STATUTORY INSTRUMENTS

2019 No. 189

EDUCATION

The Education (Student Loans) (Repayment) (Amendment) Regulations 2019

Made - - - -	*5th February 2019*
Laid before Parliament	*7th February 2019*
Laid before the National Assembly for Wales	*7th February 2019*
Coming into force - -	*6th April 2019*

The Secretary of State 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 and commencement

1. These Regulations may be cited as the Education (Student Loans) (Repayment) (Amendment) Regulations 2019 and come into force on 6th April 2019.

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

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

3. In regulation 17—

(**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).

(**c**) 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, 2017/831, 2018/284, 2018/599 and 2018/810.

(a) in paragraph (c)—

(i) after "Part 4", insert "in respect of the tax year ending on 5 April 2019 or any previous tax year";

(ii) at the end of sub-paragraph (iii), omit "and";

(b) after paragraph (c), insert—

"(ca) where an amount is deducted by an employer under Part 4 in respect of the tax year beginning on 6 April 2019 or any subsequent tax year, a repayment of that amount is considered to have been received by the Authority on—

(i) the day on which it was deducted by the employer; or

(ii) where an adjustment is made in relation to the deduction, such other day as HMRC specifies in order to take account of that adjustment; and".

4. In regulation 18A—

(a) before "Where" insert "(1) Subject to paragraph (2),";

(b) at the end, insert "(2) For the purposes of repayments under Part 4 in respect of the tax year beginning on 6 April 2019 or any subsequent tax year, the references in paragraph (1) to the repayment thresholds in regulations 29(7) and 29(8) are to be read as references to an apportionment of those thresholds in respect of each month of the tax year in question, calculated by dividing the relevant repayment threshold into twelve equal parts.".

5. In regulation 21A—

(a) in paragraph (2), after "Subject to paragraphs (2A), (2B), (2C),", insert "(2D), (2E), (2F),";

(b) after paragraph (2C), insert—

"(2D) Subject to paragraphs (2E) and (2F), for a borrower to whom Part 4 applies and has applied for the whole or part of the previous tax year, where the borrower repays all of the outstanding balance of the post-2012 student loan by way of deductions from earnings under Part 4 during the tax year beginning on 6 April 2019, any subsequent tax year or any part of those tax years, that loan bears interest at the rate which will result in an annual percentage rate of charge determined in accordance with total charge for credit rules equal to—

(a) where the interest income the borrower received in the previous tax year is the lower interest threshold or less, the standard interest rate;

(b) where the interest income the borrower received in the previous tax year is more than the lower interest threshold but not more than the higher interest threshold, the standard interest rate plus the additional interest rate;

(c) where the interest income the borrower received in the previous tax year is more than the higher interest threshold, the standard interest rate plus 3%.

(2E) The interest income applied in paragraph (2D) will be from the tax year in which a borrower repays all of the outstanding balance of the post-2012 student loan by way of deductions from earnings under Part 4 where—

(a) the borrower requests that their interest rate is recalculated after the end of the tax year; and

(b) the borrower's interest income in that tax year is less than the interest income the borrower received in the previous tax year.

(2F) Where, during the tax year beginning on 6 April 2019 or any subsequent tax year or any part of those tax years, a borrower repays all of the outstanding balance of the post-2012 student loan by way of deductions from earnings under Part 4 in the tax year specified by regulation 15(2), that loan bears interest at the rate which will result in an annual percentage rate of charge determined in accordance with total charge for credit rules equal to the standard interest rate.".

Chris Skidmore
Minister of State
5th February 2019 Department for Education

Kirsty Williams
Minister for Education, one of the Welsh Ministers
5th February 2019

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Education (Student Loans) (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 2 to 5 amend the Principal Regulations.

Regulation 3 makes provision, in respect of the tax year 2019/20 and subsequent tax years, for when an amount paid by a borrower via deductions by their employer under Part 4 of the Principal Regulations is considered to have been paid by the borrower and received by the Authority.

Regulation 4 provides, in respect of the tax year 2019/20 and subsequent tax years, for apportionments of the relevant repayment thresholds to be used in place of the repayment thresholds by the Authority when dividing repayments between loans under Regulation 18A of the Principal Regulations for those borrowers repaying via deductions by their employer under Part 4 of the Principal Regulations.

Regulation 5 makes provision, in respect of the tax year 2019/20 and subsequent tax years, for the calculation of interest in the final year of repayment of borrowers who repay via deductions by their employer under Part 4 of the Principal Regulations.

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 Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was also considered in relation to these Regulations. As a result it was not necessary to carry out a regulatory impact assessment as to the likely costs and benefits of complying with these Regulations.

The Explanatory Memorandum laid before Parliament is published alongside the instrument on www.legislation.gov.uk.

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