

# 24+ Advanced Learning Loan



## A quick guide on how and when to repay

24+ Advanced Learning Loans help you pay the fees charged by approved colleges and training organisations in England. Most learners aged 24 and over, studying at Level 3 and Level 4 (which includes A levels, Access to HE Diplomas, other Diplomas and Certificates) and Advanced or Higher Apprenticeships, will qualify for these new loans from the UK government.

This quick guide gives you some key facts about repaying a 24+ Advanced Learning Loan.

The flowchart on the back takes you through the repayment process step by step.

For more detailed information see: [gov.uk/advancedlearningloans](http://gov.uk/advancedlearningloans)

## How and when will I pay back the loan?

- You'll start repaying your loan in the April after you complete or leave your course. However, if you complete or leave your course before April 2016, you won't start making repayments through the tax system until after this date.
- You can make voluntary repayments at any time in order to pay off your loans more quickly.
- You'll only start making repayments when your income is over £21,000 a year.
- However, if your income falls below £21,000, repayments will stop and only re-start when your income is over £21,000.
- If you're employed, your employer will take your repayments directly from your salary.

- If you're self-employed, you'll make repayments as part of your annual self-assessment tax return.
- If you have more than one loan or a combination of further education (FE) and higher education (HE) loans visit [gov.uk/advancedlearningloans](http://gov.uk/advancedlearningloans) and read '24+ Advanced Learning Loan: A guide to terms and conditions'.
- If you take out a loan for a QAA Access to HE Diploma and progress to HE, the Student Loans Company will write off the balance of your first loan, once you complete your HE qualification.
- If you retire, loan repayments aren't taken from Pension Income, so if you're paid a pension you'll only repay if you have other taxable income above £21,000.
- If you die, your loan will be written off.
- After 30 years any remaining loan balance is written off.

## How much will I repay?

- Repayments are based on your income, not on what you borrow or the number of student loans you have.
- You'll repay 9% of your income above the £21,000 annual threshold. Even if you don't earn £21,000 a year but exceed the thresholds of £404 a week or £1,750 a month at any point in the year (e.g. if you work overtime) then a loan deduction will be made.

### Example repayment amounts

Income each year	Monthly income	Monthly repayment
Up to £21,000	£1,750	£0
£22,000	£1,833	£7
£25,000	£2,083	£30
£30,000	£2,500	£67
£35,000	£2,916	£105
£40,000	£3,333	£142

## How much interest will I be charged?

Some of the interest on your loan will be based on inflation (Retail Price Index (RPI)). The table below shows how interest is calculated.

	Interest Rate
While you're studying and until the April after you complete or leave your course, whichever comes first.	Retail Price Index (RPI) plus 3%
If you complete or leave your course before April 2016	RPI plus 3% until the April after you leave your course then RPI until April 2016
From April 2016	Interest will be based on your income. £21,000 or less – RPI £21,000 - £41,000 – RPI plus up to 3%, depending on income £41,000 and over – RPI plus 3%

## START

**1** You'll start repaying your loan the April after you complete or leave your course. However, if you complete or leave your course before April 2016, you won't start making repayments through the tax system until after this date.

**2** From April 2016 onwards, if you're employed, you must tell your employer that you have a 24+ Advanced Learning Loan which is an Income Contingent Repayment Plan 2 loan (ICR Plan 2). Don't tell them before this date.  
If you're self-employed, go to [studentloanrepayment.co.uk](http://studentloanrepayment.co.uk) for more information on how you repay your student loan.

**3** Is your income more than £404 per week, £1,750 per month or £21,000 a year?

No

Yes

**4** You don't have to make repayments.

**4** You begin making repayments.

**5** Your employer automatically takes repayments from your salary.

**6** Your employer tells HMRC how much of your loan you've repaid.

**7** At the end of a tax year, HMRC tell the Student Loans Company how much you've repaid in the previous tax year.

**8** On receipt of information from HMRC, the Student Loans Company send you a statement after the end of each tax year.

**9** HMRC let your employer know when to stop taking repayments.

**10** Any loan balance remaining 30 years after you're due to start making repayments will be written off. The 30 years start from the April you complete or leave your course, whichever comes first.

## FINISH

## Who does what:

 You

 Your employer, HMRC or the Student Loans Company

## For more information

- Visit [gov.uk/advancedlearningloans](http://gov.uk/advancedlearningloans)
- Visit [nationalcareersservice.direct.gov.uk/advancedlearningloans](http://nationalcareersservice.direct.gov.uk/advancedlearningloans)
- Speak to your college or training organisation

## Making the right choice

It's important you consider your own circumstances and look into all options for paying for your course before choosing to take out a loan. You can get impartial money advice from the Money Advice Service at [moneyadviceservice.org.uk](http://moneyadviceservice.org.uk)

Contact 24+ Advanced Learning Loans on **0845 24 02 024**

24+ Advanced Learning Loans are administered by Student Finance England (SFE), a Student Loans Company service, providing financial support to students on behalf of the UK government.

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