

Postgraduate Loan

Introduction to Postgraduate Loans

Who can get a Postgraduate Loan? 

How will students repay their Postgraduate Loan? 

When will more information be available? 

2016/17



Introduction to Postgraduate Loans

Question

Who can get a Postgraduate Loan?

What can students get?

Answer

▶ Students can apply for a Postgraduate Loan if they:

- are studying a taught or research Master's course,
- are under 60 years old at the start of the first academic year of their course, and
- normally live in England.

If they're studying full time the course can last for one or two years. If they're studying part time they can study for two years (for the equivalent one year full-time course) or up to four years (for the equivalent two year full-time course).

EU students, who don't normally live in England, will also be able to get a Postgraduate Loan for a Master's course at an English university or college.

▶ Student's can apply for a loan of up to £10,000 as a contribution towards their course and living costs. Postgraduate Loans have to be paid back.

If they have a disability, including a mental-health condition or specific learning difficulty, such as dyslexia or dyspraxia, they might be able to get Disabled Students' Allowances (DSAs). DSAs don't have to be paid back. Postgraduate students can apply for DSAs even if they aren't eligible for a Postgraduate Loan.

Introduction to Postgraduate Loans

Question

How are students paid?

When can they apply?

Will interest be charged on Postgraduate Loans?

Answer

The loan will be paid into the student's bank account in three instalments during the academic year.

If the course is longer than one year they can apply for up to £5,000 in their first year and the rest in their second year. If they're studying part time they can only get payments in the first two years of their course.

Students can apply for a Postgraduate Loan from summer 2016. They'll only have to apply once, even if their course is longer than one year.

Application launch dates will be available on SFE's dedicated student finance zone on The Student Room (www.thestudentroom.co.uk/studentfinance) and our social media channels nearer the time. Tell your students to bookmark our sites and check back often.

Interest is charged from the day the first payment is made to the student until the loan is repaid in full. Interest will be charged at the Retail Price Index (RPI) plus 3%.

Introduction to Postgraduate Loans

Question

How will students repay their Postgraduate Loan?

Answer

Repayments will be based on their income, not what they borrowed.

If they're studying full time they'll start making repayments the April after they finish or leave their course. If they're studying part time, they'll start making repayments the April two years after the start of their course or the April after they finish or leave their course, whichever comes first.

However, no repayments towards Postgraduate Loans will be taken before April 2019 and only when their income is over the current threshold of £404 a week, £1,750 a month or £21,000 a year.

They'll repay 6% of what they earn over the threshold.

For example, if they're paid monthly and earn £2,500 before tax they'll repay 6% of the difference between what they earn and the threshold (£1,750):

$$£2,500 - £1,750 = £750$$

$$6\% \text{ of } £750 = £45$$

So their Postgraduate Loan repayment would be £45 that month.

Student loan repayments will be taken even if the student doesn't earn over £21,000 in a year but exceeds the weekly or monthly threshold at any time, for example if they work overtime or get a bonus.

Any loan remaining 30 years after they're due to start making repayments will be written off.

Introduction to Postgraduate Loans



Question

What about any loans they already have for their undergraduate course?



Answer

If the student has any other loans from the Student Loans Company for their undergraduate course they will also repay these loans.

Students who started their undergraduate course on or after 1 September 2012

These students will repay 9% of their income over £21,000 towards the student loans they took for their undergraduate course and 6% of their income over £21,000 towards their Postgraduate Loan. This means they will repay 15% of their income over the threshold in total.

Income each year (before tax)	Monthly salary	Undergraduate loan repayment	Postgraduate Loan repayment
£21,000	£1,750	£0	£0
£25,000	£2,083	£30	£20
£30,000	£2,500	£67	£45
£35,000	£2,916	£105	£70
£40,000	£3,333	£142	£95
£45,000	£3,750	£180	£120

Introduction to Postgraduate Loans

Students who started their undergraduate course before 1 September 2012

If they took a loan for an undergraduate course that started after 1 September 1998 but before 1 September 2012 they will repay 9% of their income over £17,335 towards the student loans they took for their undergraduate course and 6% of their income over £21,000 towards their Postgraduate Loan. This means they will repay 15% of their income over the threshold in total.

Income each year (before tax)	Monthly salary	Undergraduate loan repayment	Postgraduate Loan repayment
£17,335	£1,444	£0	£0
£21,000	£1,750	£27	£0
£25,000	£2,083	£57	£20
£30,000	£2,500	£94	£45
£35,000	£3,916	£132	£70
£40,000	£3,333	£169	£95
£45,000	£3,750	£207	£120

If they have an outstanding student loan for a course that started before 1 August 1998, they will continue to repay or defer these loans.



Question

When will more information be available?



Answer



More detailed information about Postgraduate Loans will be available in spring 2016 and the application will be available this summer.