EXPLANATORY MEMORANDUM TO

EDUCATION (STUDENT LOANS) (REPAYMENT) (AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2014

SR No. 87

1. Introduction

1.1 This explanatory memorandum has been prepared by the Department for Employment and Learning ("the Department") to accompany SR 2014 No. XX which is laid before the Northern Ireland Assembly.

1.2 The statutory rule is made under Articles 3(2) to (5) and 8(4) of the Education (Student Support) (Northern Ireland) Order 1998 and is subject to the negative resolution procedure.

1.3 The rule will come into operation on 6 April 2014.

2. Purpose

2.1 This rule is to amend the Education (Student Loans) (Repayment) Regulations (Northern Ireland) 2009, S.R. 2009 No. 128 ("the principal Regulations"). They make further changes for Real Time Information (RTI) for paper filers and penalties for employers who make errors or fail to file returns. They also amend the principal Regulations to continue the RPI increase beyond 2015.

2.2 These amendments are required to reflect new UK wide tax legislation and are being introduced across all taxes administered by HMRC. These amendments must, therefore, be in place for the start of the new tax year.

3. Background

3.1 The principal Regulations provide for the statutory framework for the collection and repayment system for income-contingent repayment (ICR) student loans. For most borrowers, repayment is through the tax system, involving employers and Her Majesty's Revenue and Customs (HMRC). Loan accounts are administered by the Student Loans Company (SLC), which receives information from HMRC about repayments made through the tax system. Borrowers who move overseas pay directly to the SLC; and any borrower may make additional repayments directly to the SLC.

3.2 The amending Regulations, which are **technical** in nature, amend the Real Time Information (RTI) which was rolled out in April 2013 and allows for weekly/monthly deductions from employer payroll. **Students are not currently included in RTI, but HMRC are planning to include students in the future.**

3.3 They are also amended so that the time limit mechanism which is used to vary the Applicable Threshold amounts in the principal Regulations, which apply to overseas borrowers to maintain their value, is removed.

4. Consultation

4.1 There is no statutory requirement to consult on these Regulations as they bring into effect provisions relating to primary legislation for which appropriate consultation has already taken place.

5. Equality Impact Assessment

5.1 A preliminary Equality Impact Assessment has not been carried out as it is the Department's view these are technical amendments and no additional screening is required.

6. Regulatory Impact Assessment

6.1 A Regulatory Impact Assessment has not been prepared for this Rule as it does not place an additional burden on business, charities or voluntary bodies.

7. Financial Implications

7.1 The actual costs of implementing this rule have no financial impact on the Department.

8. Section 24 of the Northern Ireland Act 1998

8.1 Departmental Solicitor's Office has confirmed that the making of this rule complies with Section 24 of the NI Act.

9. EU Implications

9.1 Not applicable.

10. Parity or Replicatory Measures

10.1 This rule has the same territorial extent and application as the provisions it amends in the Education (Student Loans) (Repayment) Regulations 2009. Those Regulations extend to England and Wales but they also extend to all of the United Kingdom in so far as it imposes any obligation or confers any power on HMRC, an employer or a borrower in relation to repayments under Parts 3 or 4 of the Education (Student Loans) (Repayment) Regulations 2009.

11. Additional Information

11.1 Not applicable.

12. Contact

12.1 John Neill at the Department for Employment and Learning, Tel: 028 90 257712 or email: john.neill@delni.gov.uk can answer any queries regarding this Rule.