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# Higher Education Student Finance in Wales

## Assessing Financial Entitlement - AY 17/18

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This guidance applies to full-time students and those who are treated as full-time students for the purposes of the Education (Student Support) (Wales) Regulations 2017.

This chapter gives advice on:

- (i) rates of loans for tuition fees, loans for living costs and Welsh Government Learning and Special Support Grants and
- (ii) entitlement to these grants, and how these loans and grants for living and other costs are income assessed.

**All rates of support described in this document for academic year 2017/18 (“AY 17/18”) are detailed in the Financial Memorandum, which is available at**

**<http://www.studentfinancewales.co.uk/practitioners/policy-information/information-notices.aspx>**

If you have any questions about this guidance please contact:

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This guidance does not cover every aspect of student support. The full details are contained in the Regulations which are the legal basis of the student support arrangements for AY 17/18. Nothing in this guidance can replace the Regulations and if there are any differences between this guidance and the Regulations, the Regulations will prevail.

## Abbreviations

Abbreviation	Full description
AY	Academic year
DaDA	Dance and Drama Award
DfE	Department for Education
DoH	Department of Health
EFA	Education Funding Agency
FE	Further Education
HE	Higher Education
HMRC	Her Majesty’s Revenue and Customs
LSS	Learner Support Service
NHS	National Health Service
SFW	Student Finance Wales
SLC	Student Loans Company
SSG	Special Support Grant
TFG	Tuition Fee Grant
TFL	Tuition Fee Loan
WGLG	Welsh Government Learning Grant

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# 1 Document Overview

## 1.1 Introduction

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This chapter explains how an eligible full-time student's entitlement to loans for living costs, Welsh Government Learning Grant and Special Support Grant, and grants and loans for tuition fees are assessed.

This chapter should be read in conjunction with the 'Assessing Eligibility' guidance chapter.

## 1.2 Definitions

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Current system students fall into one of four categories as defined in regulation 2:

- 'new system' students who are not 2010, 2011 or 2012 cohort students;
- '2010 cohort' students;
- '2011 cohort' students;
- '2012 cohort' students.

See [Annex A](#) for definitions of student cohorts.

Under the AY 17/18 student support package for full-time students, the following support is available:

Product	'2010 cohort' students	'2011 cohort' students	'2012 cohort' students
Fee Loan	✓	✓	✓
WGLG / SSG	✓ (Up to £5,161)	✓ (Up to £5,780)	✓ (Up to £5,161)
New Tuition Fee Grant (Regulation 16) (2012 cohort only)	X	X	✓ (Up to £4,954)

All cohort groups may be eligible for additional grants for living costs if they are disabled, have dependants or have certain travel costs. Guidance on the Adult Dependants' Grant, Childcare Grant, Parents' Learning Allowance and Grants for Travel is contained in the 'Grants for Dependants' guidance chapter.

The following students may be ineligible for support for living costs and other grants:

- **FT distance learning students** who started their courses on or after 1 September 2012 are only eligible to apply for non-income assessed tuition fee support, FT distance learning students who started their courses before 1 September 2012 are eligible for PT Fee Grant and Course Grant (see the 'Grants for Part-time Students' chapter). All eligible FT distance learning students may apply for Disabled Students' Allowances where applicable.

Note that students who are undertaking a FT course by distance learning because they are prevented from attending a FT course due to their disability can apply for FT grants and loans for living and other costs for their course. This arrangement will apply to students studying on (i) a full-time course that is being taken by all students as a distance learning course or (ii) a full-time course that normally requires attendance.

- **Prisoners** who started a FT course on or after 1 September 2012 and are eligible prisoners under regulation 2(1) are eligible tuition fee support only while imprisoned. They are eligible for maintenance support and DSAs on a pro-rata daily basis only for the time not spent in prison. Where the student started the course prior to 1 September 2012, they will be eligible for tuition fee support and DSAs for those periods when they are imprisoned.

### Academic Year

An 'academic year' means the period of twelve months beginning on 1 January, 1 April, 1 July or 1 September of the calendar year in which the AY of the course in question begins, according to whether that AY begins (Regulation 2(1)):

- on or after 1 January and before 1 April,
- on or after 1 April and before 1 July,
- on or after 1 July and before 1 August, or
- on or after 1 August and on or before 31 December.

### Transfers

Where a student has had their eligibility transferred from a previous course that started before 1 August 2017 to a course beginning on or after 1 August 2017, and

- the mode of study remains the same (e.g. FT to FT), the student is treated for student finance purposes as having started their course in the AY relevant to the first course they transferred from;
- the mode of study has changed (e.g. from PT to FT or FT distance learning to FT in attendance), they are treated for student finance purposes as a new student from the start of the second course.

### End-on

Where the student's course is taken 'end-on' to another course (see definition below), the student will be treated for student finance purposes as having started their current course at the beginning of the AY in which they started the previous course. The definition of an 'end-on' course is set out in regulation 2(1) and is as follows:

- a FT non-ITT first degree course which the student begins to attend immediately following certain full-time HNC, HND or Dip HE courses (disregarding the intervening vacation); or

- a FT honours degree starting on or after 1 September 2006 which the student begins to attend immediately following certain FT foundation degree courses (disregarding the intervening vacation);
- an ITT course not exceeding 2 years in length which a student began to attend before 1 September 2006 immediately following certain first degree courses (disregarding the intervening vacation).

The intervening vacation is not stipulated in Regulations but in most cases the gap in study between the two courses is 5 months or less.

As per the above definitions, a course cannot be defined as 'end-on' where the mode of study changes.

## 2 Grants for living and other costs

### 2.1 Welsh Government Learning Grant (WGLG)

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WGLG is generally payable to all cohort groups who are attending:

- a full-time course;
- a sandwich course (but not generally in the sandwich year – see Regulations 23(6) and 23(7)).

An eligible student will not qualify for WGLG if:

- the only paragraph of Schedule 1 to the Regulations into which he falls is paragraph 9 (i.e. an EU national (or family member of such a national) entitled only to fee support);
- he is eligible for an income assessed healthcare bursary or Scottish Healthcare allowance in this AY;
- he qualifies for SSG;
- he does not qualify for a fee loan in this AY (this does not apply to students who do not qualify for fee support because they are on a pre 2014/15 Erasmus year). Refer to the 'Assessing eligibility' guidance on eligibility for fee support.

WGLG is fully means tested. It is paid with the loan for living costs in three instalments by SLC.

There are no age restrictions in relation to the WGLG. However, an applicant who would otherwise qualify for WGLG and who is over 60 on the first day of the first AY of their course may qualify for SSG instead.

- **2012 cohort students**

Where the household income is £18,370 or less, the student will be entitled to receive the maximum grant of **£5,161**. This will be reduced by £1 for every complete £3.653 above £18,370, up to a household income of £26,500. Where the household income exceeds £26,500, the grant will decrease by a further £1 for every complete £4.18 of household income above this threshold, up to a household income of £34,000. Where the household income exceeds £34,000, the grant will decrease by a further £1 for every complete £14.67 above this threshold up to a household income

of £50,020. Where the household income is £50,020, a minimum grant of £50 will be payable. No grant is payable where the household income is more than £50,020.

<b>2012 Cohort – household income of £20,000</b>		
A	Household income	£20,000
B	WGLG threshold below household income	£18,370
C	Difference A – B	£1,630
D	Divide C by £3.653 and round down to the nearest pound	£446
E	£5,161 minus D = WGLG payable	£4,715

<b>2012 Cohort – household income of £30,000</b>		
A	Household income	£30,000
B	WGLG threshold below household income	£26,500
C	Loan entitlement at £26,500 threshold	£2,936
D	Difference A – B	£3,500
E	Divide D by £4.18 and round down to the nearest pound	£837
F	£2,936 minus E = WGLG payable	£2,099

<b>2012 Cohort - Household income of £50,020</b>		
A	Household income	£50,020
B	WGLG threshold below household income	£34,000
C	Loan entitlement at £34,000 threshold	£1,142
D	Household income between £50,020 and £34,000	£16,020
E	Divide D by £14.67 and round down to the nearest pound	£1,092
F	£1,142 minus E = WGLG payable	£50

- **2011 cohort students**

Where the household income is £18,370 or less, the student will be entitled to receive the maximum **£5,780** grant. This will be reduced by £1 for every complete £3.653 of household income above this threshold up to a household income of £26,500. Where the household income exceeds £26,500, the grant will decrease by a further £1 for every complete £4.18 of household income above this threshold, up to a household income of £34,000. Where the household income exceeds £34,000, the grant will decrease by a further £1 for every complete £9.36 above £34,000 up to a household income of £50,020. Where the household income is £50,020, a minimum grant of £50 will be payable. No grant is payable where the household income is more than £50,020.

<b>2011 Cohort – household income of £20,000</b>		
A	Household income	£20,000
B	WGLG threshold below household income	£18,370
C	Difference A – B	£1,630
D	Divide C by £3.653 and round down to the nearest pound	£446
E	£5,780 minus D = WGLG payable	£5,334

<b>2011 Cohort – household income of £30,000</b>		
A	Household income	£30,000
B	WGLG threshold below household income	£26,500
C	Loan entitlement at £26,500 threshold	£3,555
D	Difference A – B	£3,500
E	Divide D by £4.18 and round down to the nearest pound	£837



F	£3,555 minus E = WGLG payable	£2,718
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<b>2011 Cohort - Household income of £50,020</b>		
A	Household income	£50,020
B	WGLG threshold below household income	£34,000
C	Loan entitlement at £34,000 threshold	£1,761
D	Household income between £50,020 and £34,000	£16,020
E	Divide D by £9.36 and round down to the nearest pound	£1,711
F	£1,761 minus E = WGLG payable	£50

- **2010 cohort students**

Where the household income is £18,370 or less, the student will be entitled to receive the maximum **£5,161** grant. This will be reduced by £1 for every complete £3.653 of household income above this threshold up to a household income of £26,500. Where the household income exceeds £26,500, the grant will decrease by a further £1 for every complete £4.18 of household income above this threshold, up to a household income of £34,000. Where the household income exceeds £34,000, the grant will decrease by a further £1 for every complete £14.67 above £34,000 up to a household income of £50,020. Where the household income is £50,020, a minimum grant of £50 will be payable. No grant is payable where the household income is more than £50,020.

<b>2010 Cohort – household income of £20,000</b>		
A	Household income	£20,000
B	WGLG threshold below household income	£18,370
C	Difference A – B	£1,630
D	Divide C by £3.653 and round down to the nearest pound	£446
E	£5,161 minus D = WGLG payable	£4,715

<b>2010 Cohort – household income of £30,000</b>		
A	Household income	£30,000
B	WGLG threshold below household income	£26,500
C	Loan entitlement at £26,500 threshold	£2,936
D	Difference A – B	£3,500
E	Divide D by £4.18 and round down to the nearest pound	£837
F	£2,936 minus E = WGLG payable	£2,099

<b>2010 Cohort - Household income of £50,020</b>		
A	Household income	£50,020
B	WGLG threshold below household income	£34,000
C	Loan entitlement at £34,000 threshold	£1,142
D	Household income between £50,020 and £34,000	£16,020
E	Divide D by £14.67 and round down to the nearest pound	£1,092
F	£1,142 minus E = WGLG payable	£50

## **2.2 Special Support Grant (SSG)**

Some students (e.g. lone parents and some disabled students) are eligible for means-tested benefits, e.g. income support, housing benefit or universal credit, from the Department for Work and Pensions (DWP) while studying on a FT course. If such a student were to receive WGLG, their

entitlement to benefits would be reduced because the WGLG is for living costs, which means that it would be taken into account as income by DWP when assessing a student's entitlement to income-related benefits. In order to avoid students having their benefits reduced, students eligible for means-tested DWP benefits instead qualify for a Special Support Grant as an alternative to the WGLG. SSG is disregarded by DWP when assessing a student's entitlement to income-related benefits.

SSG may be available in AYs where the student:

- falls within one of the categories of people prescribed for the purposes of section 124(1)(e) of the Social Security Contributions and Benefits Act 1992 in regulation 4ZA of the Income Support (General) Regulations 1987 (SI 1987/1967); or
- is treated as being liable to make payments in respect of a dwelling prescribed for the purposes of section 130(2) of the Social Security Contributions and Benefits Act 1992 in regulation 56 of the Housing Benefit Regulations 2006 (SI 2006/213) or the Universal Credit Regulations 2013 (SI 2013/376).

The categories of students who are potentially eligible for SSG are set out below. It is likely that some of these categories will only rarely apply to HE students:

- The student is a lone parent who is responsible for a child or a young person aged under 20 who is a member of the student's household, and who is in full-time education;
- The student is a lone foster parent of a child or young person aged under 20;
- The student has a partner who is also a full-time student and one or both of them are responsible for a child or young person aged under 20 who is in full-time non-advanced education;
- The student has a disability and qualifies for a Disability Premium or Severe Disability Premium;
- The student has been treated as incapable of work for a continuous period of at least 28 weeks (two or more periods of incapacity separated by a break of no more than 8 weeks count as one continuous period);
- The student is deaf and qualifies for Disabled Students' Allowances;
- The student is waiting to go back to a course having taken approved time out because of an illness or caring responsibility that has now come to an end for a period not exceeding one year;
- The student is aged 60 or over;
- The student is entitled to Personal Independence Payment, Armed Forces Independence Payment or Disability Living Allowance.

In addition a student qualifies for SSG if:

- The student is entitled to housing benefit or the housing element of Universal Credit;
- The student has a disability and qualifies for income related Employment Support Allowance.

A student will not qualify for a SSG if:

- The only paragraph of Schedule 1 into which they fall is paragraph 9 (i.e. an EU national or family member of such a national entitled only to fee support);
- They are eligible to apply for an income assessed healthcare bursary or Scottish healthcare allowance in the AY;
- They are on a sandwich course and the periods of full-time study are in aggregate less than 10 weeks (this does not apply if the periods of work experience constitute periods of unpaid service);
- They do not qualify for a fee loan (this does not apply if they do not qualify for such a loan because they are on an Erasmus year where (i) the course began before 1 September 2012 and is provided by an institution in England or Wales (ii) the course began before 1 August 2017 and is provided by an institution in Scotland (iii) the course is provided by an institution in Northern Ireland.

A student who falls within a prescribed category of person in the Income Support (General) Regulations 1987 (as amended) need not be entitled to or in receipt of benefits such as Income Support to qualify for SSG. For example, a lone parent who is responsible for a child or young person aged under the age of 20 who is a member of his household and in FT non-advanced education would be eligible for SSG, even if they did not in fact qualify for Income Support, had never applied for it or was not in receipt of it for the whole year.

Where a student's circumstances change so that they become eligible for SSG part way through the AY, they may be awarded SSG in respect of the whole of that year. For example, a student who splits from their partner part way through the AY and therefore becomes a lone parent may be awarded SSG in respect of the whole of that AY, subject to income assessment. The student does not need to have actually received, applied for or be eligible for Income Support. If the student was already receiving WGLG, this would be reassessed and SSG awarded in its place. Any loan substitution that has taken place would also be reassessed and the student invited to apply for the additional amount of loan if they wish to do so.

Students who qualify for SSG will not qualify for the WGLG. The SSG entitlement assessment uses the same tapers and thresholds as the WGLG. However, students in receipt of the SSG do not have their loan for living costs reduced.

- **2012 cohort students**

Where the household income is £18,370 or less, the student will be entitled to receive the maximum grant of **£5,161**. This will be reduced by £1 for every complete £3.653 above £18,370, up to a household income of £26,500. Where the household income exceeds £26,500, the grant will

decrease by a further £1 for every complete £4.18 of household income above this threshold, up to a household income of £34,000. Where the household income exceeds £34,000, the grant will decrease by a further £1 for every complete £14.67 above this threshold up to a household income of £50,020. Where the household income is £50,020, a minimum grant of £50 will be payable. No grant is payable where the household income is more than £50,020.

<b>2012 Cohort – household income of £20,000</b>		
A	Household income	£20,000
B	SSG threshold below household income	£18,370
C	Difference A – B	£1,630
D	Divide C by £3.653 and round down to the nearest pound	£446
E	£5,161 minus D = SSG payable	£4,715

<b>2012 Cohort – household income of £30,000</b>		
A	Household income	£30,000
B	SSG threshold below household income	£26,500
C	Loan entitlement at £26,500 threshold	£2,936
D	Difference A – B	£3,500
E	Divide D by £4.18 and round down to the nearest pound	£837
F	£2,936 minus E = SSG payable	£2,099

<b>2012 Cohort - Household income of £50,020</b>		
A	Household income	£50,020
B	SSG threshold below household income	£34,000
C	Loan entitlement at £34,000 threshold	£1,142
D	Household income between £50,020 and £34,000	£16,020
E	Divide D by £14.67 and round down to the nearest pound	£1,092
F	£1,142 minus E = SSG payable	£50

- **2011 cohort students**

Where the household income is £18,370 or less, the student will be entitled to receive the maximum **£5,780** grant. This will be reduced by £1 for every complete £3.653 of household income above this threshold up to a household income of £26,500. Where the household income exceeds £26,500, the grant will decrease by a further £1 for every complete £4.18 of household income above this threshold, up to a household income of £34,000. Where the household income exceeds £34,000, the grant will decrease by a further £1 for every complete £9.36 above £34,000 up to a household income of £50,020. Where the household income is £50,020, a minimum grant of £50 will be payable. No grant is payable where the household income is more than £50,020.

<b>2011 Cohort – household income of £20,000</b>		
A	Household income	£20,000
B	SSG threshold below household income	£18,370
C	Difference A – B	£1,630
D	Divide C by £3.653 and round down to the nearest pound	£446
E	£5,780 minus D = SSG payable	£5,334

<b>2011 Cohort – household income of £30,000</b>		
A	Household income	£30,000
B	SSG threshold below household income	£26,500

C	Loan entitlement at £26,500 threshold	£3,555
D	Difference A – B	£3,500
E	Divide D by £4.18 and round down to the nearest pound	£837
F	£3,555 minus E = SSG payable	£2,718

<b>2011 Cohort - Household income of £50,020</b>		
A	Household income	£50,020
B	SSG threshold below household income	£34,000
C	Loan entitlement at £34,000 threshold	£1,761
D	Household income between £50,020 and £34,000	£16,020
E	Divide D by £9.36 and round down to the nearest pound	£1,711
F	£1,761 minus E = SSG payable	£50

- **2010 cohort students**

Where the household income is £18,370 or less, the student will be entitled to receive the maximum **£5,161** grant. This will be reduced by £1 for every complete £3.653 of household income above this threshold up to a household income of £26,500. Where the household income exceeds £26,500, the grant will decrease by a further £1 for every complete £4.18 of household income above this threshold, up to a household income of £34,000. Where the household income exceeds £34,000, the grant will decrease by a further £1 for every complete £14.67 above £34,000 up to a household income of £50,020. Where the household income is £50,020, a minimum grant of £50 will be payable. No grant is payable where the household income is more than £50,020.

<b>2010 Cohort – household income of £20,000</b>		
A	Household income	£20,000
B	SSG threshold below household income	£18,370
C	Difference A – B	£1,630
D	Divide C by £3.653 and round down to the nearest pound	£446
E	£5,161 minus D = SSG payable	£4,715

<b>2010 Cohort – household income of £30,000</b>		
A	Household income	£30,000
B	SSG threshold below household income	£26,500
C	Loan entitlement at £26,500 threshold	£2,936
D	Difference A – B	£3,500
E	Divide D by £4.18 and round down to the nearest pound	£837
F	£2,936 minus E = SSG payable	£2,099

<b>2010 Cohort - Household income of £50,020</b>		
A	Household income	£50,020
B	SSG threshold below household income	£34,000
C	Loan entitlement at £34,000 threshold	£1,142
D	Household income between £50,020 and £34,000	£16,020
E	Divide D by £14.67 and round down to the nearest pound	£1,092
F	£1,142 minus E = SSG payable	£50

## 2.3 Travel grant

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A grant payable under regulation 33 in respect of expenditure incurred for travel during that AY is equivalent to the amount remaining after the first **£303** of that expenditure has been disregarded, subject to income assessment.

Some students claiming a travel grant may undertake their journey by car. For the purpose of deciding the cost of the journey by car, a rate of **24p per mile** should be used. This rate is based on the midpoint range of AA motoring costs and includes an amount for wear and tear on the car. Some continuing students using their own car for travel may already be receiving a Travel Grant based on a higher mileage rate. In such cases, it is recommended that SFW pay that rate until the end of the course.

SLC has discretion to pay the grant in advance of the student incurring the expenditure.

### **2.3.1 Students attending courses in medicine and dentistry**

Students attending courses in medicine and dentistry who are not eligible for means-tested bursaries or awards from the Department of Health are entitled to a travel grant for costs of travel associated with their clinical training, where they have to attend at a hospital or other premises in the UK. This does not cover any attendance involving residential study.

### **2.3.2 Students attending an overseas institution**

Students attending an overseas institution as part of their UK course during a qualifying quarter (whether obligatory or optional) are eligible for a travel grant for travel costs within and outside the UK for the purpose of attending the overseas institution, including necessary daily travel costs while abroad. A qualifying quarter is an academic quarter during which the student attends the overseas institution for at least 50% of that quarter. It would be reasonable to allow for three return journeys between the UK and the overseas institution during the AY in such cases.

Account should be taken of the aggregate amount of eligible travel expenditure which a student is obliged to incur in order to attend their course, excluding any expenditure in respect of which a grant is payable under regulation 3. SFW assessors must be satisfied that the method and class of travel are appropriate and that all costs are reasonably and necessarily incurred.

There may be cases where single parents who are on courses that involve study overseas have to take their child (or children) abroad with them. In such cases, the cost of the child's/children's fare from the UK to the overseas country may also be covered by the travel grant for up to three return journeys during the AY.

Students attending an overseas institution as part of their course for at least 50% of any academic quarter may need to insure themselves against liability for the costs of medical treatment provided outside the United Kingdom. Regulation 33(3)(a) provides that such students shall be eligible for additional travel grant equal to the amount incurred. This expenditure is NOT subject to the £303 disregard. For example, if a student claimed grant on a total expenditure of £320, comprising travel costs of £250 and medical insurance costs of £70, he would be eligible for a grant of £70. SFW assessors must be satisfied that the costs incurred for insurance are reasonable.

Such students may also have to meet the costs of items such as visas and medical costs (regulation 33(3)(b) & (c)). Where these are a mandatory condition of entry into the host country, they are legitimate costs incurred in order to attend the course and they can also attract grant. Where vaccinations are strongly recommended (including high risk) by the Foreign and Commonwealth Office these would be eligible for payment. The amount payable in respect of insurance, visa and medical expenses should be entered in the appropriate field on the Assessment Summary Screen.

### **2.3.3 Students attending the University of London Institute in Paris**

Students attending the University of London Institute in Paris (formerly known as the British Institute in Paris) are eligible for a Travel Grant as if they were attending an overseas institution.

### **2.3.4 Travel Grant: case studies**

**Student A** is attending an overseas institution for the first 9 weeks of the first academic quarter (01/09/17 - 31/12/17). The first academic quarter is 17 weeks and 2 days in length. Student A is therefore attending the overseas institution for more than 50% of the quarter. Student A is eligible for travel grant in respect of travel expenses, which is subject to a £303 disregard.

**Student B** is attending an overseas institution in the first academic quarter (01/09/17 - 31/12/17). The first academic quarter is 17 weeks and 2 days in length. Student B attends the first 4 weeks overseas, the next 2 weeks in the UK and the following 5 weeks overseas. Student B is therefore attending the overseas institution for 9 weeks in total - more than 50% of the quarter. Student B is eligible for travel grant in respect of travel expenses, which is subject to a £303 disregard.

**Student C** is attending an overseas institution for the first 8 weeks of the first academic quarter (01/09/17 - 31/12/17) and the first 7 weeks of the second academic quarter (01/01/18 - 31/03/18). The first academic quarter is 17 weeks and 2 days in length and the second academic quarter is 12 weeks and 6 days in length. Student C is not eligible for a travel grant in respect of travel expenses for the first academic quarter because he is not attending the overseas institution for 50% or more of the first quarter. However, he is eligible for a travel grant in respect of travel expenses for the second academic quarter (subject to a £303 disregard) because he is attending the overseas institution for more than 50% of the second academic quarter.

**Student D** is attending an overseas institution for the last 5 weeks of the first academic quarter (01/09/17 - 31/12/17) and the first 5 weeks of the second academic quarter (01/01/18 - 31/03/18). The first academic quarter is 17 weeks and 2 days in length and the second academic quarter is 12 weeks and 6 days in length. Student D is not eligible for a travel grant in respect of travel expenses for either the first academic quarter or the second academic quarter, as he is not attending the overseas institution in either quarter for 50% or more of the respective quarter.

**Student E** is attending an overseas institution for the first 10 weeks of the first academic quarter (01/09/17 - 31/12/17) and the first 10 weeks of the second academic quarter (01/01/18 - 31/03/18). The first academic quarter is 17 weeks and 2 days in length and the second academic quarter is 12 weeks and 6 days in length. Student E is eligible for a travel grant in respect of travel expenses for both academic quarters because he is attending the overseas institution for more than 50% of the respective quarters. His travel grant award in respect of travel expenses will be subject to a single disregard of £303 for the academic year.

## 3 Loans for Living Costs

### 3.1 Age limit

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Eligible students need to be below the age of 60 on the first day of the first AY of the specified designated course.

For example:

- **Student A** starts a four year degree course on 1 September 2017, aged 59. As he is under the age of 60 on the first day of the first AY of his course, he will qualify for a loan for living costs in AY 17/18 and in future AYs of the course.
- **Student B** starts a Foundation Degree on 1 September 2015, aged 59. He qualifies for a loan for living costs for a FT Foundation Degree which he completes in AY 16/17. He then starts a FT 'end on' honours degree course in September 2017. As he was under 60 when he started the Foundation Degree, he qualifies for a loan for living costs for the 'end on' Honours course.
- **Student C** starts a 2 year full-time Foundation Degree on 1 September 2017, aged 60. As he is aged 60 on the first day of the first AY of his course, he does not qualify for a loan for living costs in AY 17/18 and 18/19. However, he qualifies for a means tested SSG in both AYs.

### 3.2 Loans for living costs rates

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The loan for living costs rates varies according to where the student lives and studies. Regulations 43-52 set out the maximum amounts applicable in each case. Please note the conditions under which the London rate of loan is applicable (regulation 52(b)) and the related definition of the former Metropolitan Police District in regulation 2(1).

Students are entitled to a loan for living costs of at least 75% of the maximum rate applicable to them (unless substitution with WGLG applies, in which case the loan entitlement may be less than 75% of the maximum). The remaining 25% of the loan is income assessed.

- **2012, 2011 and 2010 cohort students**

(AY 17/18 memorandum, table A2)

<b>FULL YEAR STUDENTS</b>	<b>MAIN RATE (100%)</b>	<b>NON-INCOME ASSESSED (75%)</b>	<b>INCOME ASSESSED (25%)</b>
Parental home	£5,358	£4,019	£1,339
London	£9,697	£7,273	£2,424
Elsewhere	£6,922	£5,191	£1,731
Overseas	£8,253	£6,190	£2,063
<b>FINAL YEAR STUDENTS</b>	<b>MAIN RATE (100%)</b>	<b>NON INCOME ASSESSED (75%)</b>	<b>INCOME-ASSESSED (25%)</b>
Parental home	£4,851	£3,638	£1,213
London	£8,830	£6,623	£2,207
Elsewhere	£6,412	£4,809	£1,603
Overseas	£7,179	£5,384	£1,795



### 3.3 Financial assessment of loans for living costs

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(All students in the case studies are living ‘elsewhere’, i.e. away from the parental home and studying outside of London, and are in a non-final course year.)

- **2012 cohort students**

**2012 cohort** students who receive WGLG have their loan for living costs entitlement reduced by £0.50 for every £1 of WGLG awarded up to a maximum reduction of £2,580 (regulation 43). 2012 cohort students who qualify for SSG do not have their loan for living costs reduced. Students with a household income of £50,753 are entitled to the full loan for living costs. Students with household incomes above this threshold will be assessed to make a contribution to their support, which will be calculated at £1 for every £5 of income above £50,753. The loan for living costs will be reduced on this basis until 75% of the loan remains.

<b>Eligible for WGLG – Household Income £30,000</b>		
A	WGLG payable	£2,099
B	Loan for living costs payable (£6,922 less £1,049 WGLG substituted for loan)	£5,873

<b>Eligible for SSG – Household Income £30,000</b>		
A	SSG payable	£2,099
B	Loan for living costs payable (no substitution for loan for living costs)	£6,922

<b>Eligible for WGLG – Household Income £34,000</b>		
A	WGLG payable	£1,142
B	Loan for living costs payable (£6,922 less £571 WGLG substituted for loan)	£ 6,351

<b>Eligible for WGLG – Household Income £40,000</b>		
A	WGLG payable	£734
B	Loan for living costs payable (£6,922 less £367 WGLG substituted for loan)	£6,555

<b>Eligible for SSG – Household Income £40,000</b>		
A	SSG payable	£734
B	Loan for living costs payable (no substitution for loan for living costs)	£6,922

<b>Eligible for WGLG– Household Income £50,020</b>		
A	WGLG payable	£50
B	Loan for living costs payable (£6,922 less £25 WGLG substituted for loan)	£6,897

<b>Household Income £50,020 to £50,753</b>		
A	WGLG or SSG payable	£0
B	Loan for living costs payable (no income above £50,753 therefore no assessed contribution)	£6,922 (100% loan)

<b>Household Income £59,408</b>		
A	Household Income	£59,408
B	Loan for living costs threshold	£50,753
C	Difference A – B	£8,655
D	Divide by £5 and round down to the nearest pound to give means tested element of loan	£1,731
E	£6,922 – D = Loan for living costs payable	£5,191 (75% non-means tested element of maximum entitlement to loan)

- **2011 cohort students**

In each 2011 cohort example, loan for living costs is reduced by £0.50 for every £1 of grant awarded, up to a maximum reduction of £2,688.

**2011 cohort** students who receive WGLG have their loan for living costs entitlement reduced by £0.50 for every £1 of WGLG awarded up to a maximum reduction of £2,688 (regulation 44). 2011 cohort students who qualify for SSG do not have their loan for living costs reduced. Students with a household income of £50,488 are entitled to the full loan for living costs. Students with household incomes above this threshold will be assessed to make a contribution to their support, which will be calculated at £1 for every £5 of income above £50,488. The loan for living costs will be reduced on this basis until 75% of the loan remains.

<b>Eligible for WGLG - Household Income £30,000</b>		
A	WGLG payable	£2,718
B	Loan for living costs payable (£6,922 less £1,359 WGLG substituted for loan)	£5,563

<b>Eligible for SSG – Household Income £30,000</b>		
A	SSG payable	£2,718
B	Loan for living costs payable (no substitution for loan for living costs)	£6,922

<b>Eligible for WGLG – Household Income £34,000</b>		
A	WGLG payable	£1,761
B	Loan for living costs payable (£6,922 less £880 WGLG substituted for loan)	£ 6,042

<b>Eligible for WGLG – Household Income £40,000</b>		
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A	WGLG payable	£1,120
B	Loan for living costs payable (£6,922 less £560 WGLG substituted for loan)	£6,362

<b>Eligible for SSG – Household Income £40,000</b>		
A	SSG payable	£1,120
B	Loan for living costs payable (no substitution for loan for living costs)	£6,922

<b>Eligible for WGLG – Household Income £50,020</b>		
A	WGLG payable	£50
B	Loan for living costs payable (£6,922 less £25 WGLG substituted for loan)	£6,897

<b>Household Income £50,020 to £50,488</b>		
A	WGLG or SSG payable	£0
B	Loan for living costs payable (no income above £50,488 therefore no assessed contribution)	£6,922 (100% loan)

<b>Household Income £59,143</b>		
A	Household Income	£59,143
B	Loan for living costs threshold	£50,488
C	Difference A – B	£8,655
D	Divide by £5 and round down to the nearest pound to give means tested element of loan	£1,731
E	£6,922 – D = Loan for living costs payable	£5,191 (75% non-means tested element of maximum entitlement to loan)

- **2010 cohort students**

**2010 cohort** students who receive WGLG have their loan for living costs entitlement reduced by £0.50 for every £1 of WGLG awarded up to a maximum reduction of £2,580 (regulation 43). 2010 cohort students who qualify for SSG do not have their loan for living costs reduced. Students with a household income of £50,753 are entitled to the full loan for living costs. Students with household incomes above this threshold will be assessed to make a contribution to their support, which will be calculated at £1 for every £5 of income above £50,753. The loan for living costs will be reduced on this basis until 75% of the loan remains.

<b>Eligible for WGLG – Household Income £30,000</b>		
A	WGLG payable	£2,099
B	Loan for living costs payable (£6,922 less £1,049 WGLG substituted for loan)	£5,873

<b>Eligible for SSG – Household Income £30,000</b>		
A	SSG payable	£2,099
B	Loan for living costs payable (no substitution for loan for living costs)	£6,922

<b>Eligible for WGLG – Household Income £34,000</b>		
A	WGLG payable	£1,142
B	Loan for living costs payable (£6,922 less £571 WGLG substituted for loan)	£ 6,351

<b>Eligible for WGLG – Household Income £40,000</b>		
A	WGLG payable	£734
B	Loan for living costs payable (£6,922 less £367 WGLG substituted for loan)	£6,555

<b>Eligible for SSG – Household Income £40,000</b>		
A	Special Support Grant payable	£734
B	Loan for living costs payable (no substitution for loan for living costs)	£6,922

<b>Eligible for WGLG– Household Income £50,020</b>		
A	WGLG payable	£50
B	Loan for living costs payable (£6,922 less £25 WGLG substituted for loan)	£6,897

<b>Household Income £50,020 to £50,753</b>		
A	WGLG or SSG payable	£0
B	Loan for living costs payable (no income above £50,753 therefore no assessed contribution)	£6,922 (100% loan)

<b>Household Income £59,408</b>		
A	Household Income	£59,408
B	Loan for living costs threshold	£50,753
C	Difference A – B	£8,655
D	Divide by £5 and round down to the nearest pound to give means tested element of loan	£1,731
E	£6,922 – D = Loan for living costs payable	£5,191 (75% non-means tested element of maximum entitlement to loan)

### 3.4 Loans for Living Costs – students with reduced entitlement

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Different rates of loan for living costs apply to current system students who are:

- on certain types of sandwich year courses;
- in their final year of study;
- eligible to apply for income assessed NHS bursaries.

Students who choose not to be income-assessed will only be able to apply for a reduced rate loan for living costs which is 75% of the maximum entitlement (regulation 45). Please note students on a bursary year who are overseas will receive the elsewhere rate.

<b>MAXIMUM RATES OF <u>FULL</u> YEAR LOAN</b>	<b>REDUCED LOANS</b>
Parental	£2,544
London	£4,768
Elsewhere	£3,392
Overseas	£4,056
<b>MAXIMUM RATES OF <u>FINAL</u> YEAR LOAN</b>	<b>REDUCED LOANS</b>
Parental	£1,934
London	£3,646
Elsewhere	£2,643
Overseas	£2,965

### 3.5 Loans for extra weeks attendance

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Additional loan for extra weeks of attendance over 30 weeks and 3 days in an AY is available at a fixed amount per extra week / part week, up to 45 weeks of study. Students studying for 45 weeks or more in any 52 week period are paid as if they are studying for the full 52 weeks.

The amount of extra weeks loan payable is determined by reference to the category into which the student falls (regulation 50).

Extra weeks loan can be awarded in respect of any AY of a designated course. HE Providers should determine the length of their courses on the basis of the number of weeks during term time when students are attending lectures, undertaking course work or taking exams on a FT basis. Course length should also include reading periods and revision weeks up to when the student takes examinations. It does not include periods at the end of the AY after FT study and examinations have been completed when students are awaiting results, and/or writing up dissertations.

### 3.6 Students on accelerated courses

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Eligible students on 'accelerated' degrees which last for two AYs and require students to undertake more than 40 weeks in the final year are entitled to the full year loan rate in the final year and also for the extra weeks attendance over 30 weeks and 3 days. Eligible students on designated fast track degrees or compressed degrees, also delivered over two long AYs, are entitled to the same support package, but are not required to be in attendance for the full duration of the award.

### 3.7 Changes during the year

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Broadly, the loan for living costs is payable for three quarters of the AY. With the exception of loans for living costs to be paid to compressed degree students, the loan for living costs is not payable in the quarter in which the longest vacation falls in (regulation 47). Where the loan for living costs is payable to a compressed degree student, the Welsh Ministers will determine the quarter in respect of which the loan is not payable.

Where students are subject to two different rates of loan for living costs based on their living /studying location in an AY quarter, they will be entitled to the rate which applies to the longest period in the AY quarter (regulation 48(c)(i)). For example, a student attending an overseas institution for 60% of the quarter and studying in London (not residing at home) for the remaining 40% of the quarter would qualify for the overseas rate of loan in that quarter.

Where a student has more than one other change of circumstance in the AY quarter they qualify for the rate of loan for living costs covering the longest period in that quarter (regulation 48(c)(i)). For example, a student spending 40% of a quarter overseas, 30% away from home outside London and 30% at the parental home, would be entitled to the overseas rate of loan for living costs for that quarter.

Where students are subject to two different rates of loan for living costs for equal periods in an AY quarter, they will be entitled to the higher of the two possible rates of loan for living costs (see regulation 48(c)(ii)). For example, a student attending an overseas institution for 50% of the quarter and studying in London (not residing at home) for the remaining 50% of the quarter would qualify for the London rate of loan in that quarter.

## 4 Tuition fee support

### 4.1 Full year fee rates - 2012 cohort students

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**2012 cohort** students may qualify for a Tuition Fee Loan (TFL) and new Tuition Fee Grant (TFG) towards the cost of their tuition fees, subject to certain criteria which include the provisions on previous study (as set out in the Assessing Eligibility guidance).

The maximum TFL for 2012 cohort students for AY 17/18, where the course is provided by a publicly funded/ regulated institution is **£4,296**. Regulation 16 provides that where the tuition fee exceeds £4,296, a 2012 cohort student on a course provided by a publicly funded institution, will qualify for TFG of up to a maximum of **£4,954**. For example, where the tuition fee charge is £8,000, the student will be awarded a TFL of £4,296 and a TFG of £3,704. The total fee loan and grant will not exceed **£9,250** in any academic year (regulation 16(3)).

Where the course is provided by a alternative / privately funded institution, no fee grant is available. A tuition fee loan only of up to **£6,165** will be available (Regulation 21).

### 4.2 Fee rates in special cases – 2012 cohort students

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Special fee rates apply in the following circumstances:

**Students on a sandwich work placement of an AY:**

- during which any periods of full-time study are in aggregate less than 10 weeks; or
- in respect of that AY and any previous AY of the course, the aggregate of any one or periods of attendance which are not periods of FT study at the institution (disregarding intervening vacations) exceeds 30 weeks.
- Sandwich work placements at HEPs in England and Wales (20% full year fee)

Where £9,250 is the full year fee being charged, the fee cap in this case is **£1,850**. This is made up of £950 loan / £900 grant.

Where £9,000 is the full year fee being charged the fee cap in this case is **£1,800**. This is made up of £900 loan / £900 grant.

Where the private fee loan cap of £6,165 applies, the maximum fee loan available is **£1,230** (20% rounded down to the nearest whole £5).

- Sandwich work placements in Scotland and NI (approx half full year fee)

Where £9,250 is the full year fee being charged, the fee cap in this case is **£4,625**. This is made up of £2,065 loan / £2,560 grant.

Where the private fee loan cap of £6,165 applies, the maximum fee loan available is **£3,080**.

**Students studying on a course provided in conjunction with an overseas institution (non-Erasmus), where in an AY:**

- Any periods of FT study at the UK institution are in aggregate less than 10 weeks; or
- In respect of that AY and any previous AYs of the course, the aggregate of any one or more periods of attendance which are not periods of FT study at the UK institution (disregarding intervening vacations) exceed 30 weeks.
- Overseas (non-Erasmus) placements in Scotland and NI (approx half full year fee)

Where £9,250 is the full year fee being charged, the fee cap in this case is **£4,625**. This is made up of £2,065 loan / £2,560 grant.

Where the private fee loan cap of £6,165 applies, the maximum fee loan available is **£3,080**.

- Overseas (non-Erasmus) placements in England and Wales (15% full year fee)

Where £9,250 is the full year fee being charged the fee cap in this case is £1,385. This is made up of £710 TFL/£675 TFG

Where £9,000 is the full year fee being charged the fee cap in this case is £1,350. This is made up of £675 TFL/£675 TFG

Where the private fee loan cap of £6,165 applies, the maximum fee loan available is £920 (15% of £6,165 rounded down to nearest whole £5).

**Students studying on an Erasmus Year where at least one period of study or work placement is attended at an institution or workplace outside the UK and:**

- Any periods of FT study at the UK institution are in aggregate less than 10 weeks; or
- In respect of that AY and any previous AYs of the course, the aggregate of any one or more periods of attendance which are not periods of full-time study at the UK institution (disregarding intervening vacations) exceed 30 weeks.
- Erasmus year at an HEP in Wales, England and Scotland (15% full year fee)

Where £9,250 is the full year fee being charged the fee cap in this case is **£1,385**. This is made up of £710 loan / £675 grant.

Where £9,000 is the full year fee being charged the fee cap in this case is **£1,350**. This is made up of £675 loan / £675 grant.

Erasmus years are not available at private HEPs.

- Erasmus at an HEP in Northern Ireland

No fee is charged for an Erasmus year where the student is studying at an HEP in Northern Ireland.

**Short final years where the study is less than 15 wks (HEPs in England ,Wales, NI and Scotland – 50% full year fee)**

Where £9,250 is the full year fee being charged, the fee cap in this case is **£4,625**. This is made up of £2,065 TFL / £2,560 TFG.

Where £9,000 is the full year fee being charged the fee cap in this case is **£4,500**. This is made up of £1,940 TFL / £2,560 TFG.

Where the private fee loan cap applies of £6,165, the maximum fee loan available is **£3,080**.

Maximum fee loans for Welsh domiciled students studying at institutions in England, Scotland, Wales and Northern Ireland are set out below:

<b>Maximum full-time fee loan rates in AY 17/18 for Welsh domiciled students studying in England, Scotland, Wales and Northern Ireland</b>					
<b>Rate</b>	<b>Public/ Alternative Provider (or in Wales, Regulated /Not Regulated )</b>	<b>Maximum Fee Loan – England (£)</b>	<b>Maximum Fee Loan – Scotland (£)</b>	<b>Maximum Fee Support – Wales (£)</b>	<b>Maximum Fee Loan – Northern Ireland (£)</b>
Full year	Public/ Regulated	9,250	9,250	9,000	9,250
Final year (<15 weeks attendance)	Public/Regulated	4,625	4,625	4,500	4,625
Work	Public/Regulated	1,850	4,625	1,800	4,625



placement sandwich year					
Overseas study year	Public/Regulated	1,385	4,625	1,350	4,625
Erasmus year	Public/Regulated	1,385	1,385	1,350	Fee Waiver
Full year	Alternative/Not Regulated	6,165	6,165	6,165	6,165
Final year (<15 weeks attendance)	Alternative/Not Regulated	3,080	3,080	3,080	3,080
Work placement sandwich year	Alternative/Not Regulated	1,230	3,080	1,230	3,080
Overseas study year	Alternative /Not Regulated	920	3,080	920	3,080
Erasmus year	Alternative /Not Regulated	N/A	N/A	N/A	N/A
Part Time	Public /Regulated	£6,935	£6,935	£2,625	£6,935
Part Time	Alternative /Not Regulated	£6,935	£6,935	£2,625	£6,935
Graduate Entry Medicine*	Public	£5,785	£5,785	£5,535	£5,785

\*The maximum fee charge in Wales in this case is £9,000. The loan available is the difference between £3,465, which the student self funds in year 1 and the NHS pays in years 2-4, and the fee charged.

### 4.3 Fee support – all ‘new system’ students except 2012 cohort

Students who are not ‘2012 cohort’ students may qualify for tuition fee loan only towards their tuition fees, subject to certain criteria which include the provisions on previous study as set out in the ‘Assessing Eligibility’ guidance.

Regulation 18(2) and (3) provides that the maximum level of loan support towards tuition fees applicable is the lower of the fee charged or £3,465 (£4,030 if studying in Northern Ireland). There are, however, certain exceptions; the following groups are subject to a maximum fee loan of the lower of £1,725 (£2,015 in Northern Ireland) or the fee charged (regulation 16(7)):

- students in the final AY which is ordinarily required to be completed after less than 15 weeks’ attendance;
- students on a sandwich course, where in an AY:
  - any periods of FT study are in aggregate less than 10 weeks; or

- the aggregate of any one or more periods of attendance which are not periods of FT study at the institution in respect of the current academic year and any previous AYs, exceeds 30 weeks.

#### **4.4 Calculation of weeks of FT study – sandwich courses**

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The calculation of 10 weeks should include weeks of full-time study and any days of full-time study which fall in any week which also includes work experience. Only days of full-time study (not part days) should be counted. Also, when counting days of study to make up a number of weeks of study, the divisor should be 5 rather than 7 – e.g. 50 days would produce 10 weeks.

In relation to references to 10 weeks, 15 weeks and 30 weeks in previous sections, parts of weeks cannot be counted.

Study includes *learning in the workplace*, where that is a course requirement. Please see the definition of learning in the workplace which can be found in the 'Assessing Eligibility' guidance.

#### **4.5 Students on sandwich courses including periods of unpaid service (grants for living costs)**

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Students who are on certain specified unpaid placements in the public or voluntary sectors are potentially entitled to grants for living costs, subject to means testing, even if the periods of full-time study in the AY are less than 10 weeks (regulation 23(6)). Placements which attract this support are specified in regulation 23(7):

- a. Unpaid service in a hospital or in a public health service laboratory or with a clinical commissioning group in the UK;
- b. Unpaid service with a local authority in the UK acting in the exercise of its functions relating to the care of children and young persons, health or welfare, or with a voluntary organisation providing facilities or carrying out activities of a like nature in the UK;
- c. Unpaid service with a local authority acting in the exercise of public health functions in the UK;
- d. Unpaid service in the prison or probation and aftercare service in the UK;
- e. Unpaid research in a UK institution or, in the case of a student attending an overseas institution as a part of his course in an overseas institution;
- f. Unpaid service with a Special Health Authority, the NHS Commissioning Board, the National Institute for Care and Excellence, the Health and Social Care Information Centre, a Local Health Board; a Health Board or a Special Health Board in Scotland, or a Health and Social Services Board in Northern Ireland;
- g. Unpaid service in the UK Parliament.

## **4.6 Foundation degree courses**

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Foundation degree courses may be full-time, sandwich or part-time, and they attract support in the same ways as non-foundation degree courses.

Some foundation degree courses feature learning in the workplace, which should be treated as full-time study for the purposes of the definition of a sandwich course and of determining levels of support.

## **4.7 Department of Health (DH) bursary holders**

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### **Students who are continuing on a course that started prior to 1 August 2017**

Students who are eligible to receive bursaries (bestowed under section 63 of the Health Services and Public Health Act 1968) the amount of which is not determined by reference to the student's income are excluded from receiving student support under regulation 4(3)(c)(i).

Students who are eligible to apply for DH bursaries (also paid under the 1968 Act) the amount of which is calculated by reference to the student's income are generally ineligible for fee support in those AYs (see regulations 16(2), 17(2) and 21(2)). Where these students are excluded from receiving fee support they will also be excluded from receiving grants for living and other costs (regulation 23(3)). However, those eligible to apply for a means-tested bursary may be eligible to receive a reduced rate loan for living costs under regulation 45(1)(a).

### **Students who start a course on or after 1 August 2017**

From AY 2017/18, where the student is studying in Wales, DH bursaries will only be provided where the student commits to working in the NHS in Wales for a period of two years after course completion. These students may be eligible to receive a reduced rate loan for living costs. Students who do not make this commitment, and all Welsh domiciled students who are studying elsewhere in the UK, are assessed for support in accordance with the conditions in the Regulations in the same way as any other applicant.

## **4.8 NHS secondees**

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Students who are employed by NHS trusts and seconded onto health care courses are not eligible for NHS bursaries. These students continue to receive their salary and have their tuition fees paid by the NHS, but the payment of their fees falls outside the NHS bursary scheme. Such students, who receive assistance from the NHS only for their fees, are not excluded from the student support provisions and can therefore receive support for living costs and DSAs, subject to relevant means-testing and of course to their satisfying all the usual eligibility criteria.

As seconded NHS employees will have their fees paid by the NHS, they will not be eligible for fee support. In order to prevent double funding of fee support, applications should be processed in the usual way. However, when approving the application SFW should manually over-ride the tuition fee amounts and set them to zero. Setting the 'fee support' box (for public contributions) to zero will ensure the HEI is not paid a fees contribution by the SLC. Setting the 'contribution to fees' box (for students) to zero will ensure the HEI does not invoice the student for a contribution to fees.

## 4.9 Medical and dental students

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### Undergraduate entry medical and dental students

Most undergraduate medical and dental students are entitled to receive full funding through the Student Support Regulations for the first four years of the course. Once they enter the fifth year of the course they become eligible for the NHS income assessed bursary for the remainder of their course. Like other NHS students on the income assessed bursary scheme, the NHS will pay their tuition fees and they are eligible to apply for an income assessed bursary, while they will also be eligible for a reduced-rate loan for living costs under regulation 45(1)(a).

Financial support for students repeating a year during the period supported in full under the Regulations remains the Department's responsibility (refer to the 'Assessing Eligibility' guidance on previous study rules and ELQs). Students are not eligible for NHS Bursary support until the 5<sup>th</sup> year of the medical programme (i.e. the 6<sup>th</sup> year of study for students repeating 1 year).

#### **Example 1:**

13/14 - 14/15 – Student undertakes first 2 years of medical or dental course.

15/16 – Student intercalates.

16/17 – Student returns for 3<sup>rd</sup> year of medical course.

17/18 – 4<sup>th</sup> year of medical course but student eligible for NHS Bursary.

#### **Example 2:**

13/14 – 16/17 – Student undertakes first 4 years of medical or dental course.

17/18 – Student intercalates but is eligible for NHS Bursary.

### Graduate entry medical and dental students

Students entering year two or later of the graduate-entry accelerated four-year medical course are not eligible to apply for the NHS income assessed bursary and reduced rate loan for living costs. In year one of this course these students self fund their tuition costs and are eligible to apply for maintenance loan.

Students who start a graduate entry accelerated four-year medical or dental course on or after 1 September 2012 will be eligible to apply for a partial tuition loan:

#### **Year 1**

- Students self fund the first £3,465 towards their tuition costs.
- Students can access a tuition loan to cover any remaining amount above the first £3,465 up to £9000 (or £9,250 where a fee of more than £9,000 is charged).

#### **Years 2 to 4**

- The Department of Health will contribute the first £3,465 towards the tuition costs and students can access a tuition loan to cover any remaining amount above the first £3,465 up to £9,000 (or £9,250 where a fee of more than £9,000 is charged).

Students who are eligible to apply for an income assessed Department of Health bursary are not eligible for any grants, either for fees or living costs, or loans for tuition fees under the Regulations. They are, however, eligible for loans for living costs at the reduced rates set out in regulation 45(1)(a). The following points should be noted:

- Those eligible to apply for an income assessed DH bursary must apply to SFW if they wish to apply for the reduced rate non-income assessed loan. The normal rules on which SFW should accept an application apply.
- SFW should still assess an applicant's eligibility for support under the Regulations. The eligibility rules for a DH bursary differ from those under the Regulations, and the fact that an applicant is eligible under DH rules should not be taken as proof of eligibility under the Regulations.
- Loans for living costs at the rates set out in regulation 45(1)(a) are not subject to an assessed contribution. Once the eligibility of the applicant has been confirmed, there is no need to assess them for a contribution.

They should be directed to the NHS Wales Student Awards Unit (6th Floor, Churchill House, 17 Churchill Way, Cardiff, CF10 2TW, Tel: 029 2037 6854 (if domiciled in Wales); or the NHS Careers Helpline, Tel: 0300 330 13455, website: [www.nhscareers.nhs.uk/](http://www.nhscareers.nhs.uk/), E-mail: [nhsbsa.sbaccounts@nhs.net](mailto:nhsbsa.sbaccounts@nhs.net) (if domiciled in England) for the rest of their support.

#### **4.10 Repeating and Intercalation**

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Students are not eligible for NHS Bursary support until the 5<sup>th</sup> year of the medical programme i.e. the 6<sup>th</sup> year of study for students repeating 1 year.

Intercalation counts towards the qualifying period for NHS Bursary support, i.e. if intercalation takes place in the first 4 years of the undergraduate programme, students transfer to NHS support in the 5<sup>th</sup> year of study (the 4<sup>th</sup> year of the medical or dental course) . Students intercalating in year 5 of the course are supported by DH. For example:

AY 14/15 - 15/16 – Student undertakes first 2 years of medical or dental course.

AY 16/17– Student intercalates.

AY 17/18 – Student returns for 3<sup>rd</sup> year of medical course.

AY 18/19 – 4<sup>th</sup> year of medical course but student eligible for NHS Bursary.

## 4.11 Dance and Drama Award (DaDA)

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DaDAs are granted to the most talented students who are likely to succeed in the industry studying at private dance and drama schools in England. All DaDA students study for a Trinity College London Level 5 or 6 Diploma.

DaDAs are funded by the Department for Education (DfE) and managed by the Education Funding Agency (EFA). Students are assessed for fees and living costs support based on an assessment of family income.

Further information on the DaDA scheme can be found on the website [www.gov.uk/dance-drama-awards](http://www.gov.uk/dance-drama-awards)

- **Dance and Drama schools offering HE provision**

Where the school offers HE provision, students may undertake a course leading to a degree qualification at the same time that they are pursuing their Trinity College Level 5 or 6 qualification. However, students who are offered a DaDA must choose either to take up the DaDA or apply for HE student support instead; they cannot take up both at the same time. Some students may, however, start their courses claiming HE student support and then subsequently transfer to a DaDA. Such students will cease to be eligible for HE student support as soon as they transfer to DaDA funding.

It follows therefore, that if SFW receives an application for HE student support from a student for a course which leads to an HE qualification in dance and/or drama, and the applicant states that he/she has been awarded a DaDA, SFW should refuse the application for student support. Also, if a student already in receipt of HE student support reports that he/she has transferred to DaDA funding, SFW should withdraw the HE support from the date on which the transfer took place.

The Dance and Drama schools who are currently offering HE provision are:

- The Arts Educational School, London;
- ALRA, London (South) and Wigan (North);
- Bird College, Kent;
- Guildford School of Acting (GSA), Guildford (part of University of Surrey);
- The Italia Conti Academy of Theatre Arts Ltd, London;
- Mountview Academy of Theatre Arts, London; and
- Urdang Academy, London.

For enquiries on DaDA courses please contact the EFA.

Emma Kershaw Tel: 0114 2742656 Email [Emma.Kershaw@education.gsi.gov.uk](mailto:Emma.Kershaw@education.gsi.gov.uk)

Please Note: The EFA can only offer advice on the DaDA scheme. They are not able to offer advice to students who are seeking alternative means of funding, or to students who are applying to schools that are not eligible for Dance and Drama Award funding.

- **Dance and Drama Schools offering both FE and HE provision**

Some schools offer both FE and HE provision. Students who are offered an FE Dance and Drama Award are advised in their Award Letter that they must choose either to take up their FE Award or to apply for HE support instead; they cannot take up both. Some students may, however, start their courses claiming HE student support and then subsequently transfer to an FE Dance and Drama

Award. Such students will cease to be eligible for HE student support as soon as they transfer to an FE Dance and Drama Award.

Applications for this additional support should be made to the Learner Support Service (LSS) who administers the Fund on behalf of the EFA. Students should be advised to contact the LSS direct on 0800 121 8989 if they need any information about this fund.

The Dance and Drama schools who are currently offering both FE and HE provision are:

- The Arts Educational School, London;
- ALRA, London (South) and Wigan (North);
- Bird College, Kent;
- Guildford School of Acting (GSA), Guildford (part of University of Surrey);
- The Italia Conti Academy of Theatre Arts Ltd, London; and
- Mountview Academy of Theatre Arts, London.

For enquiries on FE Dance and Drama courses please contact the EFA in Sheffield.

[Emma.Kershaw@education.gsi.gov.uk](mailto:Emma.Kershaw@education.gsi.gov.uk)

## 5 Step 1 – determining household income

### 5.1 Income assessment process

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**Note that all paragraph references in the following section refer to paragraphs in Schedule 5 of the Regulations, unless otherwise stated.**

The income assessment comprises four stages:

- I. Determine whose income forms part of the household income (always include the student's unearned taxable income).

Student Type	Income to include in the household assessment
Dependent student	Natural / Adoptive parent(s) plus where applicable the parent's: - spouse - civil partner - cohabiting partner of either sex
Independent student	- spouse; - civil partner; or - cohabiting partner of either sex ( <u>only</u> where the student is aged 25 or over on the relevant date)
Single independent student (no partner)	Student only

- II. Determine the taxable income (as defined in Schedule 5 paragraph 1(n)) of each person whose income is specified to be part of the household income.

- III. Make the permitted deductions from taxable income to arrive at residual income and make any further deduction permitted by paragraph 3(3). The aggregate is the household income.
- IV. Calculate entitlement to means tested loan for living costs (and WGLG or SSG) using the relevant tapers.

Once the residual income has been calculated for each person whose income included in the household income, these amounts are aggregated and deductions under paragraph 3(3) are applied.

Where a child is wholly or mainly financially dependent on the student or the student's parents, step-parents, husband, wife or partner, the child dependant's income is required to assess eligibility for a deduction from household income. Government Child Trust, State Benefit or minimal sums of money from other sources should not be considered when calculating a child dependant's income.

## 5.2 Independent students

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Parental income should not be included in the household income in the circumstances listed in paragraph 2(1) (a) - (j). These include where:

- The student married / entered into a civil partnership before the beginning of the AY for which household income is being assessed. This applies whether or not the marriage/civil partnership is still subsisting (paragraph 2(1)(b)).
- The student's parents have died. This applies immediately, once the student is bereaved of both parents (paragraph 2(1)(c)). Where the household income assessment is based on the income of one parent only and that parent dies, no parental income is required for the whole of the current AY (paragraph 2(1)(h)), even if the deceased parent has a partner. Where the other parent is still alive, the student is not automatically assessed as independent in the following AY; the student's independent status from that parent (if appropriate) would have to be established at the start of the next AY.
- The student's parents are living outside the European Community and SFE is satisfied that the assessment of a parental income would place them in jeopardy, or that it would not be reasonably practicable for them to send a contribution to the UK (paragraph 2(1)(g)). Although this provision does not refer to a specific category of students, parents of refugees or those who have been granted exceptional leave to enter or remain in the UK are most likely to fall within its provisions.
- The student has been self supporting for periods prior to the start of first AY of the course amounting in aggregate to at least three years (paragraph 2(1)(j)). Periods of self-support may include, for example, paid holidays, breaks between jobs when the person supported himself from savings, and paid periods of experience on a sandwich course (other than the current course). The student must be able to prove that they have earned enough to support themselves during the period in question. A person living in the parental home may not wholly have supported themselves, including paying their share of housing costs, especially where the person is in part-time or temporary employment. A student living with their parents should only be regarded as self-supporting where they can clearly demonstrate that they have contributed appropriately to the household budget. Where SLC is satisfied that the student was self-supporting for a period when payments were received 'in kind', such periods may be counted as self-support.



Notwithstanding the above, a student should be treated as having supported themselves for any period during which they fell into one of the categories listed in paragraph 2(1)(i)(i)– (v). This includes periods when the student held a State Studentship or comparable award (paragraph 2(1)(i)(iv)): such awards could include research council studentships and other postgraduate awards to which no parental contribution provisions apply.

- The student has care of a person under the age of 18 on the first day of the AY for which they are applying for support (paragraph 2(1)(i)). Where the student gains care of a person under 18 after the first day of the relevant AY, they will be assessed as independent from the start of the following AY (assuming they still have care of the person under the age of 18 on the first day of that AY). Once they are assessed as independent on this basis, the student keeps this status for the remainder of the period of eligibility (paragraph 2(2)).
- A student can be considered as having care of a person under the age of 18 if they look after the child and the child lives with him, irrespective of his relationship with the child. This might include, for example, a student who is caring for the child of his partner, a student who has adopted a child or a student who has been appointed a guardian of a child. The student should send their child's original birth certificate and also provide evidence that they have care of the child, for example, evidence that they are receiving Child Benefit or Child Tax Credit.

For example:

**Freya** is a 22 year old single parent who is living with her one year old daughter and is applying for student support for a three year degree course starting on 1 September 2017. She will be treated as an independent student from the start of her course.

**Ben** is a 20 year old unmarried student living away from the parental home with his partner. He is starting a three year course on 1 September 2017 and will be assessed as a dependent student (he has been self-supporting for less than three years). In November 2017, his partner has a baby. When Ben applies for support for the second year of her course starting on 1 September 2017, he is assessed as an independent student.

**Gillian** is a 22 year old unmarried student living away from home. She starts a three year course on 1 September 2017 and is assessed as a dependent student. In November 2017 she has a baby, but from January 2018 she no longer has care of that child. When she applies for support for the second year of her course starting on 1 September 2018, she will still be assessed as a dependent student.

- The student is irreconcilably estranged from their parents (paragraph (2)(1)(e)). This would be the case where:
  - 
  - o They have communicated with neither of their parents for the period of one year before the beginning of the AY for which he is being financially assessed; or
  - o They can demonstrate on other grounds that they are irreconcilably estranged from their parents. If they *have* communicated with either parent during that year, they *can nevertheless* still be regarded as irreconcilably estranged.

SFW should, as far as possible, satisfy themselves that the estrangement is genuine and that for the time being reconciliation is impossible (or at least highly unlikely). It is not enough that a student does not get on with their parents or that they have had a serious

disagreement recently. The fact that a student may choose to live apart from their parents is not itself sufficient evidence of an irreconcilable estrangement. Similarly irreconcilable estrangement cannot be inferred simply on the ground that a parent refuses to cooperate with SFW in the financial assessment of the student (e.g. by not replying to letters or refusing to complete income assessment forms), or does not provide financial support to the student. These factors could, of course, be expected to be present if there has been a genuine estrangement.

It is for SFW to decide in each case whether it has sufficient information and evidence to justify its opinion as to whether or not a student is irreconcilably estranged. In certain cases of estrangement where there has been a serious family breakdown, involving violence or other serious trauma, a student should not be required to resubmit evidence in subsequent years of the course. Other students who provide third party evidence of estrangement for the first AY of their course, who return and apply for support in the following AY of their course and who confirm their situation has not changed, will not generally be asked to provide evidence again.

It is likely to be easier for a student to demonstrate that they are 'irreconcilably estranged' if the estrangement has endured for a significant length of time before the student applies for support. Care is needed where an estrangement is claimed to have started just before the student starts the course or during the course itself: for example, difficulties may arise due to the student's wish to leave the parental home and enter higher education. SFW should decide whether such difficulties are temporary or transitional, or whether a genuine estrangement has occurred. The possibility of fraudulent or unsubstantiated claims of estrangement should always be borne in mind.

Where the estrangement starts or ends during the course of an AY, the household contribution assessed at the beginning of the year stands, as the Regulations do not provide for a student to acquire or lose independent status during an AY.

## **5.3 Dependent students**

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### **5.3.1 Parental income**

References to 'parent' throughout this section should be taken to also mean the partner of the student's natural / adoptive parent where applicable.

### **5.3.2 Parents who are separated**

Where SFW determines that the student's parents are separated, paragraph 5(9) allows SFW discretion as to which parent's income should be assessed. This will normally be the parent with whom the student lives. Where parents separate during a year in respect of which income is to be assessed, parental income should be assessed on a pro-rata basis taking the parents' joint income for the time they were living together (paragraph 5(10)). Note that where parents separate, but continue to live in the same house, SFE may determine that the parents are now effectively residing in separate households.

### **5.3.3 Parents with a partner**

Where the student's natural/adoptive parents separate and in the same year the parent whose income is to be assessed begins to cohabit with a new partner, the income assessment should include the following:

- The joint income of the natural/adoptive parents for such time as they were living together;
- The single income of the natural/adoptive parent who is to be assessed, for such time as that parent was not cohabiting;
- The joint income of the natural/adoptive parent who is to be assessed and their cohabiting partner, for such time as they were cohabiting together.

#### **5.3.4 Student with a partner**

Where an independent student has a spouse, civil partner, or cohabiting partner of the same or the opposite sex, the partner's residual income may be included in the household income assessment (paragraph 3(2)(b)). Paragraph 6 provides that the partner's residual income is calculated in the same way that the parent's residual income is calculated under paragraph 5 (other than sub-paragraphs (9) and (10) of paragraph 5, which do not apply). References to parent(s) in paragraph 5 should be construed as references to the eligible student's partner.

If a student who is cohabiting with a partner (not a spouse or civil partner) turns 25 during the course of an AY, the partner's income will not be taken into account in the current AY; it will only be included in household income from the following AY.

Where an independent eligible student aged 25 or over ceases to cohabit with their partner during an AY, the partner's income for that year is pro-rated in accordance with paragraph 6(3). The partner's income, as calculated under paragraph 6(1), is divided by 52 and multiplied by the number of weeks in the AY when the student and the partner are not separated.

A student's spouse or civil partner's residual income is normally taken into account where the student married or the civil partnership was formed before the start of the AY. However, the spouse or civil partner's income is not taken into account where a child of the student (or a child of the student's spouse / civil partner) is an eligible student in respect of whom household income has been calculated by reference to the residual income of the student, the spouse or civil partner, or both. The income is also not taken into account where SLC determines that they are separated for the duration of the AY.

### **5.3.5 Identifying a cohabiting couple**

Where a student declares in the application that he is single, SFW can accept that response and rely on the fact that the student has signed a declaration that the information he has provided is true and accurate. If, however, SFW wish to challenge this declaration, or the student or their parent is unsure of what is meant by 'cohabiting', SFW may take into consideration similar factors to those applied by Local Authorities and Jobcentre Plus on claims for social security benefits, including:

- Does the student / the student's parent normally live in the same household as the person with whom he is in a relationship? If the student, parent or partner has a separate address where he/she usually lives, they should not be considered to be cohabiting;
- Is one partner supported by the other, or are household expenses shared? Where household expenses are shared, it is possible that rigidly sharing bills 50/50 may not imply cohabitation, whereas having a common fund for income and expenditure could;
- Is the relationship stable? An occasional or brief association should not be regarded as cohabiting;
- Does the couple have children? Where a student or a parent and his partner have had a child together and live in the same household there is a strong presumption of cohabitation;
- Does the student share a 'household' with another? Students commonly live in rented accommodation, sometimes with other students, sometimes as lodgers. A house can contain a number of separate households; if one person has exclusive occupation of separate accommodation from another, they will not be considered to be living in the same 'household'. Separate households might also exist if there are independent financial arrangements, or if there are separate commitments for housing costs, even if the liability is to another person in the same premises.

## **6 Step 2 - Determining the taxable income**

### **6.1 Year of assessment**

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- The parent's or partner's income for the tax year prior to the tax year that ended before the start of the AY for which support is being assessed should be taken into account. (Exceptions to this rule are set out in paragraphs 5(3) – (5)). See paragraph 1 for definitions of 'prior financial year' and 'preceding financial year'.
- The student's income for the AY in respect of which the student is applying for support is taken into account.

### **6.2 What is taxable income for student support?**

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Paragraph 1(1)(n) defines 'taxable income' for the student and, where applicable, their partner, and the student's natural/adoptive parents as:

- The total income on which a person is charged to income tax at Step 1 of the calculation in Section 23 of the Income Tax Act 2007. This means that deductions made from 'total income' by HMRC in respect of income tax reliefs at Step 2 of Section 23 (e.g. trade losses

and pension contributions) and personal reliefs at Step 3 of Section 23 are not made when calculating 'taxable income' for student support purposes. Section 23 of the Income Tax Act 2007 covering Income Tax Liability can be accessed on the legislation.gov.uk website at: <http://www.legislation.gov.uk/ukpga/2007/3/section/23>

- The whole amount of a payment or benefit mentioned in Section 401(1) of the Income Tax (Earnings and Pensions) Act 2003 e.g. a redundancy payment. Note that, although only the amount of a redundancy payment in excess of £30,000 is included in the total income on which a person is charged to income tax at Step 1 of the calculation in Section 23 of the Income Tax Act 2007, 'taxable income' as defined in paragraph 1(1)(n)(i) includes the total amount of a redundancy payment.
- Where the income tax legislation of a European Union (EU) member state or states applies, paragraphs 1(1)(n)(ii) and 1(1)(n)(iii) define taxable income as the total income from all sources determined for the purposes of the legislation of that state, or where the legislation of more than one EU state applies, the state where the total income is the greater.

It follows that income which is wholly exempt from income tax does not count towards taxable income. Where UK tax law applies, exempt income includes:

Awards for gallantry;  
Damages for personal injury;  
SAYE interest and bonuses;  
Savings certificates and Government securities;  
Scholarships, exhibitions, bursaries etc;  
Lump sums under term assurance, life, accident or medical insurance policies;  
Most social security and other benefits, including child benefit, housing benefit and in most cases income support;  
Dividends, interest and bonuses on ISAs, PEPs and TESSAs;  
War service pensions;  
Premium bond prizes and winnings from gambling, for example football pools and National Lottery;  
Long service awards to employees;  
Wounds and disability pensions.

A list of what constitutes taxable and non taxable income can be found in Annexes A to D. This is not an exhaustive list, but is intended to offer guidance on the types of income that fall under these categories.

Where a person is liable for income tax under UK tax law on income from self-employment or income that is not from employment, gross income may be certified by the person's accountant.

Where a person is employed, because the income will have been subjected to tax through Pay As You Earn (PAYE), the gross employment income can be ascertained from the person's PAYE year-end form P60.

'Taxable income' for the purposes of the Regulations shall include income which would not, for the reasons in paragraph 5(6), form part of the income of the student's parent / partner as calculated for the purposes of the relevant tax legislation. This does not apply to the student.

### **6.3 Income from savings and investments**

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Where interest paid on bank, building society and authority savings, as well as dividend income from shares or investments is subject to tax, it should be counted as income for the purposes of the assessment. When calculating the interest from a bank or building society, the gross figure before any tax deductions should be counted as income. Dividends and interest from investment schemes should still be counted as income where they are not paid to the recipient at the time they arise but are credited to or re-invested in the person's account with the scheme.

Savings and investment schemes vary considerably in their terms and conditions, and so care is needed in determining when income has actually arisen and its amount. The following guidelines should be observed:

- a. income arises only when it is placed at the disposal of the beneficiary;
- b. where a penalty has been incurred by taking income immediately, the amount of the income actually received (*i.e.* gross income less any penalty) should be counted as the income of the beneficiary once it is taken;
- c. where such a penalty is avoided by waiting until the income can be taken in full; the income arises when it is at the beneficiary's disposal;
- d. if the beneficiary has to give notice before withdrawing interest, the income will be at his/her disposal when that notice has expired;
- e. where the rules of the scheme prevent the withdrawal of income for a given period (which may be the full duration of a time-limited scheme), the income will not be at the beneficiary's disposal until the expiry of the period in question. This will be the case even if income is nominally credited to the beneficiary's account in the interim;
- f. in the case of accumulation units in Authorised Unit Trusts (AUTs) and Open Ended Investment Companies (OEICs) the income is treated as arising to the beneficiary on the distribution date, even though the income is reinvested.

### **6.4 Qualifying care receipts**

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Qualifying care receipts made to carers for providing care are exempt from income tax under section 803 of the Income Tax (Trading and Other Income) Act 2005 (ITTOIA) if they do not exceed the recipient's qualifying amount. Receipts above the qualifying amount are taxable. Any payments that are regular or paid in a lump sum to the student by their parent(s) and which have been determined in a court of law under Schedule 1 of the Children's Act 1989, are generally exempt from tax under Section 744(1)(i) of ITTOIA 2005. As a result, exempted payments should not be counted as part of the student's income. Further information on qualifying care relief can be found in 'Help Sheet HS236' on the HMRC website (<http://www.hmrc.gov.uk>).

### **6.5 University of Buckingham**

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Assistance to students under the University's fee remission scheme does not constitute a payment or income for the purposes of paragraph 4(1).

## 6.6 Deductions not to be made in determining taxable income

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The definition of taxable income in paragraph 1(1)(n)(i) is, as previously stated, the total income on which a person is charged to income tax at Step 1 of the calculation in Section 23 of the Income Tax Act 2007 together with payments set out above. This means that deductions made from 'total income' by HMRC in respect of the following are not made when calculating taxable income for student support:

- Income tax reliefs at Step 2 of Section 23 of the Income Tax Act 2007 (e.g. trade losses and pension contributions);
- Personal reliefs at Step 3 of Section 23.

The deductions and allowances which are **not** to be made for student support purposes in determining taxable income are:

- Reliefs provided for at Section 24 of the Income Tax Act 2007 such as trade losses.
- Personal reliefs provided for under Part 3 of the Income Tax Act 2007 or any comparable reliefs in the case of income computed as for the purposes of the tax laws of another EU member state. In respect of UK tax law, these personal reliefs include, at the time of writing:
  - Personal allowances;
  - Married couples' allowances for those couples where one partner was born before 6 April 1935;
  - Blind person's allowance;
  - Any deductions made under paragraphs 4(1) and 5(1) of Schedule 5 (including pension premiums).

Once the taxable income has been determined, the parent's, parent's partner's or student's partner's residual income is calculated by making deductions from it in accordance with paragraph 5(1). The student's residual income is determined by making deductions from their taxable income in accordance with paragraph 4(1). A deduction under paragraph 3(3) may be made from the aggregate of the various amounts of residual income when determining household income (see step 3 below).

## 7 Step 3 - Calculation of residual income and household income

### 7.1 Deductions from parent's or partner's taxable income

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Paragraph 5(1) lists the deductions that may be made from a parent's taxable income to determine their residual income:

- The gross amount of certain pension premiums (not in respect of pensions payable under a life assurance policy) that qualify for tax relief and certain equivalent payments— see paragraph 5(1)(a) and (b).
- £1,130, where the parent is an eligible student or holds a statutory award (paragraph 5(1)(c)).

Note that:

- Pension income paid to an ex-partner under an attachment order made pursuant either to the Matrimonial Causes Act 1973 or the Civil Partnership Act 2004 is excluded from taxable income.
- Conversely, where the income is received under a pension arrangement made under an attachment order pursuant to the above legislation, it must be included in the taxable income.

This ensures that only pension income that is available to a household is included in the means test.

## **7.2 Deductions from the student's taxable income**

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Paragraph 4(1) lists the payments that may be deducted from taxable income for the purposes of determining a student's residual income unless they have already been deducted for the purposes of determining taxable income.

- Earnings from employment during the AY are deducted (paragraph 4(1)(a)). However, where the student is on leave of absence from the employer or relieved of their normal duties in order to undertake the course, any wages they receive in respect of those periods should be counted as income for assessment purposes. Note that where the student is only partially released from their employment to undertake the course, it is only the pay they receive for the days on which they are released that should be included in taxable income.
- The gross amount of certain pension payments (apart from pension payments under a life insurance policy) which are subject to tax relief under UK legislation and certain equivalent payments can be deducted from the student's taxable income (paragraph 4(1)(b)).

## **7.3 Teacher training bursaries**

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Teacher training bursaries are available from the Welsh Government (the Teaching Agency, which is an executive agency of the Department for Education in England). These are available to eligible students on postgraduate courses which lead to qualified teacher status (QTS). As the bursary or scholarship is non-taxable the whole amount is ignored when assessing student income. Further information about bursaries can be found at: [www.teachertrainingwales.org](http://www.teachertrainingwales.org)

## **7.4 Financial obligations incurred by the student before the course starts**

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Financial obligations incurred by the student (before the start of or during the course) are not disregarded.

## **7.5 Maintenance payments received by the household**

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Maintenance payments received by the household are not normally subject to tax and therefore should not be taken into account when determining taxable income.

Where maintenance payments are paid by the student for the benefit of a child, taxable income should not be reduced to take account of these payments.

Maintenance payments received must still be taken into account in the calculation of dependants' income for the purpose of assessing a student's entitlement to any dependants' grant. Where a



student receives maintenance payments under an agreement that requires that the payments are for the benefit of the student's child, this income should be treated as the child's income and taken into account in the dependants' grant means test.

## 7.6 Self-assessment

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Self-assessment mainly affects the self-employed, people deriving income as partners in a business, and employees who are higher rate tax payers. Taxpayers are required to preserve the records needed to make a correct and complete tax return for the relevant period. Tax is assessed on the business profits of an accounting period ending in the current tax year rather than the preceding one.

- **Finalising parental income**

SFW should base their determination of the parental income for the financial year on the self-assessment return made by the parent to HMRC and ensure that the income figures submitted to them match those on the return.

The dates for returning the completed tax forms to HMRC are:

- 30 September, (where HMRC is to calculate the tax);
- 31 January (where the taxpayer works out their own tax).

This means that the self-assessed person should have prior year taxable income figures available for use before the start of the AY. For example, for tax year 15-16 (the prior tax year for AY 17/18), self-assessment must be completed and submitted to HMRC by 31 January 2017, which is before the start of AY 17/18.

- **Treatment of Capital Allowances**

Capital allowances enable the costs of capital assets to be written off against a business's taxable profits. The tax allowances may be claimed for expenditure on assets such as industrial and agricultural buildings, and general business equipment such as vehicles and computers. The rate for buildings is normally 4% of the expenditure a year. The rate for plant and machinery is normally 25% a year (reducing balance basis), and there are special incentive rates for smaller businesses. Most capital allowances are claimed in the tax return.

Capital Allowances (excluding plant and machinery allowances for special leasing) are taken into account as a reduction of household income.

Note that Capital Gains, which are usually declared on business accounts or tax returns, are not taxable under the Income Tax Act but are subject to the Taxation of Chargeable Gains Act 1992 so should not be included in the calculation of household income.

- **Current-year assessments**

Where SFW is satisfied that the residual parental income in the current tax year (i.e. the tax year beginning immediately before the start of the AY to which the support application relates) is likely to be not more than 85% of their residual income in the prior tax year, paragraph 5(3) allows for the current tax year income to be used. The current-year assessment is necessarily based on an estimate of residual income. Where SFW cannot make a reasonable estimate, a provisional payment or payments may be made until sufficient information is provided to allow a reasonable estimate to be made.

Note that once SFW has exercised its discretion to make a current year assessment, it cannot reverse its decision if it later transpires that the residual parental income in the current tax year is more than 85% of their income in the prior tax year. Any later adjustment made on receipt of more up-to-date income information will still be made on a current year basis.

Where a parental contribution is assessed on a current year basis for one year of the course, income assessment is based on preceding tax year income for the next AY, and on prior tax year income for the third AY (unless there is another drop in income and a new current-year assessment is carried out). This means that the same income is used for three consecutive years. Where a current-year income assessment is requested in two or more consecutive AYs, the current year income in the second or subsequent year will be compared to the previous tax year rather than the prior tax year income in order to ascertain if there has been a 15% drop in income (paragraph 5(4)).

In all cases where SFW is considering exercising its discretion under paragraph 5(3) to make a current-year assessment, it should advise the student and his parents of how their contribution is to be assessed and how this will affect the amount of contribution they are assessed to make.

- **Self-employed parents**

Where SFW is satisfied that the parent's income is wholly or mainly derived from the profits of a business or profession, paragraph 5(5) provides for the prior tax year to be taken as the accounting year which ends in the prior tax year.

For example, a student's AY commences in September 2017 (AY 17/18). Her parents' are self-employed and their accounting year ends on 30 June each year. Their income from the accounting year 1 July 2014 to 30 June 2015 is assessed, as this is the accounting year that ends in tax year 15-16 (i.e. 6 April 2015 to 5 April 2016).

## **8 Step 4 - Calculate any entitlement and / or contribution to student support**

Once the residual income has been calculated for each person whose income is included in the household income, each amount of residual income is added together. A deduction of £1,130 is then taken from the aggregate amount under paragraph 3(3) for each child who is wholly or mainly financially dependent on:

- The student or their partner\*;
  - The student's parent or their parent's partner\* (not the student himself).
- (\*where the residual income of that person is being taken into account)

The resulting household income is used to calculate:

- Entitlement to Maintenance or Special Support Grant;
- Assessed contribution towards the student's support.

Assessed contribution is calculated as follows:

**2010 cohort students:** £1 for every complete £5 by which the household income exceeds £50,753 (paragraph 8(2)).

**2011 cohort students:** £1 for every complete £5 by which the household income exceeds £50,488 (paragraph 8(3)).

**2012 cohort students:** £1 for every complete £5 by which the household income exceeds £50,753 (paragraph 8(2)).

**For all cohorts, there is no minimum contribution but the maximum contribution is £6,208.**

## **8.1 Deducting the contribution from the support**

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- **2012, 2011 and 2010 cohort students**

Assessed contribution is applied under regulation 56, when household income exceeds the relevant threshold for each cohort group, to the following products:

- Grants for dependants (where applicable, and in the following order); adult dependants' grant; childcare grant; parents' learning allowance.
- Loans for living costs (only the first 25%; and not if a lower rate of loan applies under regulation 56).
- Travel grant.

The contribution is deducted from the above products until either the contribution or the products are extinguished. Note that contribution cannot cancel out more of the loan for living costs than is indicated above.

## **8.2 Families with two or more award holders (split contributions)**

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Paragraph 8 provides that total contribution must not exceed £6,208 where:

- A contribution is payable in relation to two or more students in respect of the same parental residual income / parent's partner's residual income; or
- The household income consists of the residual income of an independent eligible student and his partner, and both hold a statutory award.

Where the same household income is used to assess the amount of an award for which two people qualify, the contribution payable in respect of the eligible student is divided by the number of such persons (paragraph 9).

Note that where there is more than one statutory award holder in a household, and one withdraws during the AY, the student(s) who remain in higher education are not reassessed. Therefore, the amount of contribution applied to their means-tested support will not change. The student who has withdrawn from their course will be reassessed as normal.

Where

- A sibling of the eligible student;
- the eligible student's parent; or

- the eligible student's parent's partner

is eligible to apply for an award not paid under the Regulations or the Education (Mandatory Awards) Regulations 2003 nor section 63 of the Health Services and Public Health Act 1968, the amount of contribution payable in respect of the eligible student will be the proportion of the household contribution calculated under paragraph 8 that SLC considers just.

In any year in which more than one child of the eligible student's parent:

- holds an award under the Regulations; or
- is eligible to apply for an award under the Education (Mandatory Awards) Regulations 2003 or an award under section 63 of the Health Services and Public Health Act 1968,

the contribution payable in respect of the eligible student is the amount of contribution calculated under paragraph 8, divided by the number of children holding relevant awards (paragraph 9). Where there is leftover unapplied contribution in respect of a student, this will not be applied to the remaining means-tested support of any other student in the household.

In any case where:

- the eligible student's parent whose income is assessed under Schedule 5 has a partner;
- the parent's income is taken into account in calculating the contribution payable in respect of more than one student child; and
- the amount of contribution payable in respect of each student is different,

the contribution in respect of an eligible student is the amount of contribution calculated under paragraph 8 divided by the number of eligible students in relation to whom a contribution is payable, and the parent's residual income has been taken into account in determining the amount of that contribution.

### **8.3 Contribution payable in respect of an independent eligible student**

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Where a contribution is payable under paragraph 8 in relation to an independent eligible student with a partner (as defined in paragraph 1(i) of Schedule 5) and that partner also holds a statutory award, the contribution payable in respect of the independent eligible student is half of the contribution calculated under paragraph 8.

## 9 Annex A – Definition of cohort groups

**‘New system’ students who are not 2010, 2011 or 2012 cohort students** are those who:

- started the current course on or after 1 September 2006 and before 1 September 2010, and are not ‘2010 cohort’, ‘2011 cohort’ or ‘2012 cohort’ students.
- started the current course on or after 1 September 2010 and qualify as a 2010 gap year student. (The definition of a 2010 gap year student is set out in Regulation 2(10) – (13).)

**‘2010 cohort’ students** are those who:

- started the current course on or after 1 September 2010 and before 1 September 2011, excluding 2010 gap year students;
- transfer to the current course on or after 1 September 2010 from a course beginning before 1 September 2010;
- begin an end-on course on or after 1 September 2010 immediately after ceasing to attend a preliminary course that begins before 1 September 2010.

**‘2011 cohort’ students** are those who:

- started the current course on or after 1 September 2011 and before 1 September 2012, excluding 2011 gap year students; certain students starting an ‘end-on’ course on or after 1<sup>st</sup> September 2011; and certain students who start the present course on or after 1 September 2011 having had their status transferred to that course from a previous course. In general terms a ‘2011 cohort’ student is not a ‘2012 cohort’ student, a ‘2010 cohort’ student or a ‘new system’ student who is not a 2010, 2011 or 2012 cohort student.

**‘2012 cohort’ students** are those who:

- started the current full-time course on or after 1 September 2012 and are not a ‘2011 cohort’ student, a ‘2010 cohort’ student or a ‘new system’ student who is not a 2010, 2011 or 2012 cohort student;

Please refer to Annex 8 of the 2017/18 Assessing Eligibility guidance for a full explanation of each Welsh cohort and general support available.

## 10 Annex B – Taxable income and benefits

### 10.1 Taxable income

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- Interest from UK banks, building society or unit trusts;
- Income from UK life insurance gains, securities and partnerships;

- Interest from National Savings (other than first £70 of National Savings Ordinary Account interest) and Investments;
- Interest distributions from authorised unit trusts and open-ended investment companies;
- Income from UK investments and dividends;
- Income from foreign investments and dividends
- Income from taxable benefits in kind;
- Private pensions, i.e. pensions from previous employers, personal pensions, retirement annuities;
- Income from an overseas pension
- Other overseas income and gains;
- Earning from salary/wages
- Earnings from self-employment after deduction of allowable expenses;
- Income from a state retirement pension;
- Income from savings and investments;
- Other income and lump sums (for example - pensions lump sums or redundancy payments);
- Income from property lettings;
- Income from UK trusts;
- Chargeable event gains from life insurance policies;
- Foreign income;
- Share of joint income.

## **10.2 Taxable state benefits**

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- Bereavement Allowance – (replaced Widow’s Pension from 09/04/01 although WP is still paid to widows whose entitlement arose before 09/04/01);
- Carer’s Allowance;
- Contribution based Employment and Support Allowance;
- Graduated retirement benefit;
- Income Support when paid to strikers or people involved in a trade dispute;
- Incapacity Benefit after 28 weeks of incapacity;
- Pensions payable under the Industrial Death Benefit Scheme;
- Jobseeker's Allowance;
- Statutory Adoption Pay;

- Statutory Sick Pay;
- Statutory Maternity Pay;
- Statutory Paternity Pay;
- Widowed Parent's Allowance;
- Industrial Death Benefit.

## **11 Annex C – non-taxable income and benefits**

### **11.1 Non-taxable income**

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- Income from tax-free National Savings and Investments, e.g. savings certificates;
- Interest, dividends and other income from investments held in a Personal Equity Plan, (PEP);
- Interest, dividends and bonuses from a Tax Exempt Special Savings Account (TESSA), unless it was closed before the five years were up;
- Interest, dividends and other income from an Individual Savings Account (ISA);
- Interest and terminal bonuses under Save As You Earn schemes;
- Premium Bonds, National Lottery winnings or gambling prizes;
- Child and Working Tax Credits;
- Income from a scholarship, exhibition, bursary or similar educational endowment;

### **11.2 Non-taxable state benefits and credits**

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- Attendance Allowance;
- Back to Work Bonuses;
- Bereavement Payment – replaced Widow's Payment from 09/04/01;
- Child Benefit;
- Child's Special Allowance;
- Cold Weather Payments;
- Council Tax Benefit – administered by local authorities (to be abolished in April 2013 and replaced by local arrangements);
- Constant Attendance Allowance – see industrial disablement benefit;
- Disability Living Allowance;
- Disabled Person's Tax Credit, now part of Working Tax Credit;
- Employment Support Allowance (Income based only)

- Exceptionally Severe Disablement Allowance;
- Guardian's Allowance;
- Housing Benefit;
- Incapacity Benefit for the first 28 weeks of entitlement;
- Income Support – most payments;
- Industrial Injuries Benefit – a general term covering industrial injuries pension, reduced earnings allowance, retirement allowance, constant attendance allowance and exceptionally severe disablement allowance;
- Invalidity Benefit – replaced by Incapacity Benefit from April 1995 but still payable where invalidity commenced before April 1995;
- Maternity Allowance;
- Pensioner's Christmas Bonus;
- Social Fund payments to people on a low income to help with maternity expenses, funeral costs, financial crises and community care grants and any interest free loans paid out (arrangements to change from April 2013);
- War widow's pension;
- Winter Fuel payment;
- Armed Forces Independence Payment (from April 2013);
- Personal Independence Payments (from April 2013);
- Universal Credit (introduced from April 2013).

## 12 Annex D – case studies (single student)

### 2012 cohort students

#### **Student A**

Student A is 21 years old and started a four year BA Honours degree in September 2015. She lives away from home and is studying at an HEP in London. She has no previous study. Her mother is a single parent and has an income of £61,000. Student A has no income of her own and no siblings.

Step 1 – Determine whose income should be included in the household income assessment

Student and her mother;

Step 2 – Determine the taxable income of those assessed for a contribution – in this case the student (£0) and her mother (£61,000);

Step 3 – Make permitted deductions – No deductions are applicable;

Step 4 – Calculate contribution based on the household income of £61,000.

Contribution towards loan for living costs

£61,000 - £50,753 = £10,247



$£10,247 / £5 = £2,049$

This contribution reduces the means-tested entitlement to the loan (maximum of £2,424) to £375. She will receive £7,648 (the 75% non-means tested element of the full year London rate of loan of £7,273 plus £375).

### **Student B**

Student B is 19 years old and started a BA Honours degree in September 2016. He has no previous study. He lives at home with his parents who have a joint income of £58,000. They contribute £3,000 a year into a stakeholder pension and have no other children. Student B has no income of his own.

Step 1 – Determine whose income should be included in the household income assessment

Student and his parents;

Step 2 – Determine taxable income of those assessed for a contribution – in this case, the student (£0) and his parents (£58,000);

Step 3 – Make permitted deductions - pension premium of £3,000;

Parents  $£58,000 - £3,000 = £55,000$

Step 4 – Calculate contribution based on the household income of £55,000.

Contribution towards loan for living costs

$£55,000 - £50,753 = £4,247$

$£4,247 / £5 = £849$

This contribution reduces the means-tested element of the loan (£1,339) to £490. He will receive £4,509 (the 75% non-means tested element of the 'parental home' rate of loan £4,019 plus £490).

### **'2011 cohort' student**

#### **Student A**

Student A is 23 years old and started a Honours Degree in September 2011; she enters the final year of the course in AY 17/18. The student lives away from home, outside London and has no income. The student's parents have joint earnings of £65,000. They contribute £4,000 a year into a stakeholder pension and have no other children.

Step 1 – Determine whose income should be included in the household income assessment

Student and parents

Step 2 – Determine taxable income of those assessed for a contribution – in this case, the student (£0) and parents (£65,000);

Step 3 – Make permitted deductions – pension premium of £4,000.

$£65,000 - £4,000 = £61,000$

Step 4 – Calculate contribution based on household income

$£61,000 - £50,488 = £10,512$

$£10,512 / 5 = £2,102.40$

The assessed contribution for Student A will be £2,102 (rounded down to the nearest pound) Student A will receive an 'elsewhere' final year rate of loan for living costs of **£5,207** (£6,412 - £1,205). The 25% income assessed loan of £1,205 has been assessed away, and the remaining contribution is discarded.

### **'2010 cohort' student**

#### **Student A**

Student A is married with one child, lives at home and started a degree course in September 2010. Due to periods of suspension, AY 2017/18 is her final course year. The student has no income, but

her husband earns £55,000 p.a. and contributes £2,500 a year to a stakeholder pension. She has one dependent child.

Step 1 – Determine whose income should be included in the household income assessment  
Student and husband

Step 2 – Determine taxable income of those assessed for a contribution – in this case the husband’s income (£55,000).

Step 3 – Make permitted deductions - pension premium of £2,500 and £1,130 disregard for dependent child;

Student = £0

Husband £55,000 – (£2,500+ £1,130)

Total = £51,370

Step 4 – Calculate contribution based on the household income of £51,370.

£51,370 - £50,753 = £617

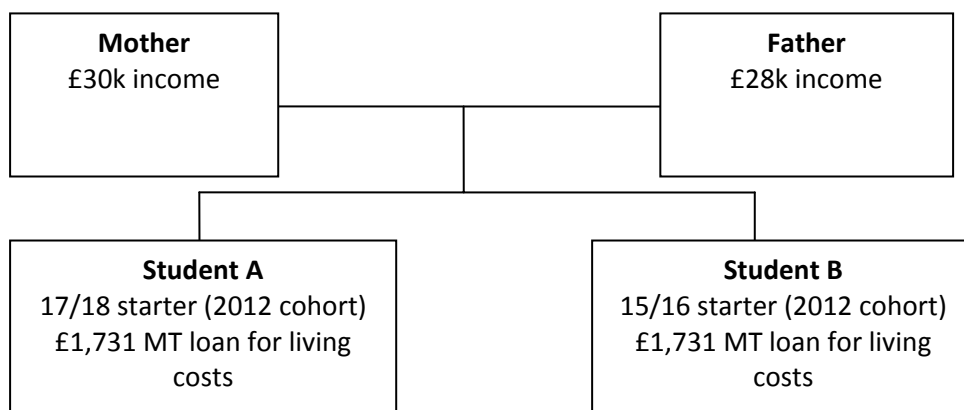
£617/5 = £123.40 (rounded down to £123)

Student A will receive a ‘living elsewhere’ final year rate of loan for living costs of **£6,289** (£6,412 - £123).

### 13 Annex E – case studies (split contributions)

#### Case Study 1

Parent and step-parent with two student children; both are 2012 cohort students. ‘Elsewhere’ non final year loan rate is used.



#### Student A and B parental contribution

£58,000 - £1,130 (disregard for additional eligible student) = £56,870

Contribution to means tested loan for living costs:

£56,870 - £50,753 income threshold = £6,117

Contribution rate is £1 for every £5 above the income threshold:

£6,117 / £5 = £1,223

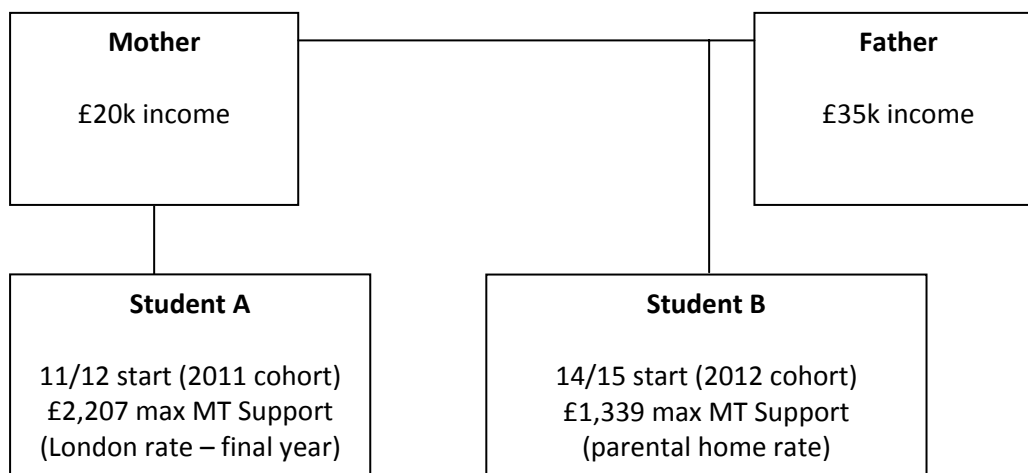
	Student A	Student B
Parental contribution to means tested loan for living costs (£1,223 / 2)	£611	£611
Means tested loan for living costs remaining	£1,120	£1,120

(£1,731 - £611)		
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Assessed contribution of £611 is applied to each student's means tested element of loan for living costs, leaving each with £1,120 means tested loan.

### Case Study 2

Two students, one studying in London, the other living at home, one is 2012 cohort and the other is 2011 cohort.



### Parental contribution

£55,000 (less £1,130 disregard for additional eligible student) = £53,870

*Students A (2011 cohort)*

£53,870 - £50,488 = £3,382

£3,382 / 5 = £676 contribution.

*Students A and B (2012 cohort)*

£53,870 - £50,753 = £3,117

£3,117 / 5 = £623 contribution.

	Student A	Student B
Parental contribution, student A ( <b>£676</b> )	<b>£338</b>	<b>£338</b>
Parental contribution, student B ( <b>£623</b> )	<b>£311</b>	<b>£311</b>
Maximum means-tested support	<b>£2,207</b>	<b>£1,339</b>
Total contribution applied ( <b>£676</b> )	<b>£338</b>	<b>£311</b>
Means-tested support remaining	<b>£1,869</b>	<b>£1,028</b>

## 14 Annex F – Extra weeks loan calculations

Regulation 50 provides for students to receive an extra amount of loan when a student attends their course for more than 30 weeks and 3 days. The loan amount is increased for each week or part week of attendance after the student has attended for 30 weeks and 3 days. (The short vacations should not be included in the calculation of extra weeks loan.)

The following table sets out the number of weeks for which the extra loan should be paid when a student attends full or part weeks after 30 weeks and 3 days attendance.

<b>Full weeks attended</b>	<b>Part weeks attended (after 30 weeks and 3 days attendance)</b>	<b>No. of weeks for which <u>extra</u> loan is payable</b>
Between 30 weeks 4 days and 31 weeks 3 days	Between 1 and 7 days	1 week
Between 31 weeks 4 days and 32 weeks 3 days	Between 8 and 14 days	2 weeks
Between 32 weeks 4 days and 33 weeks 3 days	Between 15 and 21 days	3 weeks
Between 33 weeks 4 days and 34 weeks 3 days	Between 22 and 28 days	4 weeks
Between 34 weeks 4 days and 35 weeks 3 days	Between 29 and 35 days	5 weeks
Between 35 weeks 4 days and 36 weeks 3 days	Between 36 and 42 days	6 weeks
Between 36 weeks 4 days and 37 weeks 3 days	Between 43 and 49 days	7 weeks
Between 37 weeks 4 days and 38 weeks 3 days	Between 50 and 56 days	8 weeks
Between 38 weeks 4 days and 39 weeks 3 days	Between 57 and 63 days	9 weeks
Between 39 weeks 4 days and 40 weeks 3 days	Between 64 and 70 days	10 weeks
Between 40 weeks 4 days and 41 weeks 3 days	Between 71 and 77 days	11 weeks
Between 41 weeks 4 days and 42 weeks 3 days	Between 78 and 84 days	12 weeks
Between 42 weeks 4 days and 43 weeks 3 days	Between 85 and 91 days	13 weeks
Between 43 weeks 4 days and 44 weeks 3 days	Between 92 and 98 days	14 weeks
Between 44 weeks 4 days and 44 weeks and 6 days	Between 99 and 101 days	15 weeks
45 weeks and over	102 days +	22 weeks

## 15 Annex G – Updates log

Date	Updates
6 April 2017 (v1.0)	<b>First version published</b>
19 May 2017	<b>Second Version Published</b>