



Student finance 2019 entry

All figures, below, are based on full-time students, starting at an English university in 2019.

- The cost of going to university can be split into two main areas
- Tuition fees (the cost of your course)
 - Maintenance (living costs)

Tuition fees

For 2019-20, our tuition fee for new UK and Channel Islands students will be £9,250 and fees are likely to increase for each academic year of study. For full-time undergraduate students with a Home fee status any fee increases during your programme of study will be limited to the annual increase in the RPI-X index. Increases in fees for full-time undergraduate students with a Home fee status remain subject to UK Government approval.

No UK student has to pay this cost upfront and everyone is entitled to take out a loan for the full cost of their course. However, you can pay some, or all, of the cost up front if you wish. Tuition fees are paid directly from the Student Loans Company to your university. They do not go via the student.

Maintenance

Maintenance loan

All UK students are entitled to a second loan to help with living costs. The amount you get depends on:

- where you live whilst studying; and
- the household income of your family.

Household income includes all salaries, benefits and pensions coming into the home. It is based on the house in which you live for the majority of your time.

In terms of where you live whilst studying, you will fit into one of three categories. Students living at home get the smallest loan, while students living away from home, in London, get the largest:

- Living at home: Up to £7,529 per year
- Living away from home, outside London: Up to £8,944 per year
- Living away from home, in London: Up to £11,672 per year

How much will I get in government maintenance support?

The next table shows household incomes followed by the maintenance loan amount per year.

| Household income (£) | Annual loan amount (£) | | |
|----------------------|------------------------|---------------------------------------|------------------|
| | Living at home | Living away from home, outside London | Living in London |
| 25,000 | £7,529 | £8,944 | £11,672 |
| 30,000 | £6,895 | £8,303 | £11,020 |
| 35,000 | £6,260 | £7,661 | £10,367 |
| 40,000 | £5,626 | £7,019 | £9,714 |
| 45,000 | £4,991 | £6,377 | £9,062 |
| 50,000 | £4,357 | £5,735 | £8,409 |
| 55,000 | £3,722 | £5,093 | £7,756 |
| 60,000 | £3,314 | £4,452 | £7,103 |
| 65,000 | £3,314 | £4,168 | £6,451 |
| 70,000 | £3,314 | £4,168 | £5,812 |

Scholarships, bursaries and fee waivers

All universities charging higher fees have to offer financial support to students. However the amount offered, who they offer it to, and the form in which it comes is dependent on the university. As a general guide, some of the most common types of university financial packages are:

- Bursaries - these tend to be lump sums based on household income.
- Scholarships - these are often based on academic criteria, eg A-level grades or the subject being studied at university. For example, there may be a scholarship for students with three As at A-level or students studying maths.
- Fee waiver packages - these offer a reduced price tuition fee and are usually based on household income. It does not have an immediate effect on the upfront costs of university but means you take out a smaller loan.
- Other packages – this may include accommodation subsidies, travel bursaries or incentives for local students.

Applying for university funded support

Many university bursaries and scholarships are assessed automatically but some may require students to identify themselves and complete an additional application form.

It is important that you find out about the financial support packages at the universities you are applying to. In particular, you should know what the criteria are (they can be quite specific) and whether you are automatically assessed or need to apply separately. This information should be on university websites.

Repaying the loans

The repayment earning threshold is £25,000. You do not repay any of the money you borrowed until you finish university and are earning at least £25,000 per year. You then pay back nine per cent of anything you earn over £25,000. This money is deducted automatically each month, along with your income tax and National Insurance.

The amount you pay each month is always in relation to how much you **earn**, not how much you **owe**. In reality, it looks like this:

| Income each year (before tax) | Monthly salary (before tax) | Approximate monthly repayment |
|-------------------------------|-----------------------------|-------------------------------|
| £18,000 | £1,500 | £0 |
| £21,000 | £1,750 | £0 |
| £24,000 | £2,000 | £0 |
| £27,000 | £2,250 | £15 |
| £29,500 | £2,458 | £33 |
| £31,000 | £2,583 | £45 |
| £33,000 | £2,750 | £60 |

If you stop working, or your earnings drop below £25,000, you will not pay anything back during this period. You continue to make repayments until you pay back the full amount. However, if you are still repaying 30 years after graduation, anything remaining will be cancelled, including any interest that may have been added. A student loan is always tied to an individual and *their* earnings. It cannot be passed onto a spouse/partner, child or parent.

Graduates working outside the UK make separate repayment arrangements with Student Finance England and the repayment threshold may differ, depending on the living costs of the country they are based in.

Further information about student loans

Interest on the loans

The rate of inflation applied to student loans is based on the Retail Price Index (RPI). Additional interest of up to 3 per cent may then be added depending on your circumstances.

| Circumstances | Interest rate |
|------------------------------------|------------------------|
| Whilst the student is studying | RPI + 3 per cent |
| Graduate earning under £25,000 | RPI only |
| Graduate earning £25,000 - £45,000 | RPI + up to 3 per cent |
| Graduate earning above £45,000 | RPI + 3 per cent |

Does it affect other borrowing?

Student loans do not appear on credit ratings and do not affect them (either negatively or positively).

The Council for Mortgage Lenders advises that, "A student loan is very unlikely to impact materially on an individual's ability to get a mortgage, but the amount of mortgage available may depend on net income."

Applying for student finance

When do I apply?

Applications for student finance usually open at Christmas, if you are starting university the following September/October.

Applications remain open until the end of May. After the May deadline, you will still get your money but there is no guarantee that this will be before the start of term. It is a good idea to apply early, even if you do not know your exact choice of university (this can be changed later).

How do I apply?

Applications are made online at: www.gov.uk/student-finance. The form asks for a lot of information and, once it has been sent, you may be asked for additional evidence to demonstrate household income etc.

Some useful websites

The main government website for student finance, and where applications are made. This website also contains information about additional pots of money that are available to students with particular circumstances including: disabled students allowance; childcare grant; parents learning allowance; and adult dependent grant.

www.gov.uk/student-finance

Most universities have comprehensive finance sections on their website which include information on the individual university's bursaries and scholarships, eg www.essex.ac.uk/fees-and-funding.

Money Saving Expert offers independent financial advice on the subject of student finance.

www.moneysavingexpert.com/students

Detailed information on how loans are repaid, as well as what to do if you move abroad after university, is online.

www.studentloanrepayment.co.uk

University of Essex financial support

The following information relates to financial support available to undergraduate students starting at the University of Essex in 2019. Other institutions will have their own financial support, so it is important that you check the websites and literature of individual universities.

University of Essex Bursary

If you are a full time UK student, and have a household income of up to £25,000 per year, you could be entitled to our Essex bursary which consists of the following:

| Year one | Year two | Year three |
|----------|----------|------------|
| £1,000 | £1,000 | £500 |

For full details of the above bursary, including exemptions, plus information on other bursaries, please see our website:

www.essex.ac.uk/fees-and-funding