

**2018 No. 284**

**EDUCATION**

**The Education (Student Loans) (Repayment) (Amendment)  
Regulations 2018**

*Made* - - - - 27th February 2018  
*Laid before Parliament* 5th March 2018  
*Laid before the National Assembly for Wales* 5th March 2018  
*Coming into force* - - 6th April 2018

The Secretary of State for Education makes the following Regulations in exercise of the powers conferred by sections 22 and 42 of the Teaching and Higher Education Act 1998(a).

The Welsh Ministers make the following Regulations in exercise of the powers conferred on the Secretary of State by sections 22 and 42 of the Teaching and Higher Education Act 1998, now exercisable by them(b).

**Citation, commencement and extent**

1.—(1) These Regulations may be cited as the Education (Student Loans) (Repayment) (Amendment) Regulations 2018 and come into force on 6th April 2018.

(2) Subject to paragraph (3), these Regulations extend to England and Wales only.

(3) These Regulations extend to all of the United Kingdom in so far as they impose or amend any obligation or confer or amend any power conferred on Her Majesty's Revenue and Customs, an employer or a borrower in relation to repayments under Part 3 or 4 of the Education (Student

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(a) 1998 c. 30; Section 22 was amended by section 146 of the Learning and Skills Act 2000 (c. 21), Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003 (c. 1), section 147 of the Finance Act 2003 (c. 14), sections 42 and 43 of and Schedule 7 to the Higher Education Act 2004 (c. 8), section 257 of the Apprenticeships, Skills, Children and Learning Act 2009 (c. 22), section 76 of the Education Act 2011 (c. 21) and S.I. 2013/1881. Section 22 is also amended by section 86(2) to (7) of the Higher Education and Research Act 2017 (c. 29) but those amendments are not yet in force. Section 43(1) of the Teaching and Higher Education Act 1998 defines "prescribed" and "regulations".

(b) The functions of the Secretary of State under section 22 of the Teaching and Higher Education Act 1998 as regards Wales were transferred to the National Assembly for Wales by section 44 of the Higher Education Act 2004, except for those functions under section 22(2)(a), (c), (j) and (k), (3)(e) and (f) and (5). Functions under subsections (2)(a), (c) and (k) are exercisable by the Secretary of State concurrently with the National Assembly for Wales. The section 22 functions which were transferred to, or became exercisable by, the National Assembly for Wales were subsequently transferred to the Welsh Ministers by section 162 of and paragraph 30 of Schedule 11 to the Government of Wales Act 2006 (c. 32). The functions of the Secretary of State under section 42 of the Teaching and Higher Education Act 1998 as regards Wales were transferred to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I. 1999/672). The section 42 functions which were transferred to the National Assembly for Wales were subsequently transferred to the Welsh Ministers by section 162 of and paragraph 30 of Schedule 11 to the Government of Wales Act 2006 (c. 32).

Loans) (Repayment) Regulations 2009(a) or on any other person in relation to the retention or production of information or records.

### **Amendment of the Education (Student Loans) (Repayment) Regulations 2009**

2. The Education (Student Loans) (Repayment) Regulations 2009 are amended as follows.

3. In regulation 3(1)—

(a) before the definition of “repayment”, insert—

““relevant percentage difference in average earnings” means the percentage difference between the average earnings in periods 1 and 2, as published on the website of the Office for National Statistics(b) on the last day of June that follows period 2, where—

(a) period 1 is the three month period consisting of January to March in the calendar year prior to period 2; and

(b) period 2 is the three month period consisting of January to March ending a calendar year and six days before the beginning of the repayment threshold year;”;

(b) in the definition of “repayment threshold”, in (c), for “29(8)” substitute “29(8A)”.

4. In regulation 21A—

(a) omit paragraphs (12) and (13);

(b) after paragraph (11) insert—

“(12) For a borrower to whom Part 3 or 4 applies, the lower interest threshold is—

(a) for the repayment threshold year ending on 5 April 2019, an amount of £25,000;

(b) for each subsequent repayment threshold year, an amount equal to  $A + (A \times B)$  and rounded up to the nearest £5 where—

A is the lower interest threshold in the previous repayment threshold year, and

B is the relevant percentage difference in average earnings.

(12A) For a borrower to whom Part 5 applies, the lower interest threshold is—

(a) for the repayment threshold year ending on 5 April 2019, an amount to be determined by reference to the most recent price level index for the borrower’s country of residence and in accordance with the following table—

<i>Band</i>	<i>Price level index</i>	<i>Lower interest threshold</i>
A	0<30	£5,000
B	30<50	£10,000
C	50<70	£15,000
D	70<90	£20,000
E	90<110	£25,000
F	110<130	£30,000
G	130+	£35,000

(b) for each subsequent repayment threshold year, an amount equal to  $A + (A \times B)$  and rounded up to the nearest £5 where—

(a) S.I. 2009/470, amended by S.I. 2010/661, 2010/1010, 2011/784, 2012/836, 2012/1309, 2013/388, 2013/591, 2013/607, 2013/1881, 2014/651, and 2017/831.

(b) The Office for National Statistics EARN01 dataset, Average Weekly Earnings (Regular Pay, Great Britain, seasonally adjusted) table can be viewed on the website of the Office for National Statistics – [www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/averageweeklyearningsearn01](http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/averageweeklyearningsearn01). The figure in question is that for the whole economy (as opposed to those figures given for specific sectors of the economy) indicating percentage change year on year, comparing the three-month period January to March in a given year with the same period a year earlier. It is expressed as a percentage figure to one decimal place.

A is the lower interest threshold in the previous repayment threshold year for the band now applicable to the borrower's country of residence, and

B is the relevant percentage difference in average earnings.

(13) For a borrower to whom Part 3 or 4 applies, the higher interest threshold is—

- (a) for the repayment threshold year ending on 5 April 2019, an amount of £45,000;
- (b) for each subsequent repayment threshold year, an amount equal to  $A + (A \times B)$  and rounded up to the nearest £5 where—

A is the higher interest threshold in the previous repayment threshold year, and

B is the relevant percentage difference in average earnings.

(13A) For a borrower to whom Part 5 applies, the higher interest threshold is—

- (a) for the repayment threshold year ending on 5 April 2019, an amount to be determined by reference to the most recent price level index for the borrower's country of residence and in accordance with the following table—

<i>Band</i>	<i>Price level index</i>	<i>Higher interest threshold</i>
A	0<30	£9,000
B	30<50	£18,000
C	50<70	£27,000
D	70<90	£36,000
E	90<110	£45,000
F	110<130	£54,000
G	130+	£63,000

- (b) for each subsequent repayment threshold year, an amount equal to  $A + (A \times B)$  and rounded up to the nearest £5 where—

A is the higher interest threshold in the previous repayment threshold year for the band now applicable to the borrower's country of residence, and

B is the relevant percentage difference in average earnings.”

5. In regulation 21A(14)—

- (a) for “the tables in paragraphs (12)(b) and (13)(b)” substitute “paragraphs (12A) and (13A)”;
- (b) for (c) substitute “(c) the band applicable to a country is determined by reference to the price level indices calculated under sub-paragraph (b);”;
- (c) in (d) before “the Authority” insert “where a price level index cannot be calculated under sub-paragraph (b)”.

6. In regulation 29—

- (a) omit paragraph (8);
- (b) after paragraph (7) insert—

“(8) The repayment threshold in relation to a post-2012 student loan is—

- (a) for the repayment threshold year ending on 5 April 2019, an amount of £25,000, and
- (b) for each subsequent repayment threshold year, an amount equal to  $A + (A \times B)$  and rounded up to the nearest £5 where—

A is the repayment threshold for the previous repayment threshold year, and

B is the relevant percentage difference in average earnings.

(8A) The repayment threshold in relation to a postgraduate master's degree loan is an amount of £21,000.”.

7. In regulation 76(1), before the final table, insert the following table—

<i>“Band</i>	<i>Price level index</i>	<i>Applicable threshold for post-2012 student loans</i>
A	0<30	£5,000
B	30<50	£10,000
C	50<70	£15,000
D	70<90	£20,000
E	90<110	£25,000
F	110<130	£30,000
G	130+	£35,000”

8. In regulation 76(1), in the title of the third column of the final table, omit “post-2012 student loans and”.

9. After regulation 76(1A) insert—

“(1AA) On 6 April 2019, and on 6 April of each subsequent year, each amount in the column entitled “Applicable threshold for post-2012 student loans” in the table in paragraph (1), shall vary to an amount equal to  $X + (X \times Y\%)$  and rounded up to the nearest £5 where—

X is the amount in the column entitled “Applicable threshold for post-2012 student loans” immediately before 6 April, and

Y is the relevant percentage difference in average earnings.”

27th February 2018

*Sam Gyimah*  
Minister of State  
Department for Education

27th February 2018

*Kirsty Williams*  
Cabinet Secretary for Education, one of the Welsh Ministers

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Education (Student Loan) (Repayment) Regulations 2009 (S.I. 2009/470) (“the Principal Regulations”), which were made under section 22 of the Teaching and Higher Education Act 1998 (c. 30) and make provision for the repayment of income-contingent student loans in England and Wales.

Regulations 3 to 9 amend the Principal Regulations.

Regulation 3 inserts new definitions, including the “relevant percentage difference in average earnings”, and makes an amendment to the definition of “repayment threshold” in relation to a postgraduate master’s degree loan.

Regulation 4 increases the lower interest threshold for borrowers who are resident in the UK for income tax purposes (“UK borrowers”) with a post-2012 student loan to £25,000, and provides for annual adjustments in line with changes in average earnings. It also makes corresponding changes to the lower interest threshold for borrowers who are not resident in the UK for income tax purposes (“overseas borrowers”) with a post-2012 student loan. Regulation 4 also increases the higher interest threshold for UK borrowers with a post-2012 student loan to £45,000, and provides for annual adjustments in line with changes in average earnings and makes corresponding changes to the higher interest threshold for overseas borrowers with a post-2012 student loan.

Regulation 5 provides that paragraph (14) of regulation 21A of the Principal Regulations applies to new paragraphs (12A) and (13A) of that regulation. It also makes changes to sub-paragraphs (14)(c) and (d) of regulation 21A to explain how ‘bands’ are calculated and to ensure consistency with regulation 76(6) of the Principal Regulations. Regulation 6 increases the repayment threshold for UK borrowers with a post-2012 student loan to £25,000 and provides for annual adjustments in line with changes in average earnings. It also specifies that the repayment threshold for postgraduate master’s degree loans is £21,000.

Regulations 7, 8 and 9 increase the ‘applicable threshold’ for overseas borrowers with a post-2012 student loan in line with the increase in the repayment threshold for UK borrowers with a post-2012 student loan. They also provide for annual adjustments to the ‘applicable threshold’ in line with changes in average earnings.

The measure used for average earnings is taken from the Office for National Statistics (“ONS”) EARN01 dataset. From the table showing Average Weekly Earnings Great Britain Regular Pay (seasonally adjusted), it is the figure indicating the percentage change year on year, comparing the three-month period January to March in a given year with the same period a year earlier. The dataset is available from the ONS website [www.ons.gov.uk](http://www.ons.gov.uk) or by contacting the relevant ONS team at [labour.market@ons.gsi.gov.uk](mailto:labour.market@ons.gsi.gov.uk) or on 01633 455 400. ONS publish the dataset in digital format only. An informally printed copy of the dataset (taken from the ONS website) can be obtained upon request from the Student Loans Repayments Policy Team at the Department for Education on 0370 000 2288.

A full impact assessment has not been produced for this instrument as no, or no significant, impact on the private, voluntary or public sectors is foreseen.

The Explanatory Memorandum laid before Parliament is published alongside the instrument on [www.legislation.gov.uk](http://www.legislation.gov.uk).

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