



# Postgraduate Loan (PGL) for Masters study

ACADEMIC YEAR 2016/17 (ENGLAND) POLICY SUMMARY

From the 2016/17 academic year, the government will for the first time provide a loan of up to **£10,000 per student** for postgraduate Masters study. This document describes the main features of the new loan product.

The policy is intended to increase the number of individuals with postgraduate Masters qualifications, which will help to ensure that the UK is able to meet increasing demands for highly skilled workers.

The Postgraduate Loan (PGL) for Masters study will be:

- **A contribution towards the costs of study**, ie, it will be at the student's discretion to use the loan towards fees, maintenance costs or other costs
- **Non-means tested**
- **Paid directly to the student** into a UK bank account.

## Personal eligibility

PGL will be available to UK Nationals (and individuals with settled status in the UK) who have been ordinarily resident in the UK and Islands for three years on the first day of the first academic year of their course. They must have been most recently resident in England, and must not have moved there from elsewhere in the UK and Islands solely for the purpose of attending the course. Temporary absences from the home address, such as for education or travelling, will not prevent an applicant being eligible for PGL.

Individuals may be eligible if they are an EU national or if they have the residency status of refugee, humanitarian protection, EEA or Swiss migrant worker, a family member of any of the previous categories, or a child of a Swiss national or child of a Turkish worker.

Applicants must be **aged under 60** on the first day of the first academic year of the course. The 'academic year' is the period of 12 months starting on 1 September, 1 January, 1 April or 1 July. For example, where a student starts a course on any date in August to December 2016 inclusive, the first day of the academic year is 1 September 2016. The applicant must be aged under 60 on that date. Note that there is no lower age limit.

Applicants will not be eligible for PGL if they have outstanding **student loan arrears** or have previously been found to be **'unfit' for student support** (eg, because of attempted fraud).

Students who already hold a Masters qualification (or an equivalent or higher level qualification) will not be eligible for PGL. This applies even if the previous qualification was entirely self-funded and/or achieved outside the UK. Lower level qualifications such as Postgraduate Diplomas or Postgraduate Certificates of Education will not affect eligibility for PGL.

Students who have already received PGL funding for a Masters course will not be eligible for repeat funding, even where they did not complete the course, unless they have a compelling personal reason for receiving repeat funding for a year of study.

## Course eligibility

The student must start the course in the 2016/17 academic year or later (ie, on or after 1 August 2016).

The course may be provided by:

- An **authority-funded Higher Education (HE) Provider** in the UK; or
- An **alternative provider with degree awarding powers** in the UK

Note that the course may have an overseas element but this cannot exceed 50% of the total course.

One- and two-year full-time courses are eligible for support. Part-time courses are also eligible, and are subject to a minimum 50% intensity requirement. Note that where the student is studying a two-year full-time course on a part-time basis, all payments will be made over the first two years of study.

Eligible courses may be **taught or research based**, and include professional Masters courses such as MBAs. There are **no subject restrictions**.

The student can **attend** an eligible course anywhere in the UK or study an eligible course by **distance learning** in England (subject to restrictions on personal eligibility).

Examples of courses that are eligible for Postgraduate Loan funding include the following:

- MSc (Master of Science)
- MA (Master of Arts)
- MPhil (Master of Philosophy) on entry
- MRes (Master of Research) on entry
- LLM (Master of Law)
- MLitt (Master of Letters)
- MFA (Master of Fine Arts)
- MEd (Master of Education)
- MBA (Master of Business Administration)
- MA or MSc by Research

Masters courses that are currently funded by the undergraduate support system, such as integrated Masters and Master of Architecture, will not be eligible for PGL. Neither will other postgraduate qualifications that do not result in a Masters qualification, such as a Postgraduate Diploma.

## Payment

No payments will be released until the applicant has supplied their valid **National Insurance Number (NINO)** where they have one.

There is **no minimum loan request** amount. Students can amend the amount of loan requested up to one month before the end of the academic year, but cannot request less than has been paid.

Payments will be released following receipt of **confirmation from the HE Provider** that the student is in study and on track to complete the course within the specified course duration.

This must be confirmed at the start of each academic year of the course.

Payments of PGL will be made in three equal instalments per academic year, scheduled as follows:

**Payment 1:** Course start date as advised by the HE Provider\*

**Payment 2:** Four months after the course start month (last Wednesday of month)

**Payment 3:** Seven months after the course start month (last Wednesday of month)

\*Payment on this date depends on the HE Provider confirming the student is in study.

## Change of circumstances

**Transfers** between eligible postgraduate Masters courses are permitted. Where the new course is at a different HE Provider, the new HE Provider must notify SLC of the transfer before any future payments will be made to the student. This ensures that students are registered at the correct HE Provider before future instalments are released.

**Repeat years of study** will generally not be funded (even where the student did not complete a previous postgraduate course, or requested less than the maximum loan amount). A repeat year will only be funded where the student can prove compelling personal reasons for repeating an academic year.

Further funding is not available where the student does not complete the course in the specified course length. However students can **suspend and resume** their course (no payments are made during suspension periods).

**Withdrawals** should be notified to SLC immediately so that payments are not made when the student is no longer in study. This will be closely monitored by SLC to ensure compliance to the current policy. Any payment made after the student leaves study will be treated as a loan overpayment.

## Repayment

Postgraduate Loans will be repaid under **income contingent repayment** terms.

The repayment terms differ from those that apply to undergraduate student loans.

**Interest** will accrue at a rate of RPI +3% on all outstanding PGL balances.

The **repayment due date** for PGL balances will be 6 April following the academic year in which the course is completed (or following withdrawal, where this applies). Note that repayments through HMRC will not start before **6 April 2019**. Voluntary repayments can be made at any time without penalty.

The UK **repayment threshold** will be £21,000 in tax year 2019/20. The equivalent monthly threshold is £1,750 and the weekly threshold is £404. Those who are **repaying from overseas** will have a threshold applied which is based on the cost of living in their country of residence. Repayments from overseas will be made directly to SLC. The thresholds will be frozen until April 2021; any future changes to the thresholds will be confirmed in due course.

The **repayment amount** will be 6% of income above the relevant threshold. Repayments will be made concurrently with any other student loan repayments due, ie, borrowers repaying both loans will have a 15% total deduction taken from their salary.

Borrowers may switch to **direct debit repayments** when they are scheduled to repay in full within two years.

**Write off** of any outstanding balance will take place on the 30th anniversary of the date that the loans become due for repayment, or when the customer dies or becomes permanently unfit for work, unless the borrower has outstanding student loan arrears.

