

Six steps to student finance

Have you been considering higher education? Maybe you'd be the first member of your family to go to university? Are you wondering if you can afford it?

Many young people and their families worry about the cost of higher education. They have lots of questions about student finance and how they can avoid getting into too much debt.

Six steps to student finance will help you get to grips with the help on offer.

Take a look. You may find higher education is more affordable than you think...



All kinds of people go on to study or train in higher education (HE) – at Uni, at college, and in work. You don't have to have A levels as other qualifications also count. There are several different ways to achieve the best qualifications such as degrees - you don't have to study full time at Uni or move away from home.

Six steps to student finance has been written for young people in schools and colleges in Surrey and for their parents or carers. It's aimed at those new to the idea of higher education who may be concerned about the cost.

A new system for applications

The system for applying for grants and loans changed in 2009. New applications are now made via the Student Finance England website www.direct.gov.uk/studentfinance. The site also has detailed information including a useful guide *How to get financial help as a student* which you can download. Student Finance England will be making other improvements for those applying after 2010. The process will become more streamlined and will link closely with online UCAS applications www.ucas.ac.uk.

Six steps to student finance provides an overview of student funding for higher education in six main steps:

1. Is it really worth it?
2. What help will you get?
3. Make sense of grants and loans
4. Get organised
5. Apply for funding
6. Stay on course

Please note: The amounts quoted in this booklet are based on the funding available in 2009/10 for new full time students with no previous study in higher education.

1 Is it really worth it?

There's no denying it - higher education does cost money. But if you have ability and the ambition to achieve there are lots of reasons to give it serious thought

- Look on it as an **investment in your future**. If you carry on with your studies and get the best qualifications you can, you're likely to earn more - and have a far better choice of jobs and careers
- The good news is there's a wide range of **financial support** to make HE a reality, especially for those who would be the first generation in the family to go and those who come from low income families
- If you select your course wisely and make sure you claim all the financial help you're entitled to, you'll be well on your way to achieving your ambition



Consider your options

Higher Education is not just about taking a full time course at a university or living away from home. You can reduce the cost by taking part time or distance learning courses, studying for professional qualifications while working or choosing a local university or college that offers HE courses.

Higher education qualifications include:

- Honours Degree (first degree such as BSc, BA, BEng or BMus)
- Higher National Certificate/Higher National Diploma (HNC and HND)
- Certificate or Diploma in Higher Education (eg CertHE, DipHE, DipNurs)
- Foundation Degree (such as FdSc or FdA)

The *Learning Highway* at www.aimhighersurrey.org.uk has details of all the higher education courses offered in Surrey and surrounding areas. *Key Routes* www.keyroutes.org.uk has information on different routes you could take into higher education. *Learning Opportunities in the South East* www.learning-opportunities.org.uk looks at work related options and the *UCAS* site at www.ucas.ac.uk includes information on most UK courses.

There are also ways you can fit higher education around family and work commitments. You could consider

- Work based learning (such as NVQs or professional qualifications)
- Distance learning - studying at home, such as through the Open University
- Taking a part-time course

Ask for more information and advice

Make sure you get some impartial advice about choosing the right course for you (and your family). You should be able to get help from teachers and advisers at your school or college. Careful research into possible courses and different universities and colleges will certainly pay off.

Connexions Surrey www.connexionssurrey.co.uk 01483 519333 offers students and parents advice and guidance in schools and colleges. Or you can drop into their Centres in Camberley, Epsom, Guildford, Redhill, Staines and Woking.

Check out the fees and additional help each university and college offers. And if you'll be moving away from home, find out about accommodation costs too.

2 What help will you get?

You can estimate the amount you could receive by using the Student Finance Calculator at www.direct.gov.uk/studentfinance - ask for a tailored quote

- Full time students from households with an annual **income up to £25,000** are eligible for a full maintenance grant - and everyone is entitled to take out student loans, whatever their income
- If you currently receive an Education Maintenance Allowance at school or college you will be entitled to a **guaranteed level of maintenance grant**
- Care Leavers on full or part time courses are entitled to a **non taxable £2,000 bursary** which is paid by Surrey County Council www.surrey.gov.uk



Student Finance Calculator

Several national websites contain general information and advice to help you with student finance and budgeting.

The Student Finance England site and the Student Finance Calculator available at www.direct.gov.uk/studentfinance is a good place to start. You can also contact their helpline on 0845 300 50 90 if you have specific queries.

The table opposite illustrates the amount of grants and loans available for full time students in relation to your family income. Even those with a household income of £50,000 a year can apply for a partial maintenance grant. The value of maintenance loans varies according to where you study. There are different rates for students living and studying in London, those studying outside London but living away from the parental home (elsewhere) and those living at home.

You can compare *bursaries and scholarships* on offer using the information on individual university and college websites or by looking in their prospectuses.

Gross annual family income	Maintenance grant	Maintenance loan			Tuition fee loan (max)
		Home	Elsewhere	London	
Up to £25,000	£2,906	£2,385	£3,497	£5,475	£3,225
£30,000	£1,906	£2,885	£3,997	£5,975	£3,225
£34,000	£1,106	£3,285	£4,397	£6,375	£3,225
£40,000	£711	£3,483	£4,595	£6,573	£3,225

Source: Student Finance England 2009-10

Eligible *part-time students* or those taking distance learning courses are funded differently although there is help with fees and course related costs.

Student Finance England has produced a booklet *A guide to financial support for part-time students in higher education* which can be downloaded from the website www.direct.gov.uk/studentfinance.

3 Make sense of grants and loans

Get to grips with the different types of funding - such as grants, loans and bursaries. Universities and colleges have additional funds to help with expenses

- Students from families with low incomes will get more help from the government (grants and loans) and individual universities and colleges (bursaries)
- The amount will depend on your family income, whether you stay at home or move away, where you study and the type of course you choose
- Grants, bursaries and scholarships do not have to be paid back - and even better, they're tax free
- Although student loans eventually have to be paid back, the interest rate is low



Grants, bursaries and scholarships

Maintenance Grants help full time students with accommodation and living costs. They are based on household income and don't have to be repaid. A full grant is **£2,906 a year** (2009/10) if the family income is £25,000 or less.

Universities and colleges that charge full tuition fees must give an additional *bursary* to those getting the full Maintenance Grant or Special Support Grant. This is at least £319 a year but may well be considerably more.

Scholarships from individual colleges, universities and charities are often awarded for academic achievement or sporting excellence. Some companies and organisations provide *Sponsorship*.

Additional support that may be available includes the *Access to Learning Fund* for students in hardship and the *Disabled Students' Allowance* for those with a disability, mental health condition or specific learning difficulties. It can help pay for extra help for travel and study and is paid on top of the standard student finance package - with **up to £5,161 for specialist equipment**.

Loans

Loans are available for both living costs and tuition fees. These have to be repaid at a later date. The maximum *Maintenance loan* for living and study expenses is £3,838 for students staying at home, rising to £6,928 for those studying in London and living away from home.

Tuition fee loans are paid direct to the university or college to cover course fees. Fees can be up to £3,225 a year, although this may vary for different courses and at different universities and colleges.

Other packages

Some courses are financed differently and may offer additional support
NHS Bursaries www.nhsstudentgrants.co.uk 0845 358 6655 - for those taking pre-registration health professional training courses

Social Work Bursaries www.ppa.org.uk/swb 0845 610 1122 - the bursary package is not income assessed and is not repayable

Initial Teacher Training www.tda.gov.uk 0845 6000 991. There are also incentives such as Golden Hellos for some Newly Qualified Teachers

4 Get organised

When you apply for student finance you'll be asked for further important information and evidence. Don't delay - get organised today!

- When you've applied for your course you'll need to [register with Student Finance England](#). There's no need to wait until you've got a place
- You'll be asked for [evidence](#) of your identity and nationality - and your National Insurance number
- Your parents will need to [calculate your family income](#) so you can estimate the amount of funding you'll be entitled to

You'll also need to [open an account](#) with a bank or building society - ready to receive the money!



Sort out your information

When you have chosen your course(s) and applied you'll need to collect some information together to complete your application for funding.

Register with Student Finance England. You don't need to wait until you have a place on a course. When you register you'll be allocated a unique Customer Reference Number (CRN) which is used to login to your account and identify you if you phone the helpline. The sooner you register the better - to ensure your money is in the bank when you eventually enrol!

Your identity, nationality and residency: You'll need to complete and submit the passport details form. There's no need to send in your passport, but there are special arrangements if you've changed your name or don't hold a UK passport.

National Insurance number: If you haven't received one yet, call HM Revenue and Customs on 0845 915 7006 between 08:00 and 17:00 weekdays.

Open a bank or building society account. Take a look at the accounts on offer and choose one that accepts direct credits. Banks and Building Societies often

have special offers for students. You'll need to make a note of the sort code and account number/roll number.

Do your sums

Calculate your family income. If you're a dependent student your natural or adoptive parents' income is taken into account. For 2009/10 this is the total household income for the tax year April 2007 to April 2008, including any gap year income. Tax returns and/or P60s will help here. You can ask for a current assessment where the income has dropped significantly since then.

Use the *Student Finance Calculator* on the Student Finance England site. This is a budgeting tool and repayment calculator and will help you work out how much help you can get. You can also find out about the bursaries available at your chosen university or college.

The UCAS Budget Calculator www.ucas.ac.uk/students/studentfinance/budget_calculator and NUS Money and Funding www.nus.org.uk/en/Student-Life/Money-And-Funding will help you balance your income and expenditure.

5 Apply for funding

You should apply for financial help as soon as possible. From 2010, students will be able to apply at the same time as submitting their UCAS application

- Applications for funding are usually made online through Student Finance England
- Student Finance England will assess your eligibility and entitlement to funding
- Once you've enrolled on your course the first instalments will be transferred automatically to your bank or building society account
- Bursaries are paid by each university or college and they may also be able to offer some support from the Access to Learning fund once you're there



Completing your application

You are encouraged to apply for grants and loans online, although you can complete a paper application if necessary. The (PN1) forms can be downloaded from www.direct.gov.uk/studentfinance or requested from central services. The application covers maintenance and tuition fee loans and grants as well as the Special Support Grant and Disabled Students' Allowances for eligible students.

Login to your Student Finance Account using your Customer Reference Number and select [Apply for Student Support](#). You can come out of the process at any stage and your information will be saved automatically - and you can review or change it until you submit your application. There are detailed guidance notes to help.

If you're applying for means-tested support as a dependent student, your parents or partner will need to send in their financial details. This can be done online, so they will also need to register. Your parents will need to provide evidence of family income for the previous tax year. This includes income from employment, pensions, benefits and savings. If circumstances change and they

think there will be a significant drop in household income for the current tax year, Student Finance England may be able to reassess your application.

What happens next?

Student Finance England will assess your eligibility for finance and your entitlement. When it has been decided how much you're entitled to, the amounts to be paid (and when) will be confirmed in writing within about six to eight weeks. If you applied online, you'll be sent a declaration which must be signed and returned. Make sure you read this carefully as it includes your obligations about repayment of loans and the return of any over payments.

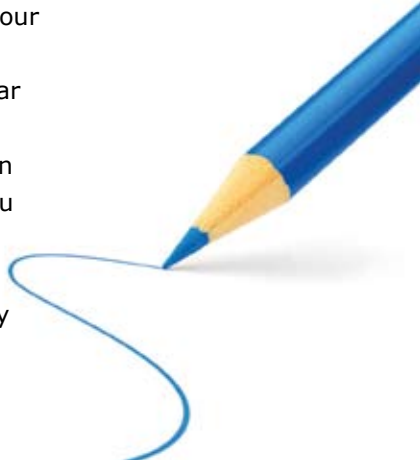
You'll need to take the Payment Schedule Letter to your university or college when you register on the course. They will send electronic confirmation of your attendance and the first instalment of the loan and/or grant will be released automatically. It should reach your bank or building society account within five working days. Grants are paid in three instalments - one per term.

You'll need to reapply for grants and loans each year.

6 Stay on course

There are plenty of ways to keep a lid on your spending once you've started your course and you could boost your income to help with expenses

- Part time work can be organised to fit round your studies, and you might be eligible for benefits
- And, even better, you won't start paying back your student loans until the April after you complete your course and are earning over £15,000 a year
- The rate you pay back student loans depends on what you earn in the future, not the amount you actually owe
- After 25 years the Government will write off any balance left on your loans (but not arrears)



Managing your money

Student Support Services at colleges and universities can usually help you with any financial problems. Remember, you'll need to keep a lid on your spending once you're on your course. You can find ways to reduce your living expenses such as getting a Travel card, Railcard, or cycling, joining with friends to buy (and cook) food, using free sports facilities in the local area and getting an NUS Extra card for student discounts - take a look at www.nus.org.uk.

Part time or holiday work can bring in useful income as long as it doesn't interfere with your studies. Although your pay will be taxable, you can make use of your personal tax allowance - and work experience is sure to enhance your CV and career. The Just Jobs 4 Students site at www.justjobs4students.co.uk advertises a range of opportunities.

Benefits are especially important to part-time students and those with disabilities. You may qualify for Income Support, Housing Benefit, and Incapacity Benefit. Some full-time students may be able to claim Jobseeker's Allowance during the summer. Find out more at www.jobcentreplus.gov.uk.

Repaying your student loans

The Student Loans Company repayment site www.studentloanrepayment.co.uk uses the same log on and CRN as Student Finance England. You can look at your balance, update personal details and make payments. However, you don't have to start paying back student loans until you've completed your course and are earning over £15,000 a year. You pay back 9% of your income over this - so someone earning £20,000 would pay back £8.65 a week.

The interest on loans is linked to inflation. Deductions are made directly from your salary through the tax system and if you stop earning - or your salary falls below £15,000 - repayments will automatically stop too. The following chart shows future weekly repayments in relation to your annual income:

Gross annual income	Weekly repayments
Up to £15,000	£0
£16,000	£1.73
£20,000	£8.65
£25,000	£17.31

Find out more about...

Student finance and managing your money

- UCAS Student finance www.ucas.ac.uk/students/studentfinance
- What About Money? www.whataboutmoney.info from the Financial Services Authority
- Higher Education Student Support www.dcsf.gov.uk/studentsupport provides information for parents
- Money to Learn www.lifelonglearning.co.uk/moneytolearn covers funding for mature students
- Student Cash Point www.studentcashpoint.com
- Student Money www.studentmoney.org
- Support4Learning www.support4learning.org.uk/money
- www.scholarship-search.org.uk
- www.hmrc.gov.uk/students (taxation)
- Student Loans Company www.slc.co.uk
- Student bank accounts www.moneysavingexpert.com/banking/Student-bank-account

- UNIAID www.uniaid.org.uk has useful online money management tools
- Citizenship Foundation www.citizenshipfoundation.org.uk - download a useful booklet *My Money, My Rights*

Choosing the right course

- UCAS www.ucas.ac.uk has details of most UK higher education courses
- www.prospectusuk.com allows you to order up to ten UK prospectuses free of charge
- www.push.co.uk and www.unofficial-guides.com are independent guides to universities and colleges
- www.unistats.com will help you search, review and compare subjects
- www.newstudent.org helps students select their college or university
- HERO www.hero.ac.uk has a university finder
- www.opendays.com has a calendar of open days as well as mini prospectuses
- www.whatuni.com has reviews of universities, colleges and courses
- Connexions Direct www.connexions-direct.com
- The Open University www.open.ac.uk has distance learning courses



This booklet has been produced by Aimhigher Surrey for young people in Surrey and their parents and carers.

For further information please contact
01483 683173

www.aimhighersurrey.org.uk

Aimhigher...
SURREY