek to recover the outstanding amount manually instead of via the Income Contingent Recovery / Inland Revenue route. The overpaid grant amount will not accrue interest and therefore the student will be encouraged to make repayment as quickly as possible.
- (v) A student who has an overpayment outstanding who applies for further support and fails to mention this fact on their subsequent application will be identified when the payment instruction for their new award reaches CLASS. In these circumstances SLC will advise LAs.

#### **SLC method of recovering overpayments of loans**

- 82.** When a reassessment of a student's support results in a reduction to the student's entitlement to support the overpayment will be recovered by a reduction in amounts for the remaining loan instalments paid to the student within the year.

(In this example the amount is calculated assuming the 33/33/34% instalments are paid in equal amounts)

- (i) Original entitlement to loan £4500 paid in three equal instalments of £1500.
- (ii) Reassessment during the second term reduces entitlement to £3600. This would normally be paid in three instalments of £1200.
- (iii) However, when the reassessment reaches the payments system its records will show that it has already paid the student £3000.
- (iv) The reassessed entitlement after two instalments is only £2400 (two payments of £1200).
- (v) The student has been overpaid £600.

Therefore when the third instalment is paid it will be reduced to £600 and the overpaid amount of £600 will be recovered.

- 83.** LAs have no role in the recovery of overpaid loans. Students can receive an overpayment of loan either as a result of a reassessment of their entitlement to support, or if they withdraw partway through a course. The overpayment will be identified by the SLC when the reassessment/withdrawal is processed. When the SLC identifies that a student has received an overpayment of loan, they will attempt to recover the overpayment immediately by contacting the student. Where student is unable to make repayment in full, SLC will negotiate the recovery of the overpaid amount on a case by case basis. This is carried out by SLC in line with BIS guidelines to recover payments to which students are not entitled.

- (i) Where a student has been reassessed by an LA and this results in them having received an overpayment of loan, (ie all three instalments for that academic year have already been paid), SLC will attempt to recover the overpayment immediately. SLC 'Collections' Dept will be responsible for carrying out this work and will record relevant notes against the student record. If the student subsequently returns the following year, the LA should check the notes on the LA portal to confirm if SLC 'Collections' Dept has commenced immediate recovery and if so, the LA should contact SLC, (Collections Dept contact details will be included in the note), to confirm how much of the overpayment has been recovered. If the overpayment has not been repaid in full, then after assessing the subsequent application, the LA should reduce the loan by the previous year's outstanding overpayment amount and record a note to this effect on the LA portal.
  
- (ii) Currently CLASS is not able to recover overpayment of loans automatically as it does for overpayment of grants. Until such time as recovery of overpayment of loans is handled automatically by CLASS, it is vital that LA's make appropriate notes and refer to any relevant notes on the LA Portal, in all instances where an overpayment of loan should be recovered.

Please also refer to Change of Circumstances Policy Guidance paragraphs 64-70.