

Repaying your student loan

How much you repay

How much you repay depends on [which plan you're on](#).

Each plan has a threshold for your weekly or monthly income. You repay:

- 9% of the amount you earn over the threshold for Plan 1 and 2
- 6% of the amount you earn over the threshold for the Postgraduate Loan

You do not pay anything back if your income is under the threshold.

Interest starts being added to your loan from when you get your first payment.

Plan 1

The thresholds are £372 a week or £1,615 a month (before tax and other deductions).

Example

You're paid monthly and your income changes each month. This month your income was £2,000, which is over the Plan 1 monthly threshold of £1,615.

Your income was £385 over the threshold (£2,000 minus £1,615). You will pay back £34 (9% of £385) this month.

Example

Your annual income is £27,000 and you're paid a regular monthly wage. This means that each month your income is £2,250 (£27,000 divided by 12). This is over the Plan 1 monthly threshold of £1,615.

Your income is £635 over the threshold (£2,250 minus £1,615). You will pay back £57 (9% of £635) each month.

Interest on Plan 1

You currently pay interest of 1.1% on Plan 1. You can find out how the [interest is calculated and interest rates for previous years](#).

Plan 2

The thresholds are £511 a week or £2,214 a month (before tax and other deductions). They change on 6 April every year.

Example

You're paid weekly and your income changes each week. This week your income was £600, which is over the Plan 2 weekly threshold of £511.

Your income was £89 over the threshold (£600 minus £511). You will pay back £8 (9% of £89) this week.

Example

Your annual income is £28,800 and you are paid a regular monthly wage. This means that each month your income is £2,400 (£28,800 divided by 12). This is over the Plan 2 monthly threshold of £2,214.

Your income is £186 over the threshold (£2,400 minus £2,214). You will pay back £16 (9% of £186) each month.

Interest on Plan 2

While you're studying, interest is 5.6%.

This is made up of the Retail Price Index (RPI) plus 3%. RPI is currently set at 2.6%.

This rate applies until the 5 April after you finish or leave your course, or for the first 4 years of your course if you're studying part-time, unless the RPI changes.

After that, your interest rate depends on your income in the current tax year.

If you're self-employed, your income is the total income amount on your Self-Assessment form.

If you're an employee, your income is your taxable pay:

- plus any pension contributions
- minus any benefits you get from your employer that are taxed through payroll (ask your employer if you're not sure)

If you have more than one job in a year, your interest rate will be based on your combined income from all your jobs.

Your annual income	Interest rate
£26,575 or less	RPI (currently 2.6%)
£26,576 to £47,835	RPI (currently 2.6%), plus up to 3%
Over £47,835	RPI (currently 2.6%), plus 3%

You must keep your contact details up to date in your [online account](#) and give the Student Loans Company (SLC) evidence if they ask for it. If you do not, you may be charged the higher interest rate even if your income is lower.

You can find out how the [interest is calculated and interest rates for previous years](#).

If you have Plan 1 and Plan 2 loans

You pay back 9% of your income over the Plan 1 threshold (£372 a week or £1,615 a month).

If your income is under the Plan 2 threshold (£511 a week or £2,214 a month), your repayments only go towards your Plan 1 loan.

If your income is over the Plan 2 threshold, your repayments go towards both your loans.

Postgraduate Loan

The thresholds are £404 a week or £1,750 a month (before tax and other deductions).

Example

You're paid weekly and your income changes each week. This week your income was £600, which is over the Postgraduate Loan weekly threshold of £404.

Your income was £196 over the threshold (£600 minus £404). You will pay back £11 (6% of £196) this week.

Example

Your annual income is £28,800 and you are paid a regular monthly wage. This means that each month your income is £2,400 (£28,800 divided by 12). This is over the Postgraduate Loan monthly threshold of £1,750.

Your income is £650 over the threshold (£2,400 minus £1,750). You will pay back £39 (6% of £650) each month.

Interest on Postgraduate Loan

You currently pay interest of 5.6% on Postgraduate Loans.

The interest is made up of the Retail Price Index (RPI), plus 3%. RPI is currently set at 2.6%.

You can find out how the [interest is calculated and interest rates for previous years](#).

If you have a Postgraduate Loan and a Plan 1 or Plan 2 loan

You pay back 6% of your income over the Postgraduate Loan threshold (£404 a week or £1,750 a month). In addition, you'll pay back 9% of your income over the Plan 1 or Plan 2 threshold.

Example

You have a Postgraduate Loan and a Plan 2 loan.

Your annual income is £28,800 and you are paid a regular monthly wage. This means that each month your income is £2,400 (£28,800 divided by 12). This is over the Postgraduate Loan monthly threshold of £1,750 and the Plan 2 threshold of £2,214.

Your income is £650 over the Postgraduate Loan threshold (£2,400 minus £1,750) and £186 over the Plan 2 threshold (£2,400 minus £2,214).

You will pay back £39 (6% of £650) to your Postgraduate Loan and £16 (9% of £186) to your Plan 2 loan. So your total monthly repayment will be £55.

Example

You have a Postgraduate Loan and a Plan 1 loan.

Your annual income is £28,800 and you are paid a regular monthly wage. This means that each month your income is £2,400 (£28,800 divided by 12). This is over the Postgraduate Loan monthly threshold of £1,750 and the Plan 1 threshold of £1,615.

Your income is £650 over the Postgraduate Loan threshold (£2,400 minus £1,750) and £785 over the Plan 1 threshold (£2,400 minus £1,615).

You will pay back £39 (6% of £650) to your Postgraduate Loan and £70 (9% of £785) to your Plan 1 loan. So your total monthly repayment will be £109.

If your income changes during the year

You can [ask for a refund](#) if you make repayments but your total annual income (from 6 April to 5 April the following year) is less than:

- £19,390 a year for Plan 1
- £26,575 a year for Plan 2
- £21,000 for Postgraduate Loans

If you have 2 or more jobs

If you're employed, your repayments will be taken out of your salary. The repayments will be from the jobs where you earn over the minimum amount, not your combined income.

Example

You have a Plan 1 loan.

You have 2 jobs, both paying you a regular monthly wage. Before tax and other deductions, you earn £1,000 a month from one job and £800 a month for the other.

You will not have to make repayments because neither salary is above the £1,615 a month threshold.

Example

You have a Plan 2 loan.

You have 2 jobs, both paying you a regular monthly wage. Before tax and other deductions, you earn £2,300 a month from one job and £500 a month for the other.

You will only make repayments on the income from the job that pays you £2,300 a month because it's above the £2,214 threshold.

If you need to send a Self Assessment tax return

HM Revenue and Customs (HMRC) will work out how much you repay from your [tax return](#). Your repayments are based on your income for the whole year. If you've already made repayments from a salary, HMRC will deduct them from the amount you have to repay.