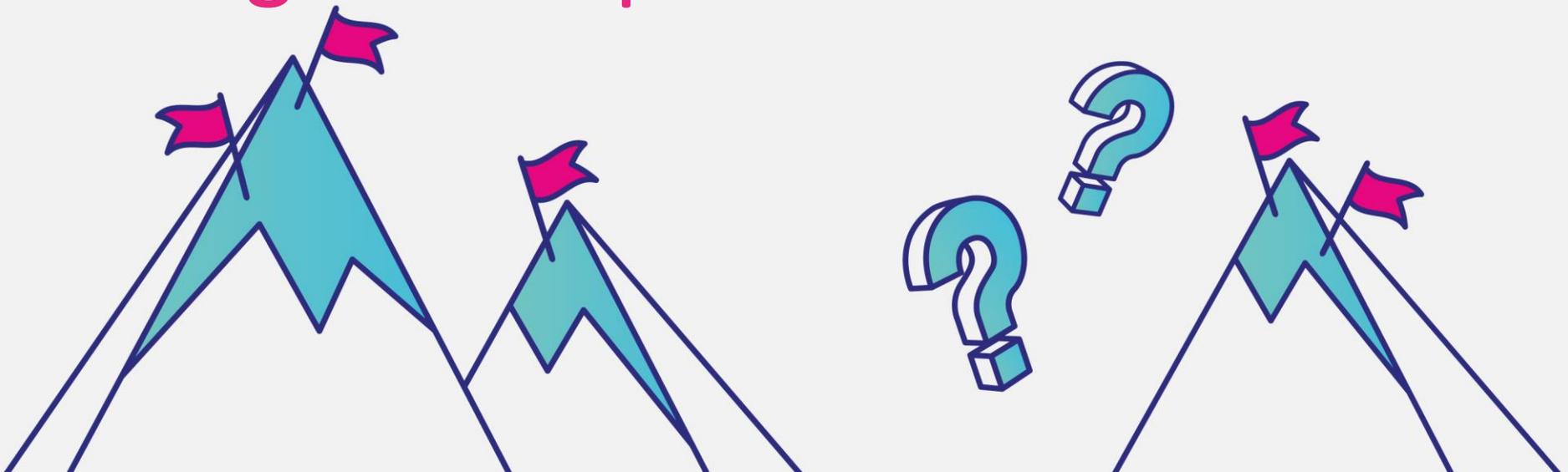


Student finance: the ultimate guide for parents and carers



Questions parents and carers may have asked themselves...

“Can we afford to send our child to university?”

“What will the upfront costs be?”

“Is it worth it long term?”

“I’ve heard we have to pay £9,250 a year tuition, is this true?”

“Will we be able to support all of our children if one of them is at university?”

Things to note before we start:

- These figures are applicable for students beginning an undergraduate course in September 2019
- Government has announced that the tuition fee cap of £9,250 a year stays the same for 2019-20
- The following points in this presentation are applicable to students deemed as UK resident (usually someone who has been ordinarily resident in the UK for the 3 years preceding the beginning of the course.)

Two types of costs to consider

1- Tuition fees	2- Living costs
Up to £9,250 per year Fee set by each university to cover course costs	Cost of accommodation plus other living costs, e.g. food, travel, books, socialising, clothes
Amount is per year, but could rise each year with inflation Doesn't differ by course within an institution	Amount depends on type of accommodation, location in the UK, course, lifestyle, etc.
Everyone is entitled to a loan to cover the full cost (as long as it's their first HE study)	Maintenance loan is available to cover this. Amount depends on household income of <i>sponsors</i> (the loan is means tested)

1- Tuition fees



Two options:

- Pay the fee yourself – (in full before enrolment, or in 3 instalments)

OR

- Take a tuition fee loan
 - ✓ Most eligible students opt for this
 - ✓ Available to all eligible students regardless of income etc.
 - ✓ Fee is paid directly to the institution
 - ✓ Subject to interest at a subsidised rate set by the government each year

Loan to be repaid by student once they are earning over £25,725 per year (as of April 2019) (more on repayments later!)

2- Maintenance loans (a bit more complicated!)

- To help with essential expenses such as accommodation, food, books, travel
- All eligible students can receive a minimum loan rate regardless of household income
- The rest depends on household income – apply for assessment if your household income in tax year 2017-2018 was below around £65k
- Amounts available (2019 figures):
 - **Living with parents – maximum subject to income assessment £7,529**
 - **Living away from home – maximum subject to income assessment £8,944 (£11,672 if living in London)**
- Paid directly into students' bank accounts at the start of each term – three instalments

Household income	Living with parents (£)	Live away from home & study outside London (£)	Live away from home & study in London (£)
£25,000 or less	7,529	8,944	11,672
£30,000	6,707	8,076	10,719
£35,000	6,090		10,084
£40,000	5,473		9,449
£42,875	5,118	6,469	9,083
£45,000	4,855	6,204	8,813
£50,000	4,238	5,579	8,178
£55,000	3,621	4,955	7,543
£60,000	3,224	4,331	6,907
£65,000	3,224	4,054	6,272

Figures beneath the maximum are yet to be released as of 21/02/2019

Supplementing your income as a student

Depending on household income, the money received as a maintenance loan may not fully cover costs for the year.

This income may need to be supplemented by a part-time job, savings or money from parents/carers, for example.

Students can cut down spending by taking advantage of 'student discount' offers available, buying discount travel passes and railcards, cooking with friends, getting more affordable accommodation, not having a car, monthly budgeting...



Example 1

Jess is going to Nottingham Trent University to study Fashion Design (3 years).

She normally lives with her mum and stepfather in Wakefield and they have no other dependent children.

Their household income for the 2016/17 tax year was £36,500.

Jess is moving out to Nottingham for the duration of her degree.

Tuition fee loan	Maintenance loan
Jess will have all of her tuition fees covered by a loan and paid directly to the university (3 x £9,250 = £27,750) *fees may increase slightly during the course	Jess will receive £6,828 per year maintenance loan as her household income is less than £40k (3 x £6,828 = £20,484) Jess's chosen accommodation for first year is £4,281.20 per year. This leaves her with £2,546.80 for other costs.

Jess will need to supplement her income either with money from her parents, a part-time job, savings or similar.

Example 2

Piers is going to Queen Mary University to study Politics. He will be living in London for 3 years.

Usually he lives in Bradford with his mum and brother who is at school.

Their household income for the 2016/17 tax year was £24,350.

Tuition fee loan	Maintenance loan
Piers will have all of his tuition fees covered by a loan and paid directly to the university (3 x £9,250 = £27,750) *fees may increase slightly during the course	Piers will receive the full London loan of £11,672 per year because his household income is less than £25k. Piers's chosen accommodation for first year will cost £6,363.63 per year. This leaves him with £5,308.37 for other costs.

Piers is also eligible for a bursary from the university as his household income is less than £25k. In this case, he will receive an additional £1,571 per year from the university. This is ***non-repayable***.

Repayment of loans

- Start to repay in the financial year after you graduate
- Only make repayments if your annual income is above £25,725 (as of April 2019).
- Repay at the rate of 9% of your income above the first £25,725 (as of April 2019) so no matter how much you owe, you only pay back according to your earnings.
- Payments collected by HMRC.
- Any outstanding balance written off after 30 years from date you are due to start repayments.
- No matter how much you owe, you only pay back according to how much you earn above £25,725.



Repayment of loans



See example below for how much you would repay once you graduate

Annual income before tax	Approximate monthly repayment
£25,000	£0
£27,000	£10
£30,000	£32

If you move abroad or become self employed you still have to declare your income and make repayments. It won't disappear if you move to Australia!

Interest on student loans



Tuition fee loans and maintenance loans are subject to interest as soon as they are paid out.

Interest will be charged at RPI +3% whilst you study, and until the end of the tax year after you graduate.

From the following tax year after you graduate, interest will be charged at RPI only, if you are earning less than £25,725.

For those earning £25,725-£45,000 interest will be charged at RPI +up to 3% on a sliding scale.

Over £45K – charge will be RPI +3%

Students with particular circumstances



- **Disabled Students' Allowance** – to pay for extra learning costs incurred as a result of a disability, e.g. specialist equipment, note taker, screen reader, additional travel costs
- **Bursaries/scholarships** – individual universities and colleges offer a wide range of extra money based on background, circumstances, academic achievement, sporting/musical ability... do your research!
- **Other dependent children** – if parents have other financial dependents in their household, this will be taken into account when the student finance assessment is made
- **Childcare Grant** – for full time students with a dependant child in OFSTED registered childcare; amount depends on income and childcare costs. Max. currently £164.70 for one child per week

Applying for student finance



Apply online between February and May

Students will need:

- UCAS ID or full course details
- passport number or certified birth certificate
- National Insurance number
- bank account details (this can be changed later if necessary)
- details of any unearned income expected in 2018-19 (e.g. interest on savings or rental income)

Parents/partners will need:

- National Insurance numbers
- proof of divorce or separation where applicable
- details of other dependant children
- income information for 2017-18 (or appropriate) tax year – taxable income

Apply online at www.gov.uk/studentfinance

Questions?



Information gathered from:

University of Huddersfield

Leeds College of Music

University of Bradford

For further information:

www.thestudentroom.co.uk/studentfinance

www.gov.uk/studentfinance

<http://www.moneysavingexpert.com/students>



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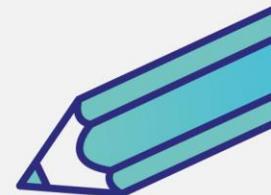
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