



YOU CAN AFFORD
TO GO TO UNI
IN 2013

the 10 things
everybody should
know about
student fees
in England



Going to university in 2013 may well mean coming away with £50,000 worth of fees and loans. But because the 'price tag' of what you borrow is very different to the cost, many of you will only need to repay a fraction of that, whereas those who become high earners will pay many times more. Read the following ten tips to find out more...

1. YOU DON'T NEED CASH TO PAY FOR UNI

Tuition fees for first time undergraduates are automatically paid for you by the Student Loans Company. You only need to repay if you earn enough once you graduate.

2. THERE ARE NO DEBT COLLECTORS

Employers take repayments before paying you (like tax) simply reducing your pay packet. So no debt collectors come chasing.

3. EARN UNDER £21,000 AND REPAY NOTHING

You repay 9% of earnings above £21,000 in any tax year (and this will start rising with average earnings too). So earn £21,000 and you repay nothing, earn £31,000 and you repay £900 a year.

4. AFTER 30 YEARS THE DEBT IS WIPED

Thirty years after graduation the debt is wiped – you don't have to pay any more – even if you've never repaid a penny.

5. REPAYMENTS WILL BE £470 A YEAR LESS THAN BEFORE

Graduates under the old system repay 9% of everything above £15,795. As this has risen to £21,000 in the new system, more cash stays in graduates' pockets.

6. REPAY THE SAME PER MONTH AT £6,000 OR £9,000

Graduates' monthly repayments are based only on how much they earn, not how much they borrow, so monthly repayments are the same.

7. YOU WILL OWE LONGER AND MAY PAY MORE

Combining the facts you pay less each year, but the original debt's bigger and the interest rate is higher than for students now, it will take MUCH longer to repay the loan and you may repay more (see www.studentfinancecalc.com).

8. LOANS AND GRANTS FOR LIVING COSTS ARE GIVEN TOO

Students also get maintenance (living) loans on the same terms for food, books, accommodation and travel of up to £7,675, depending on where you live and study and your parents' income. For households with income under £42,611 some of the loan is replaced by a non-repayable grant.

9. FOR MANY £9,000 DOESN'T COST MORE THAN £6,000

Many won't earn enough to repay in full before the 30 years ends; even some on starting salaries as high as £30,000 (which then rises) are unlikely to fully repay at £6,000 fees with the maximum maintenance loan. So there'd be no increase in the total amount repaid even if you took a £9,000 course.

10. PAYING FEES UPFRONT COULD BE A BIG MISTAKE

Some are considering paying the course upfront to avoid the tuition fee loan. Worse, others are considering getting other types of lending to avoid it. Student loans are the only type of lending which you don't repay if you're not earning enough. Paying upfront could mean you repay £27,000 in fees to a uni which you never needed to repay. It's worth thinking about this before taking the plunge.

