

## STUDENT SUPPORT INFORMATION NOTE

### STUDENT FINANCE ARRANGEMENTS FOR ACADEMIC YEAR 2016/17 – 2016 COHORT STUDENTS ELIGIBLE FOR BENEFITS AND 2016 COHORT STUDENTS AGED 60 OR OVER.

**TO:**

HIGHER EDUCATION PRACTITIONERS  
IN ENGLAND

**SSIN 03/16**

**06 October 2015**

Dear colleague

### **STUDENT FINANCE ARRANGEMENTS FOR ACADEMIC YEAR 2016/17: 2016 COHORT STUDENTS ELIGIBLE FOR BENEFITS AND 2016 COHORT STUDENTS AGED 60 OR OVER ON THE FIRST DAY OF THE FIRST ACADEMIC YEAR OF THEIR COURSE.**

1. New students starting to attend full-time courses from 1<sup>st</sup> August 2016 onwards, the 2016/17 academic year, will be identified as **2016 cohort students** in an amendment to the Education (Student Support) Regulations 2011 for 2016/17. These are planned to be laid in Autumn 2015, subject to Parliamentary approval.

2. Student Support Information Note 01/06 and the 2016/17 Financial Memorandum on the Student Finance England Practitioners' website set out the detailed student support arrangements for new and continuing students in detail for 2016/17. Student Support Information Note 02/06 identifies which full-time students will be subject to the student support arrangements for new full-time students in 2016/17 and which full-time students will continue in 2016/17 under the arrangements that apply in 2015/16. This separate Information Note sets out the living costs support package in 2016/17 for (i) 2016 cohort students who are eligible for Department for Work and Pension (DWP) benefits (ii) 2016 cohort students who are aged 60 or over on the first day of the first academic year of their course.

#### **A) 2016 cohort students eligible for benefits.**

3. 2016 cohort students who are eligible for certain DWP benefits (e.g. Income Support, Housing Benefit and Universal Credit) will not qualify for special support grant in the 2016/17 academic year. They will instead qualify for an increased loan for living costs. The maximum living costs support package for 2016 cohort students on low incomes who qualify for certain benefits will be increased by forecast inflation (2.41%) in 2016/17 when compared with the maximum special support grant and loan support available in 2015/16.

2016 cohort students who qualify for certain benefits will continue therefore to receive more living costs support under the student support system in 2016/17 than other 2016 cohort students.

Categories of 2016 cohort students eligible for benefits.

4. The following 2016 cohort students will be eligible for the increased package of living costs support for students eligible for benefits. It is likely that some of these categories will only rarely apply to higher education students, but cannot be ruled out altogether:

- 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 entitled to Personal Independence Payment, Armed Forces Independence Payment or Disability Living Allowance.
- The student is entitled to housing benefit or the housing element of Universal Credit.

Loans for living costs – maintenance and special support elements.

5. For 2016 cohort students entitled to benefits, the loan for living costs has a maintenance element and a special support element, the latter being a contribution towards the costs of books, travel, equipment and childcare. The special support element will be disregarded by the DWP as student income when calculating benefits. **Table A** below sets out the maximum maintenance and special support elements of the loan for living costs, depending on where a student is living and studying, where a student's household income is £25,000 or less.

<b>TABLE A: LOAN FOR LIVING COSTS FOR 2016 COHORT STUDENTS ELIGIBLE FOR BENEFITS: MAINTENANCE AND SPECIAL SUPPORT ELEMENTS (HOUSEHOLD INCOME £25,000 OR LESS).</b>			
<b>FULL YEAR STUDENTS</b>	<b>MAXIMUM SPECIAL SUPPORT ELEMENT (£)</b>	<b>MAXIMUM MAINTENANCE ELEMENT (£)</b>	<b>MAXIMUM LOAN FOR LIVING COSTS (£)</b>
Parental home	3,469	4,675	8,144
London	3,469	8,202	11,671
Outside London	3,469	5,878	9,347
Overseas	3,469	6,984	10,453
<b>FINAL YEAR STUDENTS</b>	<b>MAXIMUM SPECIAL SUPPORT ELEMENT (100%) (£)</b>	<b>MAXIMUM MAINTENANCE ELEMENT (100%) (£)</b>	<b>MAXIMUM LOAN FOR LIVING COSTS (£)</b>
Parental home	3,469	4,296	7,765
London	3,469	7,469	10,938
Outside London	3,469	5,466	8,935
Overseas	3,469	6,069	9,538

6. The maximum maintenance element of the loan for living costs for 2016 cohort students who are eligible for benefits is paid to students whose household income is equal to a certain income threshold or lower than that threshold. **Table B** below sets out income thresholds for paying the maximum maintenance element of the loan for living costs.

<b>TABLE B: HOUSEHOLD INCOME THRESHOLDS FOR MAXIMUM MAINTENANCE ELEMENT OF THE LOAN FOR LIVING COSTS.</b>		
<b>FULL YEAR STUDENTS</b>	<b>HOUSEHOLD INCOME (£)</b>	<b>MAXIMUM MAINTENANCE ELEMENT (£)</b>
Parental home	<= 44,155	4,675
London	<= 45,853	8,202
Outside London	<= 44,718	5,878
Overseas	<= 45,247	6,984
<b>FINAL YEAR STUDENTS</b>	<b>HOUSEHOLD INCOME (£)</b>	<b>MAXIMUM MAINTENANCE ELEMENT (£)</b>
Parental home	<= 43,898	4,296
London	<= 45,386	7,469
Outside London	<= 44,438	5,466
Overseas	<= 44,650	6,069

7. 2016 cohort students eligible for benefits, whose total loan for living costs entitlement exceeds the maximum maintenance element (i.e. those whose household income is lower than the thresholds set out at table B above) will qualify for an additional special support element of loan. The special support element is calculated as follows:

*Total loan for living costs entitlement – maximum maintenance element = special support element.*

For example, a 2016 cohort student eligible for benefits on a household income of £25,000, attending the first year of her course and living away from home and studying in London would qualify for the following special support element:

*£11,671 (maximum London rate loan for living costs) - £8,202 (maximum London rate maintenance element) = £3,469 (maximum special support element).*

8. **Annex A** sets out in more detail entitlement to the maintenance and special support elements of the loan for living costs for 2016 cohort students who are eligible for benefits.

Loans for living costs – household income assessment.

9. **Table C** below sets out the maximum loans for living costs for 2016 cohort students eligible for benefits and the minimum non-income assessed rates of loan.

<b>TABLE C: LOAN FOR LIVING COSTS RATES FOR 2016 COHORT STUDENTS ELIGIBLE FOR BENEFITS: INCOME ASSESSED AND NON-INCOME ASSESSED ELEMENTS.</b>			
<b>FULL YEAR STUDENTS</b>	<b>MAXIMUM LOAN FOR LIVING COSTS (£)</b>	<b>NON-INCOME ASSESSED (£)</b>	<b>INCOME ASSESSED (£)</b>
Parental home	8,144	3,039	5,105
London	11,671	5,330	6,341
Outside London	9,347	3,821	5,526
Overseas	10,453	4,540	5,913
<b>FINAL YEAR STUDENTS</b>	<b>MAXIMUM LOAN FOR LIVING COSTS (£)</b>	<b>NON INCOME ASSESSED (£)</b>	<b>INCOME-ASSESSED (£)</b>
Parental home	7,765	2,792	4,973
London	10,938	4,855	6,083
Elsewhere	8,935	3,553	5,382
Overseas	9,538	3,945	5,593

10. The income assessment for full-year rates of loans for 2016 cohort students eligible for benefits in 2016/17 is calculated as follows:

*Parental Home Rate:* The maximum loan for living costs is reduced by £1 for every complete £5.384 increase in household income above £25,000 up to £42,875. The loan for living costs is further reduced by £1 for every complete £8.59 increase in household income above £42,875 up to £58,209 at which point the non-income assessed minimum rate of loan is paid.

*London Rate:* The maximum loan for living costs is reduced by £1 for every complete £5.743 increase in household income above £25,000 up to £42,875. The loan for living costs is further reduced by £1 for every complete £8.34 increase in household income above £42,875 up to £69,805 at which point the non-income assessed minimum rate of loan is paid.

*Outside London Rate:* The maximum loan for living costs is reduced by £1 for every complete £5.496 increase in household income above £25,000 up to £42,875. The loan for living costs is further reduced by £1 for every complete £8.49 increase in household income above £42,875 up to £62,182 at which point the non-income assessed minimum rate of loan is paid.

*Overseas Rate:* The maximum loan for living costs is reduced by £1 for every complete £5.608 increase in household income above £25,000 up to £42,875. The loan for living costs is further reduced by £1 for every complete £8.41 increase in household income above £42,875 up to £65,801 at which point the non-income assessed minimum rate of loan is paid.

11. The income assessment for final-year rates of loans for 2016 cohort students eligible for benefits in 2016/17 is calculated as follows:

*Parental Home Rate:* The maximum loan for living costs is reduced by £1 for every complete £5.335 increase in household income above £25,000 up to £42,875. The loan for living costs is further reduced by £1 for every complete £8.59 increase in household income above £42,875 up to £56,818 at which point the non-income assessed minimum rate of loan is paid.

*London Rate:* The maximum loan for living costs is reduced by £1 for every complete £5.642 increase in household income above £25,000 up to £42,875. The loan for living costs is further reduced by £1 for every complete £8.34 increase in household income above £42,875 up to £67,193 at which point the non-income assessed minimum rate of loan is paid.

*Outside London Rate:* The maximum loan for living costs is reduced by £1 for every complete £5.441 increase in household income above £25,000 up to £42,875. The loan for living costs is further reduced by £1 for every complete £8.49 increase in household income above £42,875 up to £60,684 at which point the non-income assessed minimum rate of loan is paid.

*Overseas Rate:* The maximum loan for living costs is reduced by £1 for every complete £5.486 increase in household income above £25,000 up to £42,875. The loan for living costs is further reduced by £1 for every complete £8.41 increase in household income above £42,875 up to £62,518 at which point the non-income assessed minimum rate of loan is paid.

12. **Annex A** sets out in more detail, the loan for living costs household income assessment for 2016 cohort students who are eligible for benefits.

**B) 2016 cohort students aged 60 or over on the first day of the first academic year of their course.**

13. 2016 cohort students who are aged 60 or over on the first day of the first academic year of their course will not qualify for special support grants in 2016/17. They will instead qualify for an increased loan for living costs towards the costs of books, travel, equipment and childcare. The maximum loan for living costs for low income 2016 cohort students who are aged 60 or over will be increased by forecast inflation (2.41%) in 2016/17 when compared with the maximum special support grant available in 2015/16. The loan for living costs for 2016 cohort students aged 60 or over will be paid at a single rate for each year of a course, regardless of where the student is living and studying. It will be disregarded by DWP as student income when calculating benefits.

14. 2016 cohort students aged 60 or over on the first day of the first academic year of their course with household incomes of £25,000 or less qualify for the maximum loan for living costs in 2016/17. Students with household incomes above £25,000 lose £1 of loan for every complete £5.46 increase in household income above £25,000 until a household income of £43,668 is reached where a minimum £50 loan is paid. Students on household incomes above £43,668 do not qualify for a loan for living costs.

15. **Annex B** sets out in more detail, the loan for living costs household income assessment for 2016 cohort students aged 60 or over on the first day of the first academic year of their course.

**Enquiries:**

If you have any queries about the Student Support Regulations, please contact, in the first instance, the Student Finance England Practitioner Support Team – telephone 0845 6020583; email [SSIN\\_queries@slc.co.uk](mailto:SSIN_queries@slc.co.uk)

## ANNEX A

<b>HOUSEHOLD INCOME ASSESSMENT FOR 2016 COHORT STUDENTS ELIGIBLE FOR BENEFITS – FULL YEAR RATES OF LOAN FOR LIVING COSTS.</b>			
<b>HOUSEHOLD INCOME (£)</b>	<b>Special Support Element (£)</b>	<b>Maintenance Element (£)</b>	<b>TOTAL LOAN FOR LIVING COSTS (£)</b>
<b>Student living in parental home</b>	<b>Maximum £3,469</b>	<b>Maximum £4,675</b>	<b>Maximum £8,144</b>
25,000	3,469	4,675	8,144
30,000	2,541	4,675	7,216
35,000	1,612	4,675	6,287
40,000	683	4,675	5,358
42,875	149	4,675	4,824
44,155	0	4,675	4,675
45,000	0	4,577	4,577
50,000	0	3,995	3,995
55,000	0	3,413	3,413
58,209	0	3,039 (+)	3,039 (+)
60,000	0	3,039	3,039
<b>Student studying in London</b>	<b>Maximum £3,469</b>	<b>Maximum £8,202</b>	<b>Maximum £11,671</b>
25,000	3,469	8,202	11,671
30,000	2,599	8,202	10,801
35,000	1,728	8,202	9,930
40,000	858	8,202	9,060
42,875	357	8,202	8,559
45,000	103	8,202	8,305
45,853	0	8,202	8,202
50,000	0	7,705	7,705
55,000	0	7,106	7,106
60,000	0	6,506	6,506
65,000	0	5,907	5,907
69,805	0	5,330(+)	5,330(+)
<b>Student studying outside London</b>	<b>Maximum £3,469</b>	<b>Maximum £5,878</b>	<b>Maximum £9,347</b>
25,000	3,469	5,878	9,347
30,000	2,560	5,878	8,438
35,000	1,650	5,878	7,528
40,000	740	5,878	6,618
42,875	217	5,878	6,095
44,718	0	5,878	5,878
45,000	0	5,845	5,845
50,000	0	5,256	5,256
55,000	0	4,667	4,667
60,000	0	4,078	4,078
62,182	0	3,821 (+)	3,821 (+)
65,000	0	3,821	3,821

Students on household incomes of £25,000 or less qualify for the maximum loan for living costs at the respective Home, London or outside London rates.

Home Rate - Students with household incomes above £25,000 up to and including £42,875 lose £1 of loan for every complete £5.384 of household income above £25,000. For household incomes in excess of £42,875 up to and including £58,209, students lose £1 of loan for every complete £8.59 of household income above £42,875 until the amount they receive reaches 37.3% of the maximum amount (indicated at (+) in the table above), at which point there is no further reduction.

London Rate - Students with household incomes above £25,000 up to and including £42,875 lose £1 of loan for every complete £5.743 of household income above £25,000. For household incomes in excess of £42,875 up to and including £69,805, students lose £1 of loan for every £8.34 of household income until the amount they receive reaches 45.7% of the maximum amount (indicated at (+) in the table above), at which point there is no further reduction.

Elsewhere Rate - Students with household incomes above £25,000 up to and including £42,875 lose £1 of loan for every complete £5.496 of income above £25,000. For income in excess of £42,875 up to and including £62,182, students lose £1 of loan for every £8.49 of household income until the amount they receive reaches 40.8% of the maximum amount (indicated at (+) in the table above), at which point there is no further reduction.



## ANNEX B

<b>LOAN FOR LIVING COSTS ENTITLEMENT FOR 2016 COHORT STUDENTS AGED 60 OR OVER ON THE FIRST DAY OF THE FIRST ACADEMIC YEAR OF THEIR COURSE.</b>	
<b>HOUSEHOLD INCOME (£)</b>	<b>LOAN FOR LIVING COSTS (£)</b>
25,000	3,469 (Maximum)
30,000	2,554
35,000	1,638
40,000	722
43,668	50 (Minimum)
43,669	0
45,000	0
50,000	0

2016 cohort students who are aged 60 or over on the first day of the first academic year of their course, no longer qualify for special support grants in 2016/17. They will instead qualify for a means-tested loan for living costs.

2016 cohort students aged 60 or over on the first day of the first academic year of their course with household incomes of £25,000 or less qualify for the maximum loan for living costs in 2016/17. Students with household incomes above £25,000 lose £1 of loan for every complete £5.46 increase in household income above £25,000 until a household income of £43,668 is reached where a minimum £50 loan is paid. Students on household incomes above £43,668 do not qualify for a loan for living costs.