

**SLC OSP 05/2011**

**23 June 2011**

**Coverage: Scotland**

**Theme: Education  
and Training**

**Issued by**  
The Student Loans Company  
100 Bothwell Street  
GLASGOW  
G2 7JD

**Press Office**  
**Telephone:**  
0141 306 2120  
**Email:**  
[press\\_office@slc.co.uk](mailto:press_office@slc.co.uk)

**Public Enquiries**  
**Telephone:**  
0141 306 2000

**Lead Official for Statistics:**  
Dave Cartwright

**Telephone:**  
0141 243 3209

**Email:**  
[information\\_office@slc.co.uk](mailto:information_office@slc.co.uk)

**Internet**  
[http://www.slc.co.uk/statistics/  
official\\_statistics.html](http://www.slc.co.uk/statistics/official_statistics.html)



## **INCOME CONTINGENT REPAYMENTS BY REPAYMENT COHORT AND TAX YEAR 2000/01 TO 2009/10 INCLUSIVE (PROVISIONAL)**

### **INTRODUCTION**

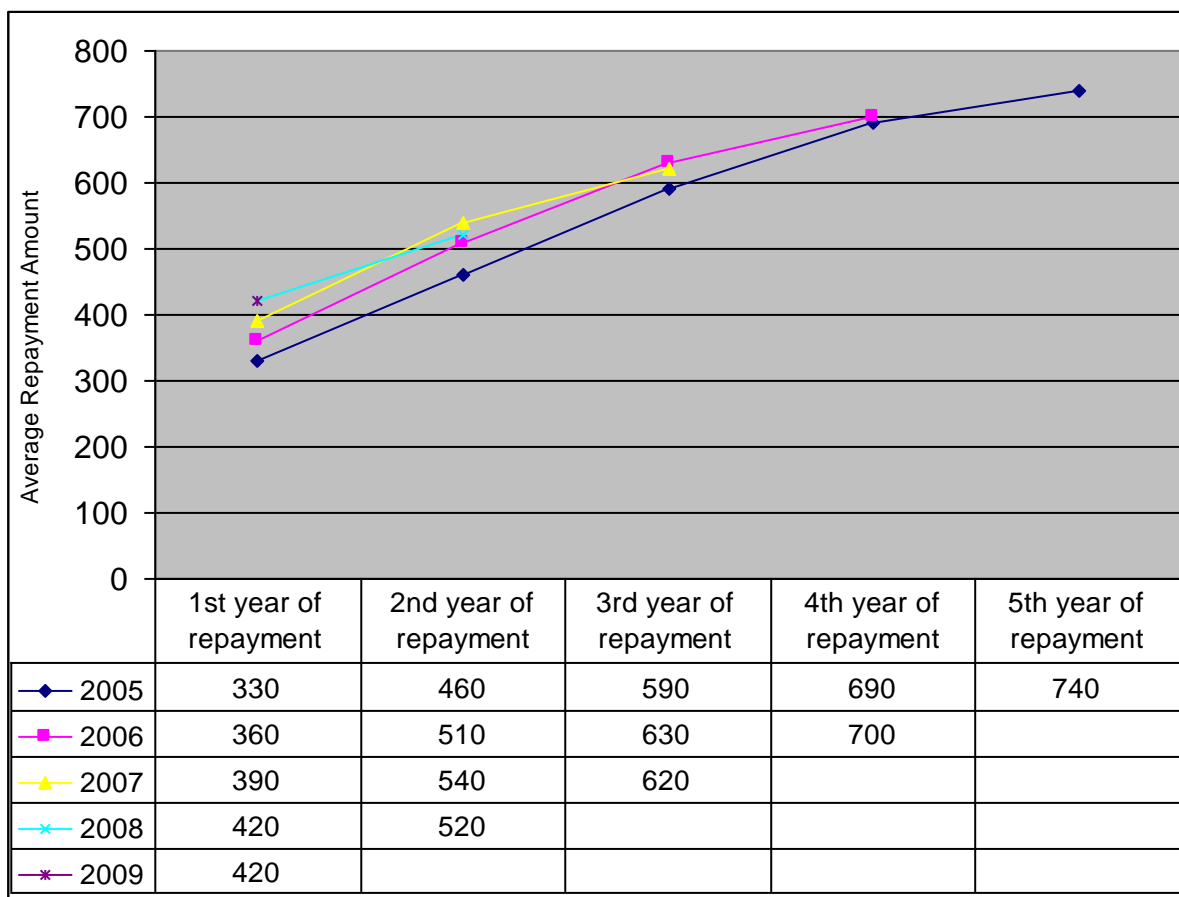
Official statistics on repayment of income contingent student loans are today released by the Student Loans Company (SLC). This publication provides a detailed analysis of the repayment statistics for income contingent repayment (ICR) student loans. It covers Scottish borrowers and a small number of EU borrowers who studied in Scotland. Repayments for tax years after 2009/10 are not included in this publication. Borrowers are grouped into repayment cohorts based on the year in which their liability to repay began.

This publication supplements the statistical first release (SFR) 'Student Loans for Higher Education in Scotland, Financial Year 2010-11'. The SFR is also being published today, 23<sup>rd</sup> June 2011 by Student Loans Company.

### **KEY POINTS**

- The percentage of borrowers who have fully repaid their loans at 30<sup>th</sup> April 2011 ranges from 2.4% for the latest entry cohort (2011) to 23.3% for the 2000 cohort (after 11 years of repayment liability) (*Table 1*).
- The average amount repaid by each borrower who made a repayment via HMRC in tax year 2009/10 ranged from £420 for the 2009 cohort in its first year of repayment to £740 for the 2004 and 2005 cohorts (after 5 and 6 years, respectively, of recorded repayment history) (*Table 2*).
- The average debt for borrowers who still had a live account at the end of tax year 2009/10 ranged from £5,450 for the 2000 cohort (after 10 years of recorded repayment history) to £7,570 for the 2005 cohort (after 5 years of recorded repayment history). For the 2010 cohort, the average debt was £5,940 at the point where their liability to repay began (*Table 3*).
- Within cohorts of borrowers the average repayments have generally increased, due to growing incomes since leaving higher education. The 2009 cohort which is the latest cohort to have made a repayment, has the same average repayment than that of the 2008 cohort as reported in its first year of repayment (*Table 2*).

**Average annual amount repaid (£) by ICR Student Loan borrowers making repayments via HMRC (cohorts 2005 to 2009)**



## CONTENTS

- Table 1: Shows the repayment status of the ICR borrowers after the provisional close of tax year 2009/10. *Pages 5 and 6.*
- Table 2: Shows the repayments made by ICR borrowers via HMRC in tax years up to and including tax year 2009/10 as known by SLC at 30/04/2011. *Pages 7 and 8.*
- Table 3: Shows the outstanding balances for ICR borrowers at the end of each tax year since their liability to repay began. *Pages 9 and 10.*
- Appendix A: Contains footnotes for tables 1, 2 and 3. *Page 11.*
- Appendix B: Contains definitions for terms used in this publication. *Page 12.*
- Appendix C: Contains notes for editors. *Pages 13 and 14.*

## TIMING OF PUBLICATION DATA

The data in this publication is taken as at 30<sup>th</sup> April 2011 in order to incorporate the effect of the provisional close of tax year 2009/10. The SLC has a provisional close for each tax year which is run after the tax year has ended. The main effect is to bring balances up to date where there have been no repayments notified and, hence, the balance just changes by the effect of one year's interest and any direct repayments received and any refunds paid out in that year.

## FACTORS AFFECTING TIME SERIES

- From April 2005 the income contingent repayment threshold changed from £10,000 to £15,000. Those borrowers prior to April 2005, who were earning more than £10,000 and less than £15,000 and liable to repay, would have been deemed no longer liable to repay.
- The first two repayment cohorts (2000 and 2001) are atypical because they will comprise borrowers on one year courses (such as HNC and postgraduate Initial Teacher Training) or they will be students who dropped out before completing three years of study. The first repayment cohort containing graduates from three year courses is the 2002 cohort.

## RELATED STATISTICAL PUBLICATIONS

This official statistics publication covers Income Contingent borrowers who are liable for repayment by tax year of repayment and by repayment cohort for which the borrower belongs. Related statistics published by the Student Loans Company include: 'Student Loans for Higher Education in Scotland Financial Year 2010-11'. This statistical first release provides statistics on loan outlay, repayments of loans and borrower activity, for all Scottish domiciled students and those EU students studying in Scotland. It covers all loan types, not just income contingent loans, and gives the position at 31<sup>st</sup> March 2011 rather than 30<sup>th</sup> April 2011.

The link to this publication is: <http://www.slc.co.uk/pdf/slcsfr052011.pdf>

This link and other publications can be found on SLC Web site: [http://www.slc.co.uk/statistics/official\\_statistics.html](http://www.slc.co.uk/statistics/official_statistics.html)

## NATIONAL AND OFFICIAL STATISTICS

This is an Official Statistics publication. National and Official Statistics are produced to high professional standards as set out in the code of practice for Official Statistics. They undergo regular quality assurance reviews to ensure they meet customer needs. They are produced free from any political interference.

**Table 1: ICR Student Loans borrowers liable to repay by repayment cohort and repayment status [1] as at 30/04/2011 [2]**

**Table 1(i): Number of ICR Student Loans borrowers liable to repay**

**Key Points:**

- By the end of April 2011, 37,800 Income Contingent borrowers, which represents 11.7% of all borrowers liable for repayment, have fully repaid their loans.

Borrowers who received loans as Scottish domiciled students studying in the UK or as EU students studying in Scotland [3]

Repayment Status	Number of borrowers in thousands [4]													Total
	Fully Repaid	Loan has been cancelled	In UK Tax System - Above Earnings Threshold or has made a Repayment In Last Tax Year [5]	In UK Tax System But Was Below The Earnings Threshold In The Last Tax Year [5]	In UK Tax System - No Live Employment at HMRC [6]	Known to be in UK employment but awaiting first tax year return to determine if above earnings threshold [5]	Known to be in the UK and in a status that does not require repayment at this point	Known to be overseas, above the earnings threshold for that country and repaying	Known to be overseas and below the earnings threshold for that country	Known to be overseas, above the earnings threshold for that country and fallen into arrears	Known to be overseas, has not provided details of income and is now considered to be in arrears [7]	Not Currently Repaying - Further Information Required To Establish Correct Repayment Status[8][9]		
Repayment Cohort														
2000	2.2	0.2	2.5	2.2	1.2	0.1	0.7	-	-	-	-	0.4	9.4	
2001	2.4	0.2	4.5	3.1	1.7	0.1	0.8	-	-	-	-	0.6	13.4	
2002	3.2	0.3	7.8	5.1	2.7	0.1	1.3	-	0.1	-	-	0.6	21.3	
2003	6.2	0.4	13.0	7.2	3.7	0.2	1.9	0.1	0.1	0.1	-	1.2	34.2	
2004	6.0	0.3	13.7	7.7	4.0	0.2	1.7	0.1	0.2	0.1	-	0.8	34.7	
2005	5.2	0.2	14.7	7.7	3.4	0.2	1.8	0.1	0.2	0.1	-	0.9	34.5	
2006	4.1	0.2	14.2	7.8	3.4	0.3	1.8	0.2	0.2	0.1	-	0.8	33.0	
2007	2.9	0.1	13.0	8.4	3.4	0.4	1.8	0.1	0.2	0.1	-	0.8	31.2	
2008	2.4	0.1	10.8	8.3	3.6	0.6	1.9	0.1	0.2	-	-	0.8	28.7	
2009	1.6	0.1	9.2	8.2	4.2	1.5	1.6	0.1	0.2	-	-	0.4	27.1	
<b>All cohorts with at least one tax year processed</b>	<b>36.1</b>	<b>2.1</b>	<b>103.5</b>	<b>65.6</b>	<b>31.3</b>	<b>3.7</b>	<b>15.2</b>	<b>1.0</b>	<b>1.2</b>	<b>0.4</b>	<b>0.2</b>	<b>7.2</b>	<b>267.5</b>	
2010	1.0	0.1	0.7	0.5	5.2	17.5	2.0	0.1	0.2	-	-	0.5	27.8	
2011	0.6	-	-	-	6.4	17.4	1.9	-	0.2	-	-	0.4	27.1	
<b>Cohorts with no tax year processed as yet</b>	<b>1.7</b>	<b>0.1</b>	<b>0.8</b>	<b>0.6</b>	<b>11.6</b>	<b>34.9</b>	<b>3.9</b>	<b>0.1</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>0.9</b>	<b>54.9</b>	
<b>All ICR borrowers who have become liable to repay</b>	<b>37.8</b>	<b>2.1</b>	<b>104.2</b>	<b>66.1</b>	<b>42.9</b>	<b>38.6</b>	<b>19.1</b>	<b>1.1</b>	<b>1.6</b>	<b>0.4</b>	<b>0.2</b>	<b>8.1</b>	<b>322.4</b>	

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company

Footnotes - See Appendix A

This table shows the latest known repayment status of borrowers who have become liable for repayment by April 2011. Until their debt is fully repaid or cancelled they can move into and out of any of the other statuses.

The 2011 repayment cohort represents those borrowers who became liable to repay in April 2011. This cohort has been in repayment for less than one month from the effective date of the statistics shown. Therefore the profile for this new repayment cohort is very different to that of earlier repayment cohorts.

This is particularly evident in the number of borrowers in repayment status 'Known to be in UK employment but awaiting first tax year return to determine if above earnings threshold' which has a much higher proportion of the cohort in this status than for earlier repayment cohorts. Borrowers in this status will move to other repayment statuses upon receipt of up to date information from HMRC.

The numbers in a repayment cohort can also change. Students begin in a cohort based on the length of their course. If they drop out of their course of study, the date from which they are expected to start repaying is brought forward to the April following the date they withdrew from their course.

Borrowers in repayment may have chosen to go on to further study. Some of them may be on courses that allow them to take out further loans. Their original repayment cohort is unchanged. They are liable to repay and may make repayments if in employment and earning over the repayment threshold whilst in study.

Table 1 (ii): Percentage of ICR Student Loans borrowers liable to repay by repayment cohort and repayment status [1] as at 30/04/2010 [2]

Key Points:

- The percentage of borrowers who have fully repaid their loans at 30th April 2011, ranges from 2.4% for the latest repayment cohort (2011 cohort), to 23.3% for the 2000 cohort (after 11 years of repayment liability).
- Of those borrowers who have been in repayment long enough to have at least one tax year processed (cohorts 2000 to 2009), 14.3% no longer have live accounts and no longer liable to repay, 82% are liable to repay and known to be in the UK and/or UK tax system, 1% are known to be overseas and 2.7% have still their latest repayment status to be established.

Borrowers who received loans as Scottish domiciled students studying in the UK or as EU students studying in Scotland [3]

Repayment Status Repayment Cohort	Number of borrowers as a percentage of the cohort total [4]												Total
	Fully Repaid	Loan has been cancelled	In UK Tax System - Above Earnings Threshold or has made a Repayment In Last Tax Year [5]	In UK Tax System But Was Below The Earnings Threshold In The Last Tax Year [5]	In UK Tax System - No Live Employment at HMRC [6]	Known to be in UK employment but awaiting first tax year return to determine if above earnings threshold [5]	Known to be in the UK and in a status that does not require repayment at this point	Known to be overseas, above the earnings threshold for that country and repaying	Known to be overseas, and below the earnings threshold for that country	Known to be overseas, above the earnings threshold for that country and fallen into arrears	Known to be overseas, has not provided details of income and is now considered to be in arrears [7]	Not Currently Repaying - Further Information Required To Establish Correct Repayment Status[8][9]	
2000	23.3%	2.0%	26.8%	23.5%	12.4%	0.5%	7.2%	-	-	-	-	3.8%	100%
2001	17.5%	1.6%	33.8%	22.9%	12.5%	0.7%	6.0%	-	-	-	-	4.4%	100%
2002	15.1%	1.5%	36.6%	23.9%	12.8%	0.5%	6.1%	-	0.3%	-	-	2.7%	100%
2003	18.2%	1.1%	38.1%	21.2%	10.9%	0.5%	5.5%	0.3%	0.4%	0.2%	-	3.5%	100%
2004	17.2%	0.9%	39.4%	22.1%	11.6%	0.6%	4.8%	0.4%	0.5%	0.2%	-	2.3%	100%
2005	15.2%	0.6%	42.5%	22.2%	9.8%	0.7%	5.3%	0.4%	0.4%	0.2%	-	2.6%	100%
2006	12.3%	0.5%	43.0%	23.7%	10.4%	0.9%	5.5%	0.5%	0.5%	0.2%	-	2.5%	100%
2007	9.4%	0.4%	41.8%	26.8%	10.8%	1.3%	5.6%	0.4%	0.5%	0.2%	-	2.7%	100%
2008	8.2%	0.3%	37.6%	28.8%	12.6%	2.0%	6.6%	0.4%	0.5%	-	-	2.7%	100%
2009	5.8%	0.2%	34.0%	30.4%	15.5%	5.7%	5.9%	0.4%	0.6%	-	-	1.3%	100%
<b>All cohorts with at least one tax year processed</b>	<b>13.5%</b>	<b>0.8%</b>	<b>38.7%</b>	<b>24.5%</b>	<b>11.7%</b>	<b>1.4%</b>	<b>5.7%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>2.7%</b>	<b>100%</b>
2010	3.7%	0.2%	2.6%	1.9%	18.6%	62.9%	7.2%	0.2%	0.8%	-	-	1.6%	100%
2011	2.4%	-	-	-	23.6%	64.3%	6.9%	-	0.6%	-	-	1.6%	100%
<b>Cohorts with no tax year processed as yet</b>	<b>3.0%</b>	<b>0.2%</b>	<b>1.4%</b>	<b>1.0%</b>	<b>21.1%</b>	<b>63.6%</b>	<b>7.1%</b>	<b>0.2%</b>	<b>0.7%</b>	<b>-</b>	<b>-</b>	<b>1.6%</b>	<b>100%</b>
<b>All ICR borrowers who have become liable to repay</b>	<b>11.7%</b>	<b>0.7%</b>	<b>32.3%</b>	<b>20.5%</b>	<b>13.3%</b>	<b>12.0%</b>	<b>5.9%</b>	<b>0.3%</b>	<b>0.5%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>2.5%</b>	<b>100%</b>

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company

Footnotes - See Appendix A

**Table 2: ICR Student Loans borrowers making repayments via HMRC [10] by repayment cohort and tax year [11] as at 30/04/2011 [2]**

**Key Points:**

- In tax year 2009/10, 123,800 borrowers made a repayment via HMRC.
- The amount repaid via HMRC in tax year 2009/10 was £123.8 million which is a 11% increase on 2008/09 when it was £111.7m.

**Table 2(i): Number of ICR Student Loans borrowers making repayments via HMRC [10] by repayment cohort and tax year [11] as at 30/04/2011 [2]**

Borrowers who received loans as Scottish domiciled students studying in the UK or as EU students studying in Scotland [3]

		Number of borrowers repaying in thousands[4]									
		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [12]	2006/07	2007/08	2008/09	2009/10
Tax Year of repayment											
Repayment Cohort											
	2000	2.7	3.3	3.6	4.1	4.2	3.4	3.5	3.5	3.5	3.3
	2001	.	4.1	4.8	5.8	6.3	5.2	5.5	5.7	5.7	5.5
	2002	.	.	6.6	8.7	9.8	8.0	8.7	9.4	9.5	9.3
	2003	.	.	.	13.5	16.1	13.8	15.2	16.3	16.3	15.9
	2004	.	.	.	.	15.2	13.2	15.0	16.7	17.1	16.7
	2005	.	.	.	.	.	11.9	14.8	16.9	17.8	17.8
	2006	.	.	.	.	.	.	11.9	15.2	16.5	16.9
	2007	.	.	.	.	.	.	.	11.3	14.1	15.2
	2008	.	.	.	.	.	.	.	.	11.4	12.7
	2009	.	.	.	.	.	.	.	.	.	10.6
	2010	.	.	.	.	.	.	.	.	.	.
	2011	.	.	.	.	.	.	.	.	.	.
<b>All ICR borrowers who made a repayment via HMRC</b>		<b>2.7</b>	<b>7.4</b>	<b>15.1</b>	<b>32.1</b>	<b>51.6</b>	<b>55.6</b>	<b>74.7</b>	<b>95.1</b>	<b>111.7</b>	<b>123.8</b>

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company

**Table 2(ii): Amount repaid by ICR Student Loans borrowers making repayments via HMRC [10] by repayment cohort and tax year [11] as at 30/04/2011 [2]**

Borrowers who received loans as Scottish domiciled students studying in the UK or as EU students studying in Scotland [3]

		Amount of repayment in £ millions [4]									
		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [12]	2006/07	2007/08	2008/09	2009/10
Tax Year of repayment											
Repayment Cohort											
	2000	0.5	0.8	1.1	1.4	1.8	1.0	1.3	1.6	1.7	1.7
	2001	.	0.8	1.3	2.0	2.7	1.6	2.1	2.6	2.9	3.0
	2002	.	.	1.6	2.7	3.9	2.6	3.4	4.5	5.1	5.3
	2003	.	.	.	4.3	7.1	5.5	7.7	9.9	11.2	11.5
	2004	.	.	.	.	5.9	5.1	7.4	10.2	11.8	12.3
	2005	.	.	.	.	.	3.9	6.8	10.0	12.2	13.2
	2006	.	.	.	.	.	.	4.3	7.7	10.4	11.9
	2007	.	.	.	.	.	.	.	4.5	7.5	9.4
	2008	.	.	.	.	.	.	.	.	4.8	6.6
	2009	.	.	.	.	.	.	.	.	.	4.4
	2010	.	.	.	.	.	.	.	.	.	.
	2011	.	.	.	.	.	.	.	.	.	.
<b>All ICR borrowers who made a repayment via HMRC</b>		<b>0.5</b>	<b>1.6</b>	<b>4.0</b>	<b>10.4</b>	<b>21.5</b>	<b>19.7</b>	<b>32.9</b>	<b>50.9</b>	<b>67.6</b>	<b>79.4</b>

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company

Footnotes - See Appendix A

Table 2(iii): Average amount repaid by ICR Student Loans borrowers making repayments via HMRC [10] by repayment cohort and tax year [11] as at 30/04/2011 [2]

Key Points:

- The average amount repaid by each borrower who made a repayment via HMRC in tax year 2009/10 ranges from £420 for the 2009 cohort in its first year of repayment to £740 for the 2004 and 2005 cohorts after 6 and 5 years, respectively, of recorded repayment history.
- The average amount repaid by the 2009 cohort in year 1 was £420 which is the same as the 2008 cohort in its first year of repayment.

Borrowers who received loans as Scottish domiciled students studying in the UK or as EU students studying in Scotland [3]

		Average amount of repayment per borrower in £ [4]									
Tax Year of repayment		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [12]	2006/07	2007/08	2008/09	2009/10
Repayment Cohort											
	2000	170	250	310	350	430	300	360	450	480	510
	2001	.	190	270	340	430	310	380	460	520	540
	2002	.	.	240	310	400	320	390	480	540	570
	2003	.	.	.	320	440	400	500	610	690	720
	2004	.	.	.	.	390	390	490	610	690	740
	2005	.	.	.	.	.	330	460	590	690	740
	2006	.	.	.	.	.	.	360	510	630	700
	2007	.	.	.	.	.	.	.	390	530	620
	2008	.	.	.	.	.	.	.	.	420	520
	2009	.	.	.	.	.	.	.	.	.	420
	2010	.	.	.	.	.	.	.	.	.	.
	2011	.	.	.	.	.	.	.	.	.	.
<b>All ICR borrowers who made a repayment via HMRC</b>		<b>170</b>	<b>220</b>	<b>270</b>	<b>320</b>	<b>420</b>	<b>350</b>	<b>440</b>	<b>540</b>	<b>610</b>	<b>640</b>

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company

Footnotes - See Appendix A

These tables show the repayments made by ICR borrowers via HMRC in tax years up to and including tax year 2009/10 as known by SLC at 30/04/2011.

If borrowers continued to make repayments in perpetuity you would expect to see the average annual repayment amount increase for each cohort year on year as the borrowers' potential to earn increases through each further year of employment. However, borrowers no longer contribute to these averages after they fully repay and, given that they were probably repaying towards the higher end of repayment values before they fully repaid this will have the effect of lowering the average repayment after they fully repay.

The average repayment amount dipped for most cohorts in tax year 2005/06 when the repayment threshold was revised from 9% of earning above £10,000, to 9% of earnings above £15,000. The effect can be seen in table 2 (i), (ii) and (iii).

The stated number of borrowers making repayments, the amounts repaid and the average repayment as shown above will further change as awaited repayment notifications are posted for tax year 2009/10 (and possibly for earlier tax years).



**Table 3: ICR Student Loans borrowers with outstanding debt [13] by repayment cohort and tax year [11] as at 30/04/2011[2]**

**Key Points:**

- The total number of borrowers with an outstanding income contingent loan debt at the end of tax year 2009/10 was 260,400.
- The total outstanding income contingent loan debt of borrowers now liable to repay at the end of tax year 2009/10 was £1.8 billion. This is an increase of 6% on the debt at the end of tax year 2008/09 when it was £1.7 billion.

**Table 3(i): Number of ICR Student Loans borrowers with outstanding debt [13] by repayment cohort and tax year [11] as at 30/04/2011[2]**

Borrowers who received loans as Scottish domiciled students studying in the UK or as EU students studying in Scotland [3]

As at end of tax year	Number of borrowers with outstanding debt in thousands[4]											
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [12]	2006/07	2007/08	2008/09 [14]	2009/10 [14]	2010/11 [14]
Repayment Cohort												
2000	9.4	9.4	9.3	9.2	9.0	8.7	8.6	8.4	7.7	7.3	6.9	..
2001	.	13.4	13.4	13.3	13.2	13.0	12.8	12.6	12.2	11.8	11.2	..
2002	.	.	21.2	21.1	20.9	20.6	20.4	20.1	19.6	18.9	18.2	..
2003	.	.	.	33.9	33.6	33.2	32.7	32.1	30.5	29.2	27.8	..
2004	.	.	.	.	34.3	33.8	33.4	32.9	31.9	30.7	29.4	..
2005	.	.	.	.	.	33.9	33.6	33.2	32.1	30.8	29.5	..
2006	.	.	.	.	.	.	31.9	32.1	31.3	30.3	29.2	..
2007	.	.	.	.	.	.	.	30.1	30.3	29.5	28.5	..
2008	.	.	.	.	.	.	.	.	28.1	27.4	26.7	..
2009	.	.	.	.	.	.	.	.	.	26.5	25.6	..
2010	.	.	.	.	.	.	.	.	.	.	27.2	..
2011	.	.	.	.	.	.	.	.	.	.	.	26.6
<b>All ICR borrowers with outstanding debt</b>	<b>9.4</b>	<b>22.7</b>	<b>43.9</b>	<b>77.4</b>	<b>111.0</b>	<b>143.3</b>	<b>173.4</b>	<b>201.5</b>	<b>223.7</b>	<b>242.5</b>	<b>260.4</b>	<b>..</b>

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company

**Table 3(ii): Amount owed by ICR Student Loans borrowers with outstanding debt [13] by repayment cohort and tax year [11] as at 30/04/2011[2]**

Borrowers who received loans as Scottish domiciled students studying in the UK or as EU students studying in Scotland [3]

As at end of tax year	Amount of outstanding debt in £ millions [4]											
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [12]	2006/07	2007/08	2008/09 [14]	2009/10 [14]	2010/11 [14]
Repayment Cohort												
2000	24.6	29.3	32.6	34.8	36.2	37.0	38.1	39.3	39.3	39.3	37.6	..
2001	.	52.2	59.0	63.5	66.3	67.8	70.0	71.7	73.8	73.7	70.8	..
2002	.	.	103.5	117.0	125.4	130.4	135.4	138.6	141.2	141.0	136.1	..
2003	.	.	.	187.0	201.9	209.6	216.9	220.5	218.9	215.6	204.8	..
2004	.	.	.	.	205.7	218.2	228.0	233.2	235.4	232.9	221.0	..
2005	.	.	.	.	.	214.7	229.0	235.7	236.7	234.0	223.6	..
2006	.	.	.	.	.	.	201.0	222.8	229.3	229.2	220.5	..
2007	.	.	.	.	.	.	.	182.3	207.5	211.9	206.5	..
2008	.	.	.	.	.	.	.	.	168.1	177.5	177.2	..
2009	.	.	.	.	.	.	.	.	.	161.5	164.4	..
2010	.	.	.	.	.	.	.	.	.	.	161.5	..
2011	.	.	.	.	.	.	.	.	.	.	.	172.1
<b>All ICR borrowers with outstanding debt</b>	<b>24.6</b>	<b>81.5</b>	<b>195.1</b>	<b>402.3</b>	<b>635.6</b>	<b>877.7</b>	<b>1,118.4</b>	<b>1,344.2</b>	<b>1,550.3</b>	<b>1,716.7</b>	<b>1,824.0</b>	<b>..</b>

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company

Footnotes - See Appendix A

**Table 3(iii): Average amount owed by ICR Student Loans borrowers with outstanding debt [13] by repayment cohort and tax year [11] as at 30/04/2011[2]**

**Key Points:**

- **The average debt for the 2011 repayment cohort who have just entered repayment in April 2011 is £6,480. This is £540 (9%) higher than the average debt of the 2010 cohort when they entered repayment which was £5,940.**

Borrowers who received loans as Scottish domiciled students studying in the UK or as EU students studying in Scotland [3]

	Average amount of debt outstanding in £												
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [12]	2006/07	2007/08	2008/09 [14]	2009/10 [14]	2010/11 [14]	
As at end of tax year													
Repayment Cohort													
2000	2,620	3,130	3,500	3,800	4,040	4,230	4,450	4,690	5,110	5,370	5,450	..	
2001	.	3,900	4,420	4,770	5,040	5,230	5,470	5,690	6,030	6,260	6,310	..	
2002	.	.	4,890	5,550	5,990	6,320	6,640	6,880	7,200	7,450	7,480	..	
2003	.	.	.	5,520	6,010	6,320	6,630	6,870	7,180	7,370	7,360	..	
2004	.	.	.	.	6,000	6,450	6,820	7,080	7,370	7,580	7,520	..	
2005	.	.	.	.	.	6,330	6,820	7,100	7,380	7,590	7,570	..	
2006	.	.	.	.	.	.	6,300	6,950	7,320	7,570	7,550	..	
2007	.	.	.	.	.	.	.	6,060	6,860	7,190	7,230	..	
2008	.	.	.	.	.	.	.	.	5,980	6,470	6,640	..	
2009	.	.	.	.	.	.	.	.	.	6,100	6,410	..	
2010	.	.	.	.	.	.	.	.	.	.	5,940	..	
2011	.	.	.	.	.	.	.	.	.	.	.	6,480	
<b>All ICR borrowers with outstanding debt</b>	<b>2,620</b>	<b>3,580</b>	<b>4,450</b>	<b>5,200</b>	<b>5,730</b>	<b>6,130</b>	<b>6,450</b>	<b>6,670</b>	<b>6,930</b>	<b>7,080</b>	<b>7,010</b>	<b>..</b>	

. = not applicable - = nil or negligible .. = not available

Source: Student Loans Company

Footnotes - See Appendix A

These tables show the outstanding balances for ICR borrowers now liable to repay as at the end of each tax year since their liability to repay began.

The debt for each cohort is known at the point when they become liable to repay. To know the debt one year later we have to allow an additional year for the repayment notification information to pass from HMRC to SLC. Hence, in this publication there is no update for the debt of the 2010 cohort. The only change for that cohort is an increase in numbers (from 26,400 in April 2010 to 27,200 in April 2011) as a result of borrowers joining this cohort after withdrawing from their course.

Because borrowers are grouped by their earliest repayment liability date (i.e. the point when they first became liable to repay) there are a proportion of borrowers within each cohort who will at some point return to higher education and take out additional loans to cover costs of tuition and/or living costs. Example-postgraduate teacher training courses. This debt is also included in the statistics above and this explains why the outstanding debt increases in the years after entering repayment rather than decreasing as may be expected.

The effect of interest applied in the financial year also may outweigh the amount repaid for some customers in this first year or two of repayment which will also contribute to an increasing debt after repayment.

The 2000 repayment cohort is atypical as it represents a higher proportion of borrowers who withdrew from their course and or who were on a one year course of study.

## Appendix A

### FOOTNOTES

[1] The repayment status is based on the information received from HMRC, on a monthly basis, relating to a past tax year or later information collected by SLC directly from the borrower.

[2] The status as at the end of April 2011 incorporates the effect of an assumption for tax year 2009/10 of zero repayments where no HMRC tax information has been received for that tax year. Subsequent receipt of information will change the known repayment status as at the end of that tax year.

[3] EU students are not entitled to maintenance loans. They were, however, eligible for Graduate Endowment loans and are, therefore, included. The Graduate Endowment was abolished for all students who would have become liable on 1 April 2008 or later, with the exception of postgraduate students who had previously deferred repayment

[4] Number of borrowers less than 50, amount borrowed or owed less than £50,000, and percentage of borrowers less than 0.5% are shown as negligible. Averages will not be shown for negligible figures, otherwise will be rounded to the nearest £10.

[5] Those borrowers who are known to be in UK employment at the end of April 2011 are allocated into earnings categories based on the 2009/10 tax returns.

[6] Borrowers in the UK tax system where HMRC does not have a record of employment at 30th April - so latest employment status to be determined.

[7] Borrowers who are known to be overseas yet fail to supply the necessary information to allow SLC to set up an overseas repayment schedule for the customer are considered to be in arrears.

[8] Borrowers as at 30th April 2011, not repaying because their account is still with SLC to resolve or there is no tax record for them at HMRC.

[9] For UK domiciled borrowers the largest group in this category are those with no tax record at HMRC.

[10] ICR loan repayments are deducted from pay by employers who send the monies to HMRC as part of tax and National Insurance returns. Figures also include repayments via Self Assessment. HMRC pass on monies to the Department for Business Innovation & Skills (BIS) based on estimates of what portion of the employer returns they believe constitute Student Loans deductions. BIS pass on the estimated Scotland portion of those estimated Student Loans deductions to the Scottish Government.

[11] After the tax year is over the employers pass details of repayments per borrower to HMRC in P14 returns. HMRC pass this information on to SLC when they have validated it. SLC receives this information at various times after the tax year is over.

[12] The earnings threshold was raised from £10,000 to £15,000 at the start of tax year 2005/06.

[13] The outstanding debt is reduced by repayments and cancellations. It is increased by the effect of interest and further loans taken out. Borrowers are grouped into cohorts based on year in which they will become liable for repayment.

[14] The outstanding debt for cohorts 2000 through 2009 represents the position after the processing of the 2009/10 tax year returns.

The latest known debt for the 2010 cohort is at 31/03/2010 on entry into the 2010/11 tax year.

The latest known debt for the 2011 cohort is at 31/03/2011 on entry into the 2010/12 tax year.

## Appendix B

### DEFINITIONS

Accounts paid in full	The borrower has repaid the account in full without it being cancelled or written off. It includes accounts with small balance write-offs of less than or equal to £5. Also includes accounts closed under the Repayment of Teacher Loans (RTL) Scheme.
Cancelled loan	The borrower no longer has any liability to repay as provided for in the loans regulations.  An ICR borrower's liability shall be cancelled: <ul style="list-style-type: none"> <li>• On the death of the borrower;</li> <li>• When, in the case of post-2007 student loans, the 35<sup>th</sup> anniversary of the date on which the borrower became liable to repay the student loan; or</li> <li>• Where the student loan is not a post-2007 student loan, the borrower reaches the age of 65; or</li> <li>• If/when the borrower is disabled and permanently unfit for work</li> </ul>
Entered repayment status / in repayment status	The borrower has reached the point where repayment is scheduled to commence, that is, the April after he/she graduates or leaves his/her studies.
In arrears	Borrowers who have at least one loan on which repayments are owed. For ICR arrears this is for those borrowers who moved overseas and did not provide SLC with adequate information to allow the processing of repayments and subsequent measures includes placing borrowers in arrears so that legal action may be brought against them.
Income Contingent Loan	Also known as Income Contingent Repayment (ICR) Loan. Introduced in 1998, repayment is 9% of income above the repayment threshold. Includes ICR maintenance loans, tuition fee loans, hardship loans, part-time loans and graduate endowment loans. Hardship loans ceased to be issued after academic year 2003/04, Tuition fee loans were introduced for new entrants in academic year 2006/07. The Graduate Endowment fee was abolished for all those who graduated on or after 1 April 2007 (and therefore became liable for the fee on 1 April 2008). Part-time loans were removed from the beginning of academic year 2008/09.
Refunds of income contingent repayments	Where over-repayment is identified, a refund is provided to the customer by SLC.
Repayment Cohort	The year of the earliest Statutory Repayment Due Date (SRDD). See definition of SRDD below. A borrower may only belong to one repayment cohort. It is possible for the repayment cohort to change e.g. If the student drops out of their course.
Statutory Repayment Due Date (SRDD)	The point a borrower becomes liable to begin repaying a loan: the April after graduating or otherwise leaving their course. After the SRDD borrowers are required to make repayments if their income is above the threshold.

## Appendix C

### NOTES FOR EDITORS

1. The statistics on student loans in this official statistic were compiled by the Student Loans Company (SLC).
2. Repayments for income contingent repayment loans are deducted from earnings by employers at the rate of 9% of income above the income threshold (which has been £15,000 since April 2005 and was previously £10,000). The Student Loans Company (SLC) collects monies directly where the borrower lives overseas or has a small balance. Given that the repayments are deducted by employers there is no concept of arrears unless the borrower goes overseas. In such cases arrears may arise if the customer does not adhere to the repayment schedule. SLC also receives voluntary repayments directly from borrowers where they wish to pay more than the regulatory amount.
3. Borrowers become liable to repay their loans in the April after they graduate or otherwise leave the period of study for which they received loans. Many go on to further study e.g. postgraduate study but their liability to repay has begun and they will make repayments if they earn enough in the tax year alongside their study. Borrowers are grouped into repayment cohorts based on the year in which their liability to repay their first loan began.
4. The data held by the Student Loans Company (SLC) at 31st March 2011 for repayments via HM Revenue and Customs (HMRC), and the resultant status information, interest applied and outstanding balance, represent mostly the effect of repayments in tax year 2009/10. Backdated information can be received from HMRC causing the data posted by SLC in one financial year to cover multiple tax years. The purpose of this publication is to show the data by tax year in order to represent the time series from the point of view of the borrowers themselves and their actual repayment history.

### Repayment Status (Table 1)

5. Some of the repayment status categories in Table 1 are the result of information received from HMRC. This information is received on a monthly basis, giving the up to date employment status of borrowers. Borrowers are grouped as follows:
  - a. If HMRC cannot identify the borrower in their records from the information provided by SLC the borrower will be in the category of “Not Currently Repaying - Further Information Required to Establish Correct Repayment Status”.
  - b. If it shows they are currently on Job Seekers Allowance then they will be in the category of “does not require repayment at this point”.
  - c. If they are in their first year of liability and it shows they are in employment then they will be in the category of “awaiting first tax year return to determine if above earnings threshold”.
  - d. If HMRC have found the borrower but there is no employment record at the end of the latest month they are in the category of “In UK tax system – No Live Employment at HMRC”.
  - e. Once the borrower has been in the tax system for one tax year HMRC will be able to pass on returns from the borrower’s employer(s) to show if the borrower is above or below the earnings threshold for repayment. HMRC notify SLC of repayments deducted by employers

during a year once employers provide those details to HMRC on their annual returns after the end of each financial year. So it is only when that happens, that SLC will know if a borrower has been above or below the earnings threshold. The borrower will then be shown in the appropriate category.

- f. However, if the borrower has ceased to have an employment record they will revert to being in “In UK tax system – No Live Employment at HMRC” because that is a more up to date indicator than the post tax year earnings record.

6. From 2009, SLC took action against those borrowers who moved overseas and did not provide SLC with adequate information to allow the processing of repayments. One of the measures was to place borrowers in arrears so that legal action may be brought against them. This necessary change in the process led to an increase in the number of borrowers residing overseas and in arrears.

7. From December 2009 a new repayment method was introduced which would allow those borrowers who were nearing end of repayment to switch to direct debit repayments. In doing so, borrowers could avoid the possibility of over repaying their loan.

### **Repayments via HMRC (Table 2)**

8. The average repayment amount dropped for all repayment cohorts except the 2004 cohort between tax year 2004/05 and 2005/06 due to the increase in the income threshold from £10,000 to £15,000. The growth in earnings in year 2 of repayment for the 2004 cohort was enough to outweigh the effect of the income threshold change.

### **Outstanding Debt (Table 3)**

9. The average amount of debt outstanding for each repayment cohort has increased year on year. Interest added to the balance in the early years of repayment has tended to outweigh the repayments made and many of the borrowers have gone on to take out further loans after their initial loans became liable for repayment. Table 3 excludes those who have fully repaid their loans; therefore figures on average amount owed cover those who have outstanding debt only.