

# The complete guide to **student finance**



# Tuition fees: the basics

**Stressed about being saddled with thousands of pounds' worth of debt? We get to the bottom of tuition fees - it might not be as bad as you think...**

Tuition fees are currently limited to £9,250 a year, a rise in line with inflation from the previous maximum of £9,000 per year. On paper, this seems like a large amount of money - and it is - but a lack of money shouldn't stop you going to university. In fact, most students won't have to pay fees up front and there is a wide range of support available, too.

Just to make things really confusing, there are quite a few differences in what you pay throughout the UK.

- **If you're English:** up to £9,250 per year when studying in England, Scotland Northern Ireland or Wales. It may be more for a privately-run university or college.
- **If you're Scottish:** free if you're studying in Scotland; up to £9,250 per year in England and Northern Ireland; or £9,000 in Wales.
- **If you're Welsh:** up to £9,000 in Wales,



or £9,250 per year in England, Scotland and Northern Ireland. Regardless of where you study, you'll receive a non-repayable fee grant for £4,800 and can apply for a loan to make up any shortfall.

- **If you're Northern Irish:** up to £4,160 per year for studying in Northern Ireland, or £9,250 per year in England or Scotland and £9,000 in Wales.

## Student view:

### Fees aren't putting me off university

"Tuition fees are quite expensive, but it doesn't put me off learning. I have most of my financial support in place, but I will hopefully get a job to bump up my spending money, as well as opening a savings account where I'll put in half of what I earn. This way I can make sure I have enough to pay bills and buy food, but also have money that I can spend on the fun stuff, like clothes and going out."

**Lauren Savage - preparing to start a performing arts degree**



### Should I choose a degree course with lower tuition fees?

As tempting as it is, choosing a course with lower fees may not make much difference when it comes to what you pay back. This is because your annual repayments will depend on your salary, rather than the amount you borrowed.

Whether you choose a course that costs more or less than £9,250 per year, you'll repay the same amount each month - although it will take longer to pay it back. On top of that, many students won't have repaid the full amount of their loan by the point the

remaining amount owed is written off (30 years after you graduate for English and Welsh students).

### Tuition fee loans eligibility

In order to qualify for a tuition fee loan, you need to be studying in higher education for the first time and be under the age of 60 at the start of the academic year. Students undertaking full-time distance learning courses do not qualify.

#### Useful resources

- [Student loan repayment calculator](#)
- [Interactive quick start guides](#)
- [What Parents need to know](#)
- [Student Finance England](#)
- [Student Finance Wales](#)
- [Student Awards Agency Scotland](#)
- [Student Finance Northern Ireland](#)

#### TOP TIP

Tuition fee loans are also available to Masters students, and those taking a second degree in a science, technology, engineering or maths (STEM) subject.

# Student loans and finance

**Not sure where to start? With a bit of organisation, navigating your way through the world of student finance doesn't need to be as complicated as it may seem.**

## Student finance explained

Most students planning to go to university can borrow money to pay for their fees and living costs. The amount you receive will depend on your household income, where you live and what you study.

The student finance package includes:

**1 Tuition fee loan:** A non-means tested (not dependent on household income) loan, available for UK or EU full-and part-time students (see page 2 for eligibility requirements).

**2 Maintenance loan:** A means-tested loan for full-time UK students to help cover living costs, such as rent, food, books, travel etc.

**3 Advanced learner loan:** A non-means-tested loan available to students aged 19 and over, studying eligible courses from Level 3 (A-level equivalent) to Level 6.

## How maintenance loans work

This helps support students with living expenses while at university, such as accommodation, food and course materials.

## What is it based on?

The loan you receive takes into account where you will be studying and how much your parents earn, amongst other factors. Many students will not receive the full amount outlined below, meaning either you, or your parents, should be prepared to make up any financial shortfall.

## How to apply for loans

If you are a student from England you can apply for student loans and grants online by visiting the student finance section in GOV.UK. Students from Wales, Scotland or Northern Ireland can use the links in the resources box on page 3. Get your application in early - you don't even need to wait until you receive offers back from universities to get this started.

Where are you living and studying?	Maximum maintenance loan
Living with parents	Up to £7,324
Living away from home outside of London	Up to £8,700
Living away from home in London	Up to £11,354

## Deadlines for applying

The deadlines for tuition fee loan and maintenance loan applications depend on where you live, rather than where you study, and range from mid-April to the end of June.

Make sure you've completed your funding application in plenty of time to receive your first instalment by September. However, if you do miss the deadline you can apply up to nine months after your course starts.

## When do I have to repay my loans?

It may feel daunting to think about repayments, but student finance loans only need to be repaid once you've finished or left your course and are earning more than £25,000 a year, £2,083 a month or £480 per week (this has been frozen until at least April 2021).

You pay interest on your loan from the day you receive it until the loan is fully paid or written off. The level of interest depends on the current UK Retail Price Index (RPI). If you leave or suspend your course, you'll still be expected to repay any loan money you received.

## How do I pay it back?

You don't physically hand any money over - your employer takes 9% of your income above the £25,000 threshold through the UK tax system (Pay As You Earn - PAYE). If you are self-employed you will pay it back via HMRC's self-assessment scheme. The amount you pay back is calculated on your pre-tax income above £25,000 and will be taken after you've paid tax.

If you usually earn less than this, but bonuses or overtime take you over this amount, the Student Loans Company (SLC) will still take 9% of anything above

## DID YOU KNOW?

- Student loans don't go on credit files.
- SLC doesn't employ debt collectors and you can't lose your home if you don't pay.
- If you don't start making repayments you could receive a penalty or be prosecuted.
- You still need to repay your loan if you move overseas.
- Your student debt will only ever apply to you and can't be passed on to anyone else.
- There's no penalty charge for repaying your student loan back early if you choose to.

£1,750 from that month's salary. If you go on to earn less, your repayments will automatically stop.

While the loans do accrue interest, any outstanding debt still owed after 30 years in England and Wales is written off, meaning it's not always worth paying back a loan early. Student loans won't appear on your credit file either.

It's important to keep track of your repayments through P60 forms and payslips or by logging onto [www.studentloanrepayment.co.uk](http://www.studentloanrepayment.co.uk). If you are just a few years away from paying it off, you can set up a direct debit to avoid being overcharged giving you more control over your money.

## How much will I actually pay?

To give you a quick idea, if you are earning £29,000 a year, you are £4,000 over the repayment threshold. You will pay 9% on this amount, which is equal to £30 a month.

# Bursaries and scholarships

**Scholarships and bursaries may be offered on the basis of your academic abilities, household income, or a combination of both. Here's the lowdown...**

How much you receive varies depending on the university, but the money doesn't have to be paid back (unless you decide to leave your course early) and payments go directly into your bank account. The money could be used to help pay towards tuition fees, books, equipment, childcare and travel, and funding may last for one year or the duration of your course.

## **What's the difference between a bursary and scholarship?**

The terms 'bursary' and 'scholarship' are interchangeable across universities, but scholarships tend to be different in that they are competitive (and often supported by donors). Bursaries are usually non-competitive, automatic and based on financial need, and may be described as 'awards'.

## **How likely am I to receive funding?**

In order to be considered, the university

### **TOP TIP**

Contact your university directly to find out what it is offering for the current academic year. Find out more about what's available here: [www.which.co.uk/extra-funding-university](http://www.which.co.uk/extra-funding-university)

needs confirmation that:

- You have applied to Student Finance for income-assessed support
- The chosen university is stated on your application
- Your household income has been verified by Student Finance
- You (and your parents or partner) have given their consent to Student Finance to share information with the university.

## **Am I eligible for a bursary or scholarship?**

You may be eligible for a bursary or scholarship if you fall under one or more of these criteria:

- Your household income is less than £25,000
- Your household income is between £25,001 and £42,611
- You are under-represented, for example, have UK Refugee status or live in an area with low participation of young people in higher education
- You have a disability, or a long-term health condition for which Disability Living Allowance (DLA) is not available
- You are working or studying away from the university
- You have come from a care background
- You are caring for an adult or children



- You are living in a hostel or shared accommodation
- You have been successful in your application for an advanced learner loan.

In some cases bursaries **may not** be available to:

- Part-time students
- Post-graduate students
- NHS-funded or sponsored students
- Students on placement years/sandwich

year or year abroad.

- Students who are paying reduced rate tuition fees.

## **How likely am I to receive an award?**

This depends on whether you meet the criteria or not. Any university or college in England offering degree courses with a £6,000+ price tag has to offer bursaries, summer schools and outreach programmes to encourage applications from students from all backgrounds.

## **Expert view:**

### **Investigate university department funds**

"Not all awards may be administered centrally, and so some departments may have funds, scholarships or bursaries which central funding teams, are not necessarily aware of. To make sure that students maximise their student income, they should ensure that they check with their department whether there are any such locally managed schemes which they may be eligible to apply for."

**Jon Lightfoot - Acting Student Funding Manager, Bristol University**

# Other funding to help you at university

**Most unis and colleges offer some sort of financial assistance that you won't have to pay back. Here are some options you may not have thought about...**

## Fee waiver

This covers all or some of a student's tuition fees and may be given by a university or college alongside a bursary in one package of support. Students won't receive a cash lump sum - instead they will be given a reduction on their tuition fees, meaning the loan needed is less or does not need to be paid back. However, as many students will never pay off their full student loans, this might not be as generous as it first seems.

## How to apply

The application process is based on similar criteria to bursaries and scholarships; information is passed on to your university as part of your Student Finance application.

## University hardship funds

Hardship funds are designed to help you if you're having financial problems while you're studying or before arriving at university. They are also referred to as:

- England: Access to Learning Fund
- Wales: Financial Contingency Funds
- Northern Ireland: Support Funds
- Scotland: Discretionary Funds

### TOP TIP

**If you've been in local authority care you may be able to apply for a one-off bursary of up to £2,000 from your local authority, university or college.**

It could be that you suddenly have less money coming in, there are unexpected costs or you have to pay a very large bill. Some universities will also consider specific additional bursary funding for certain students, such as care leavers or students who don't have any contact with their parents. In other cases, there may be charitable funds which award money or vouchers that can go towards things such as IT equipment or vouchers. You may also be able to apply for a small interest-free short-term loan if you need urgent assistance for essential living costs until you receive your next funding instalment.

### TOP TIP

**In some cases the students' union will run its own smaller funding scheme, which is also worth checking out.**

## Expert view: Hardship funds

"We try and engage with students to find out why there is a reason for them having financial difficulties. For example, students who are commuting back home to London every weekend to support a parent who is ill. A standard assessment won't always reflect exactly what is going on for that student and investigating further allows us to look at what is really happening and offer the best advice.."

**James Pooley - Student Welfare Service, University of Leicester**

## How to apply

You will need to fill out an application form from your university or college. In most circumstances only students who receive loans or grants from Student Finance can apply. Priority is given to students with children, those in their final year or those who are unable to work due to illness or disability.

## Other government grants and financial support

There is a wide range of extra support available from the government if:

- You're on a low income
- You have children or dependant adults
- You have a disability
- You are studying medicine, social work or teacher training
- You're studying abroad.

This financial support could include: Income Support, Childcare Grant, Parent's Learning Allowance (full-time students only), Adult Dependants' Grant (full-time



### TOP TIP

**Universities and colleges will usually contact you about financial support as they are given information from your application to see what finance you may be entitled to. This is why it's important to provide your correct details and consent to share your information.**

students only), Child Tax Credit, Disabled Students' Allowances and a range of other disability-related benefits. You can find out more about whether you are eligible for benefits and grants by visiting [www.gov.uk/student-finance/extra-help](http://www.gov.uk/student-finance/extra-help)

### Useful resources

- [Scholarship Search](#)
- [Uni Grants UK](#)
- [Nasma](#)
- [British Council Guide to Scholarships](#)

# Parents and finance: Q&A

**Understand how your parents can help you apply for student finance, with answers to some of the more tricky questions surrounding this area.**

## **Should my parents take a loan out on my behalf?**

This is nearly always not a good idea, as it's likely to be the more expensive option. Interest rates on student loans are still low in comparison to other loans on the market.

Remember, your tuition fees do not need to be paid upfront, with your tuition fee loan taking care of this, while the maintenance loan will help towards your living costs.

## **Do I have to give proof of my parents' household income?**

You don't have to. The tuition fee loan is non-income assessed, and so is part of the maintenance loan. You only need to provide details of your parents' household income if you wish to apply for the maximum amount of maintenance loan available.

## **What do my parents need to provide for my application for income-assessed support?**

This depends on their circumstances, income and the number of child dependants they have.

If they need to provide proof of earnings, this could take the form of a:

- P60 or Self-Assessment tax return
- National Insurance number

They will also have to provide evidence

of any taxable state benefits, pensions or any income from UK and foreign investments.

## **If I have a brother or sister at uni at the same time as me, does this affect what we'll each receive?**

Yes. Your parents' assessment for total household income will receive a reduction of £1,130 from Student Finance England. For example, a family with two dependant children at university and a household income of £58,000 will be considered to have a household income of £56,870.

This reduction could push your parents into a lower household income bracket, meaning you and your sibling(s) receive a bigger maintenance loan.

## **My parents are divorced. How does this affect my finance application?**

If you've applied for income-assessed support, you will be asked to give the financial details of the parent you 'normally live with'. If that parent is married, in a civil partnership, or living with a partner, that partner will also need to provide their details.

## **My parents receive disability benefits. Will this affect my finance application?**

Any tax-free state benefits such as



Disability Living Allowance (DLA) are not counted as household income, so this shouldn't affect what you receive.

## **What happens if my parents' financial circumstances change while I am at uni?**

Your entitlement is based on your parents' household income for the previous tax year. So, an application for finance for September 2018 will look at your parents' income for the tax year 2016/17. However, if their household income is at least 15% less than it was in the previous tax year, they can apply for a Current Year Income Assessment. This will review their expected income for the present tax year.

## **Will my student loan be enough to support me financially?**

With accommodation, course and living costs to manage, you'll probably find the maintenance loan alone won't be enough. Some parents will be able to make up the shortfall in loan by contributing money towards their child's living costs. However, if your parents are unable to help financially, you will need to plan your budget for uni carefully. Find some top tips on how best to do so, alongside our student budget

calculator, in our budgeting section (see pages 12-15)

## **Can my parents help me repay my loans earlier?**

Loans gain interest from the day they are issued until the day they are paid or written off (currently after 30 years). Once you have left university, the loan will gather interest depending on how much you earn.

If your parents want to cut down the interest your loans are accruing, then they may wish to make a contribution. However you should weigh up whether you are likely to pay off the full amount before the write-off period. If you reduce your debt sooner than actually necessary, you may end up paying more back than you actually need to.

### **TOP TIP**

**Support yourself by finding part-time or holiday work - good for your wallet and your CV. Head to [www.which.co.uk/part-time-job](http://www.which.co.uk/part-time-job) for some tips.**

# Student budgeting

**Worried you'll splash the cash the minute it hits your account? Most students struggle with their finances at some point, so set a budget to help you manage your money.**

## What to include in your budget

Once you get your loan it's tempting to head straight to the shops, but you'll regret blowing your budget in the first week. Use our student budget calculator (see page overleaf) to help you understand how to manage your money.

Your biggest expense will most likely be your accommodation. However there are plenty of other costs you might not have necessarily factored in yet. Our top 10 are below...

**1 Course materials** Try second-hand book sales, joining student Facebook groups, buying earlier editions of text books or getting your books from the library.

**2 Transport** Whether it's a bus to lectures or travelling back home for the holidays, you'll need to factor in travel costs. Luckily, student travel cards reduce the costs of getting around by up to a third, including: 16-25 Railcard, 18+ Student Oyster Photocard and Young Persons Coachcard.

### TOP TIP

Try our Student budget calculator to uncover the true cost of uni, read more on pages 14-15.

**3 Food** It's a myth that students live off baked beans - It's possible to eat normally and healthily, whatever your budget. To keep costs down, make a shopping list and stick to it, cook in bulk and freeze, and make packed lunches for cheaper meals on the go.

**4 Entertainment** From freshers' week to clubs, student nights, gigs, sport or a quick catch-up with friends at the union, the cost of socialising can soon mount up. The student union is your best bet for cheaper food and drinks. Consider nights in with housemates, free events or two-for-one cinema nights.

**5 Utilities** If you're in halls of residence, utilities such as gas, electricity and water are usually included as part of your rent, but that won't normally be the case in private housing. You'll need to put some money aside each month to cover these. Online deals are usually the cheapest, plus you'll get an extra discount if paying by direct debit.

**6 Internet** This is another cost you usually won't have to pay for in halls, but it will be a factor in private housing. Compare deals to get the best quote for broadband and installing a landline or cable.

**7 Insurance** As tempting as it is to cut costs and not bother with insurance,



there is always the chance of theft. Tot up the cost of your stuff and get some quotes online - and check if you're covered as part of your parents' home insurance policy.

**8 Toiletries** Make the most of special offers and value brands and check out pound shops for good deals.

**9 Clothes** You can save money by making the most of student discounts (and check out sites such as MyUniDays). You will also get extra discounts and money back through cashback websites. Or try clothes swapping via websites such as Vinted, or host your own party!

**10 Extra study expenses** Printing, photocopying and buying stationery - the little costs can add up, but there are ways to keep them to a minimum. For example, is it worth buying a printer? (you can get a decent budget one for under £50).

For more detailed advice on student budgeting visit: [www.which.co.uk/student-budgeting-10](http://www.which.co.uk/student-budgeting-10)

## Getting a part-time job

Some universities discourage students from taking on part-time jobs (such as Oxbridge), but for many it's a necessity.

Other universities encourage it, saying it helps students improve their employability and will run 'jobshops' to help students find work. It's worth considering when you can earn up to £11,850 tax-free (sadly, students don't get out of paying Income Tax and National Insurance).

## Student bank accounts

Banks are keen to sign you up now as a student to hopefully keep you as a life-long customer. That's why attractive incentives are often on offer, including free or discounted railcards, cinema tickets or vouchers.

See these as perks rather than the main reason you choose a particular account. If it's likely that your outgoings will exceed your income at some point during your studies, it's worth looking for the one with the highest overdraft available.

Overdrafts can come in useful if you're short one month, especially as most student overdrafts won't charge interest up to a certain amount. It's not 'free money', but can help to tide you over financially until you have more money coming into your account. Just remember that after you reach this limit you will have to pay interest on top of the money you've borrowed. Compare the latest student bank account offers at [www.which.co.uk/studentbank](http://www.which.co.uk/studentbank)

### TOP TIP

If you don't meet your repayments each month, credit cards and store cards increase the debt that you have to repay. Aside from getting the scissors out to get rid of temptation, speak to your university's finance support team for advice on managing your money.

# Student budget calculator

Use our calculator to find out the true cost of university



Once you get to university and you're fending for yourself, you might be surprised how much a shopping basket of essentials or a water bill actually comes to.

To help you start planning your student budget, we've done the maths to show you what the biggest living costs are for the average student in the UK (plus those extras that may creep into your bank statement).

## Did you know these average uni monthly costs?\*

- Transport = £83
- Food shop = £67
- Interests and hobbies = £36
- Water, gas and electricity = £45
- Takeaways and snacks = £24

Our calculator helps you figure out how much living at uni will roughly cost you per month, across universities.

Student budget calculator	
Average monthly total:	£860
Accommodation	£403
Water and energy	£0
Mobile phone and internet	£25
Transport	£82
Food shopping	£66
Takeaways and snacks	£24
Coffee and tea	£7
Going out and eating out	£45
Interests and hobbies	£36
Clothing	£41
Personal care	£10
Holidays and flights	£69
Bank charges and fees	£17
Other expenses	£19
Average monthly total:	£860

## Student view: How I budget

"I was surprised how little the student loan covered and how I always needed outside help and savings to cover all the costs."

**Lizzie Roderick - Final Year Criminology student, University of the West of England**

## Calculating your costs

The student budget calculator is an easy-to-use tool which reveals the average cost of living at university and allows you to personalise your budget. Give it a go: [which.co.uk/studentcalculator](http://which.co.uk/studentcalculator).

## Ways to pay for uni

Don't panic, remember to keep an open mind when looking at the cost of living across different universities. Don't forget about these sources of financial support at uni:

- maintenance loan
- bursaries/scholarships
- part-time job
- parents' contributions
- other family contribution
- savings

## Expert view: Keep the cash flowing

"Our advice to students - in addition to planning a budget - is to look at the dates when your funding is paid as the instalments are not always evenly spread out over the year, and plan a weekly spending limit."

**Tuition Fee Team, University of Central Lancashire**

\*All other data: Living Costs and Food Survey (2012, 2013, 2014 and 2015/16) from the Office for National Statistics, showing the median expenditure for students in the UK, with figures adjusted for inflation and omitting those who didn't spend anything on a particular cost category.

**Which?**  
University

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For more in-depth advice on all things student finance,  
head to [www.which.co.uk/student-finance-advice](http://www.which.co.uk/student-finance-advice)

