






## How your child repays their loan

How much will they repay? 

How do they repay? 

Will they pay interest? 



# How your child repays their loan

When your child finishes or leaves their course they need to pay back any loans they've borrowed – but not until their income is over £21,000 a year.

If they're a full-time student, they'll be due to start repaying their loan from the April after they finish or leave their course. If they're studying part time, they'll be due to start repaying from the April four years after the start of their course or the April after they finish or leave their course, whichever comes first.

## How much will they repay?

The amount they repay depends on their income, not what they borrowed.

They'll repay 9% of any income over the current threshold of £403 a week, £1,750 a month or £21,000 a year. If their income falls below this, their repayments will automatically stop.

The table below shows some examples of what the expected monthly repayment amount would be.

Income each year before tax	Amount repaid per month
£21,000	£0
£24,000	£22
£27,000	£45
£30,000	£67
£33,000	£90
£36,000	£112
£40,000	£142

Any loan remaining 30 years after they are due to start repaying will be written off.

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## How do they repay?

Repayments are collected through the UK tax system, either:

- through PAYE, where payments are deducted by their employer in the same way as Income Tax and National Insurance; or
- through the self-assessment process if they are self employed.

If they live or work abroad when they finish their course they need to contact us before they leave the UK so we can make arrangements for them to start repaying.

Your child can also make voluntary repayments at any time.

## Do they have to pay interest?

Yes. The amount of interest charged is based on the rate of inflation (Retail Price Index [RPI]) and will vary depending on your child's circumstances.

	Interest rate
While the student is studying up until the April after they finish or leave their course	Retail Price Index (RPI) plus 3%
From the April after they finish their course	Interest will be based on their income:  £21,000 or less = RPI  Between £21,000 and £41,000 = RPI plus up to 3%, depending on their income  £41,000 and over = RPI plus 3%


Interest is charged from the day we make the first loan payment until the loan is repaid or written off, whichever is first.


For more information about repaying student loans, go to [www.studentloanrepayment.co.uk](http://www.studentloanrepayment.co.uk)

You'll also find helpful tools and guidance on what, how and when to repay, in our dedicated student finance zone on The Student Room – [www.thestudentroom.co.uk/studentfinance](http://www.thestudentroom.co.uk/studentfinance)

[www.practitioners.slc.co.uk](http://www.practitioners.slc.co.uk)

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