EXPLANATORY MEMORANDUM TO

The Education (Student Support and Repayment) (Amendment) Regulations (Northern Ireland) 2026

SR 2026 No. 87

1. Introduction

1.1 This Explanatory memorandum has been prepared by the Department for the Economy ("the Department") to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

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

2. Purpose

2.1 This Statutory Rule amends the principal student support regulations - The Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009 ("the Student Support Regulations") and The Education (Student Loans) (Repayment) Regulations (Northern Ireland) 2009 ("the Repayment Regulations").

2.2 The Statutory Rule amends the Repayment Regulations so that they reflect changes made by HMRC to the Finance Act 2021 in relation to Finance Penalty Reform legislation.

2.3 The Statutory Rule amends the Student Support Regulations, increasing the maximum Postgraduate Tuition Fee Loan from £6,500 per course to £10,000 per course, for courses beginning on or after 1st August 2026.

3. Background

Updating the Repayment Regulations so that they reflect changes made by HMRC to the Finance Act 2021 in relation to Finance Penalty Reform legislation

3.1 Income Contingent Repayment ("ICR") student loans were introduced in 1998. For UK based borrowers, repayments of ICR student loans are collected by HMRC through the tax system.

3.2 The Education (Student Loans) (Repayment) Regulations (Northern Ireland) 2009 enable HMRC to apply penalties for late payment of tax obligations and, by association, student loan repayments, under Schedule 56 to the Finance Act 2009 ("the FA09") where these penalties are collected through the Income Tax Self-Assessment (ITSA) tax system. Similarly, HMRC applies penalties for late filing of an ITSA return under Schedule 55 to the Finance Act 2009.

Student loan repayments included on the ITSA return are part of the calculations of these late filing penalties by virtue of regulation 35 of the Repayment Regulations.

3.3 The Finance Act 2021 ("the FA 2021") introduces new penalties for the late submission of a tax return, the deliberate withholding of information (both of which are presently addressed by Schedule 55 to the FA09), and the late payment of tax (see sections 116-118 of, and Schedules 24-27 to the FA 2021). Details of this penalty reform ("the PR regime") can be found online (https://www.gov.uk/government/publications/interest-harmonisation-and-penalties-for-late-submission-and[1]late-payment-of-tax).

3.4 Penalties for late submission of a tax return (Schedule 24 to the FA 2021) will not apply to student loans because they do not relate to the amounts that should have been stated in the ITSA return.

3.5 The new penalties commenced from tax year 2026/27, will be introduced to ITSA cohorts under a phased approach. They will eventually replace the relevant parts of the current penalty regime set out in Schedules 55 and 56 to the Finance Act 2009 ("the 2009 regime"). Section 118 of, and Schedule 27 to the FA 2021 will be used to disapply penalties under Schedule 55 and 56 for the commenced ITSA cohort.

3.6 The amended Repayment Regulations will also apply to student loan repayments for eligible volunteers for the 2025/26 tax year, who elect and are accepted into the Making Tax Digital system testing. Such volunteers are subject to the PR regime with the earliest filing and payment penalties for missed obligations due 31 January 2027. (See the Finance Act 2021 (Income Tax and Capital Gains Tax) (Penalties) (Appointed Day: Eligible Volunteers) Regulations 2024 (S.I. 2024/440 C.25).

Increasing the maximum Postgraduate Tuition Fee Loan

3.7 Following a public consultation undertaken between September and November 2025, the Minister for the Economy decided that the maximum Postgraduate Tuition Fee Loan should be increased from £6,500 to £10,000 per course.

3.8 The increase is intended to support access to postgraduate education and reflect increased tuition costs.

3.9 The Statutory Rule amends the existing student support framework to implement the increased loan amount in time for the 2026/27 academic year.

4. Consultation

There is no statutory requirement to consult on these amendments. The Postgraduate Tuition Fee Loan increase follows a public consultation, while the remaining changes are technical and operational.

5. Equality Impact Assessment

An Equality screening exercise has been carried out in respect of these amendments, including both the Postgraduate Tuition Fee Loan increase and the technical changes to the repayment regulations, and has identified no negative impacts on any section 75 categories.

6. Regulatory Impact Assessment

A Regulatory Impact Assessment has not been prepared for this Statutory Rule as it has no adverse impact on business, charities or voluntary bodies.

7. Financial Implications

The financial implications of the increase to the Postgraduate Tuition Fee Loan have been costed and their affordability ratified by NI Department of Finance and HMT.

8. Section 24 of the Northern Ireland Act 1998

The making of this Statutory Rule complies with Section 24 of the Northern Ireland Act.

9. EU Implications

This Statutory Rule does not relate to withdrawal from the European Union / trigger the statement requirements under the European Union (Withdrawal) Act.

10. Parity or Replicatory Measures

Historically, the Department's Regulations were made in broad parity with England and Wales but following the wholesale changes that were implemented in England and Wales from academic year 2012/13 as a result of the Browne Review this is no longer necessarily the case.

In this case, amendments to the Repayments Regulations are as a consequence of changes made to UK-wide legislation.

11. Additional information

Further details regarding this Statutory Rule can be requested by contacting studentsupport@economy-ni.gov.uk.