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Student Finance guidance for Parents and Carers

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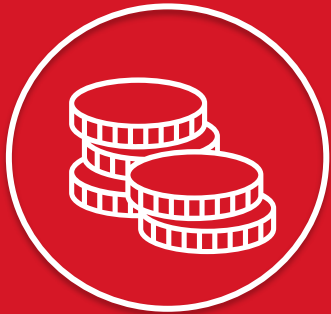
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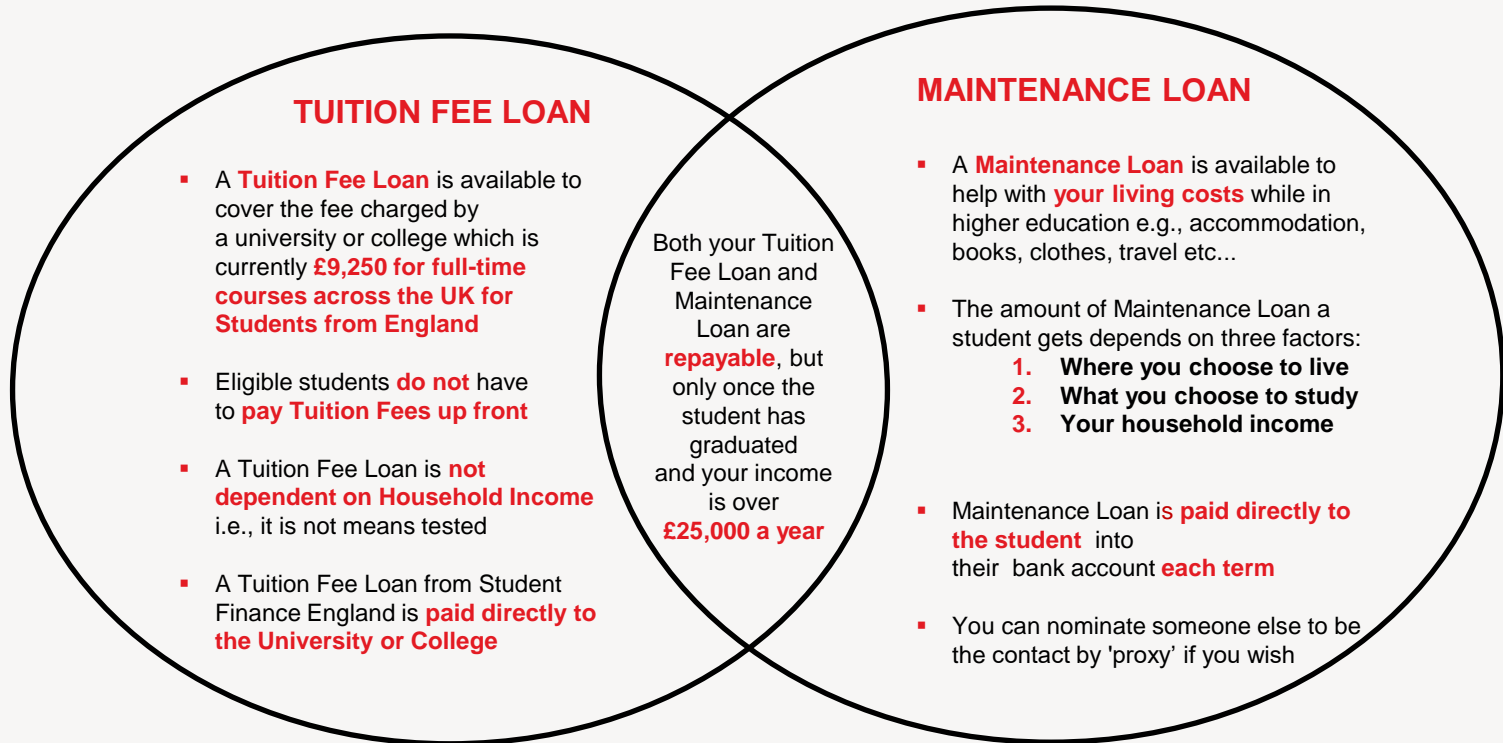
Part 1



**Methods of
Funding**

How do students pay for Higher Education?

- **Student Finance England (SFE) provide financial support** on behalf of the UK Government **to all students** (who are eligible) across England entering higher education across the UK.
- The **two main costs** you will incur when studying at University are paying **tuition fees** and **living costs** . A **loan** is available from the Student Loans Company to help you cover both of these costs



Lifelong Learning Entitlement

- You may have heard in the news recently about changes to Student Finance over the coming years - If the policy proposals proceed ahead, from September 2025:
- Student Finance will be restructured and called '**Lifelong Learning Entitlement**' (LLE)
- It will create a **single funding system** for students wishing to progress onto Higher Education in England and Wales. We are unsure if Scotland and Northern Ireland will pursue this as Education is a devolved matter
- From the 2025 to 2026 academic year, the **LLE loan will be available for courses between level 4 and 6** (a standard undergraduate degree)

Under the LLE, eligible learners will be able to access:

- **A Tuition Fees Loan**, with new learners able to access up to the full entitlement of **£37,000, equal to 4 years** of study in today's fees
- A **Maintenance Loan** is still available to cover living costs – more on this on slide 7

What 'counts' as Household income?

- **Any income** that your legal **parents or guardians receive within the tax year** – this includes:
 - **Earnings**
 - **Benefits such as Universal Credit**
 - **Rental income**
 - **Pension**
 - **Disposal of Property**
- If you **live with one parent** and their **cohabiting partner**, then their income **is included** in the calculation of what is 'Household Income'.
- Any **income from siblings** is **'not'** into consideration when assessing your student finance



Maintenance Loan – Figures for 2025

Household Income	Home (£58,307)	Elsewhere (£62,347)	Greater London (£70,098)
£25,000 & under	£8,610	£10,227	£13,348
£30,000	£7,887	£9,497	£12,606
£35,000	£7,163	£8,766	£11,863
£40,000	£6,440	£8,035	£11,120
£45,000	£5,716	£7,304	£10,377
£50,000	£4,993	£6,573	£9,634
£55,000	£4,269	£5,842	£8,891
£60,000	£3,790	£5,111	£8,148
£65,000	£3,790	£4,767	£7,405
£70,098 & over	£3,790	£4,767	£6,647

For an estimate of your student finance entitlement, visit www.gov.uk/student-finance-calculator

The Maximum Maintenance Loan amounts



Stay at home

Live at home while you studying

Up to
£8,610



Elsewhere

Living away from home and study outside of Greater London

Up to
£10,227



Live in Greater London

Not living with family and study in London

Up to
£13,348



Living and participating in Study Abroad

Up to
£11,713

Maintenance Loan – Figures for 2025

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The parental hidden contribution cost

- For many people, the **maintenance loan isn't enough** to cover the cost of going to university! However, there are many ways that you as a family can make up the difference!
- The **proportion of maintenance loan** that many students will be **eligible** to receive **starts decreasing** if your **household income exceeds £25,000**
- This missing amount is effectively an unsaid, **hidden parental contribution** – The only reason you get less is that your family household income is higher!
- For more information about the hidden parental contribution, visit **www.MoneySavingExpert.com**
- There is a useful resource called the **University Parental Income Calculator** where families can work out what they might need to contribute – for more information visit: **[University Living Costs Calculator – MoneySavingExpert](#)**

The Parental hidden contribution cost

- The **graph below shows how as your income increases the amount of loan received drops**, meaning the gap... **the parental contribution**...between the full loan and what's received grows.



What if parents, can't or won't contribute?

- Of course, it is widely recognised that **some parents won't be able to afford to help their children financially** while they are at university
- There is **no rule that obliges parents and guardians to contribute** to their children studying at University
- Knowing there is a **hidden contribution** gap **helps students and parents understand** what **level of funds are needed**
- It is **important** for both parties **to have an open and honest conversation** together as a family to work out if, and how, you can make up the difference in income from other means such as part-time employment, placements and savings
- In fact, the most important **practical consideration** a student will need to make **when choosing a university and course is being realistic about** what you can **budget** for – look at all the costs e.g. transport, accommodation etc...

Maintenance Loan Installments

- **Maintenance Loans** are paid straight into your student bank account in **three instalments** throughout the year
- Students receive their Maintenance Loans in **September, January and April each year**
- The **September and January installments are the same** amount, but the amount in April is slightly larger, but covers a longer period (summer)

NOTE - *Installment dates* may vary depending on when your university semester officially starts

Payments to you

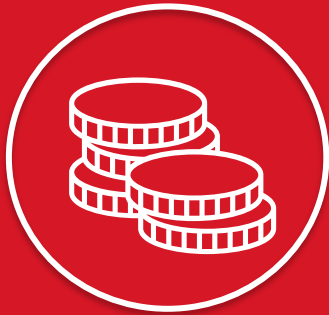
What's being paid	Expected payment date	Amount
Maintenance Loan	26/09/2016	██████████
Maintenance Loan	09/01/2017	██████████
Maintenance Loan	01/05/2017	██████████
Total:		██████████

What if your circumstances have changed?

- Household income is assessed based on previous tax year
 - **6th April 2023 to 5th April 2024**
- You can apply for '**Current Year Income Assessment**' if your household income has **decreased by over 15%** in the previous tax year
- Students **MUST** remember to **reapply for Student Finance** at the **start of each year** of the duration of their course to secure funding to support their studies for that academic year
- You **can apply** for Student Finance even **if you are not 100% sure** if you **want to go** to university – much easier to cancel, than not have not applied at all



Part 2



**Methods of
Funding**



**Loan
Repayments**



**Additional
Support**

Part 2



**Loan
Repayments**

Repaying Student Finance

- From 1st August 2023, students are now under the **Repayment Plan 5**
- Students **start repayments** when their **earnings are over £25,000** as opposed to £27,295 - equivalent in weekly and monthly amounts
- The **repayment length** has been **extended** from **30 years to 40 years**

This graphic from **Money Saving Expert** summarises the key changes for Repayment Plan 5



Repaying your student loan

- You **only repay** your student loan **when your income is above the repayment threshold** - The current Plan 5 threshold is **£25,000 a year, £2,083 a month or £480 a week**

Gross Annual Income	Monthly income before tax	9% Repayment Deducted From	Approximate Monthly Repayment
£25,000	£2,083	£0	£0
£28,000	£2,333	£3,000	£22
£30,000	£2,500	£5,000	£37
£35,000	£2,917	£10,000	£75
£40,000	£3,333	£15,000	£112
£45,000	£3,750	£20,000	£150
£50,000	£4,167	£25,000	£187

SCENAIRO

- Your annual income is **£33,000** and you're paid a regular monthly wage. This means that each month your income is £2,750 (£33,000 divided by 12). This is over the Plan 5 **monthly threshold of £2,083**.
- Your income is **£667 over the threshold (£2,750 minus £2,083)**. You will pay back **£60 (9% of £667) each month**.

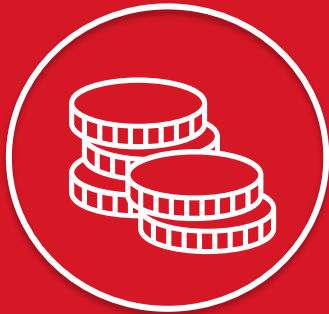
Repaying your student loan

- Students **do not start making repayments** until your own personal income is over **£25,000 a year** or the weekly / monthly equivalent
- **Students do not start repaying any student finance until the April after graduating** or if you leave higher education prematurely, you start repaying the year after you ended your course
- You'll **repay 9% of your income over £25,000**. You repay automatically via payroll, with deductions made from your Gross Pay through the HMRC tax system
- **If your income falls below £25,000 at any point, your repayment is paused** until your income goes above the threshold again
- **Student Loan repayments do not go on your Credit File** - Therefore, it doesn't impact the ability to access credit and apply for Mortgage loans in future.
- Any outstanding loan balance is **written off after 40** years after making repayments

Interest Rates on a current student loan

- **Interest is charged** from the **day SLC make your first payment** to you or to your university or college until your loan has been repaid in full or cancelled.
- The **interest rate** on Plan 5 student loans is **based on the Retail Price Index (RPI)**, which measures changes to the cost of living in the UK.
- The interest rate applied is normally **updated once a year in September**, using the RPI rate from March of that year.
- To protect borrowers from any extreme rises in inflation, the **UK Government will cap student loan interest** in-line with the prevailing market rate.
- The Plan 5 **interest rate is currently capped until 31 August 2024** and is monitored and adjusted monthly as necessary.
- For the current rate go to: www.gov.uk/guidance/how-interest-is-calculated-plan-5

Part 3



**Methods of
Funding**



**Loan
Repayments**



**Additional
Support**

Part 3



**Additional
Support**

Bursaries and Scholarships

Universities (and some companies) offers bursaries and scholarships to help make University affordable and living costs achievable. Unlike student loans, **students do not need to pay these back!**



Bursaries

- **A Bursary** is **means tested based on household income**, and is usually awarded to students who live in low-income households
- It is available to eligible students who study full-time on-campus on any undergraduate courses which charge £9,250 tuition fees

Scholarships

- **Scholarships** are awarded in a different way to Bursaries!
- Scholarships are awarded on academic and extra-curricular excellence in areas such as Arts, Music, Sports as well as Volunteering and Community work
- An Example: **Bayes undergraduate scholarships for Black British students**

NHS Learning Support Fund (LSF)

- If you are planning to study a course related to a career in the NHS, you can apply for **NHS Learning Support Fund (LSF)**
- The NHS Learning Support Fund (LSF) provide students with **a training grant of up to £5,000 per academic year**, if you choose to study on any Healthcare or NHS Career related pre-registration undergraduate or postgraduate courses
- **Reimbursement for travel** and excess costs occurred such as temporary **accommodation** costs while on Placement known as (Travel and Dual Accommodation Expenses)

To apply for the Learning Support Fund, you need to register and create an account on the NHS website using this link here:

<https://services.nhsbsa.nhs.uk/nhslsf/>



Eligible courses for the Learning Support Fund (LSF)

Courses at City, University of London which are eligible:

- BSc Adult Nursing
- BSc Children's Nursing
- BSc Mental Health Nursing
- BMid Midwifery
- BSc Radiography (Diagnostic Imaging)
- BSc Radiography (Radiotherapy and Oncology)
- Speech and Language Therapy

Other higher education courses that are eligible for the Learning Support Fund:

- Dentistry
- Occupational Therapy
- Operating Department Practice
- Orthoptics, Orthotics and Prosthetics
- Paramedic Science
- Physiotherapy
- Podiatry or Chiropody

Medicine

- There is different funding available for Medicine - a mixture of the Student Loans and an NHS Bursary, but it covers 5-6 years rather than 3-4 years as the duration of the course is longer



Additional Student Support

There are additional parts to the Student Loan that you can apply for if you're eligible:

- **Disabled Students Allowance (DSA)** is available to support cover the study-related costs you have because of a mental health problem, long-term illness or any other disability, and including the following:
 - Specialist equipment, for example a computer if you need one because of your disability
 - Non-medical helpers, for example a British Sign Language (BSL) interpreter or specialist note taker
 - For more information about the DSA, and how it can be assessed please visit: <https://www.gov.uk/disabled-students-allowance-dsa>
- **Parents Learning Allowance:** If you have a child who financially is dependent on you while you are in education
- **Adult Dependents' Grant:** If you are a primary carer and have an adult who is significantly financially dependent on you, you are eligible for additional funding

Study abroad financial considerations

- If you are UK (home) student, your **tuition fee for your study abroad or work placement year will be reduced to 15%** of your tuition fee. For example, for students paying £9,250, the **reduced fee will be £1,835**.
- You may be **eligible to obtain a Grant** to cover some of your **travel expenses** if you normally live in England and any of the following apply:
 - You're **studying abroad as part of your course**
 - You're on a **study or** undertaking a **work placement through the Erasmus or Turing** scheme
- If you're on a study or work placement abroad, You can apply for:
 - **Up to 3 return journeys between your home and the overseas institution** during a full academic year abroad
 - **help with essential expenses**, medical insurance and travel visas
- You **do not have to pay back** any travel grants that you take out

Find out more about studying at City St George's

- Attend one of our open days www.city.ac.uk/study/visit-us/undergraduate-open-days
- Register for one of our taster days www.city.ac.uk/study/visit-us/taster-days
- Tour our campus through our 360 virtual tour www.city.ac.uk/study/visit-us/campus-tours
- Chat to current City students about their experience www.city.ac.uk/study/ask-a-student
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