



student finance **england**  
the student finance experts

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# Repaying student loans

Full-time students will be due to start repaying their loans in the April after they finish or leave their course – and, only then if their income is over £21,000 a year.

The amount they repay depends on their income and not how much they borrowed. They'll pay back 9% of anything they earn over £21,000. If their income falls below £21,000, their repayments will automatically stop.

Income each year before tax	Monthly salary before tax	Approximate monthly repayment
£21,000	£1,750	£0
£24,000	£2,000	£22
£27,000	£2,250	£45
£30,000	£2,500	£67
£33,000	£2,750	£90
£36,000	£3,000	£112
£40,000	£3,333	£142

## Repayments

Repayments are collected through the UK tax system, either:

- through PAYE, where payments are deducted by the employer in the same way as income tax and National Insurance; or
- through self-assessment if the student is self-employed.



If the student lives or works 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.

# Repaying student loans

## Interest rates

Interest is charged on a student's loan from the day we make the first payment until the loan is repaid in full. Any loan remaining after 30 years will be written off.

The amount of interest charged will vary, depending on the student'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%

For more information, visit the repayment website, [www.studentloanrepayment.co.uk](http://www.studentloanrepayment.co.uk)