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INVESTOR IN PEOPLE

**INCOME CONTINGENT REPAYMENTS BY REPAYMENT COHORT AND TAX YEAR 2000/01 TO 2010/11
INCLUSIVE (PROVISIONAL)**

INTRODUCTION

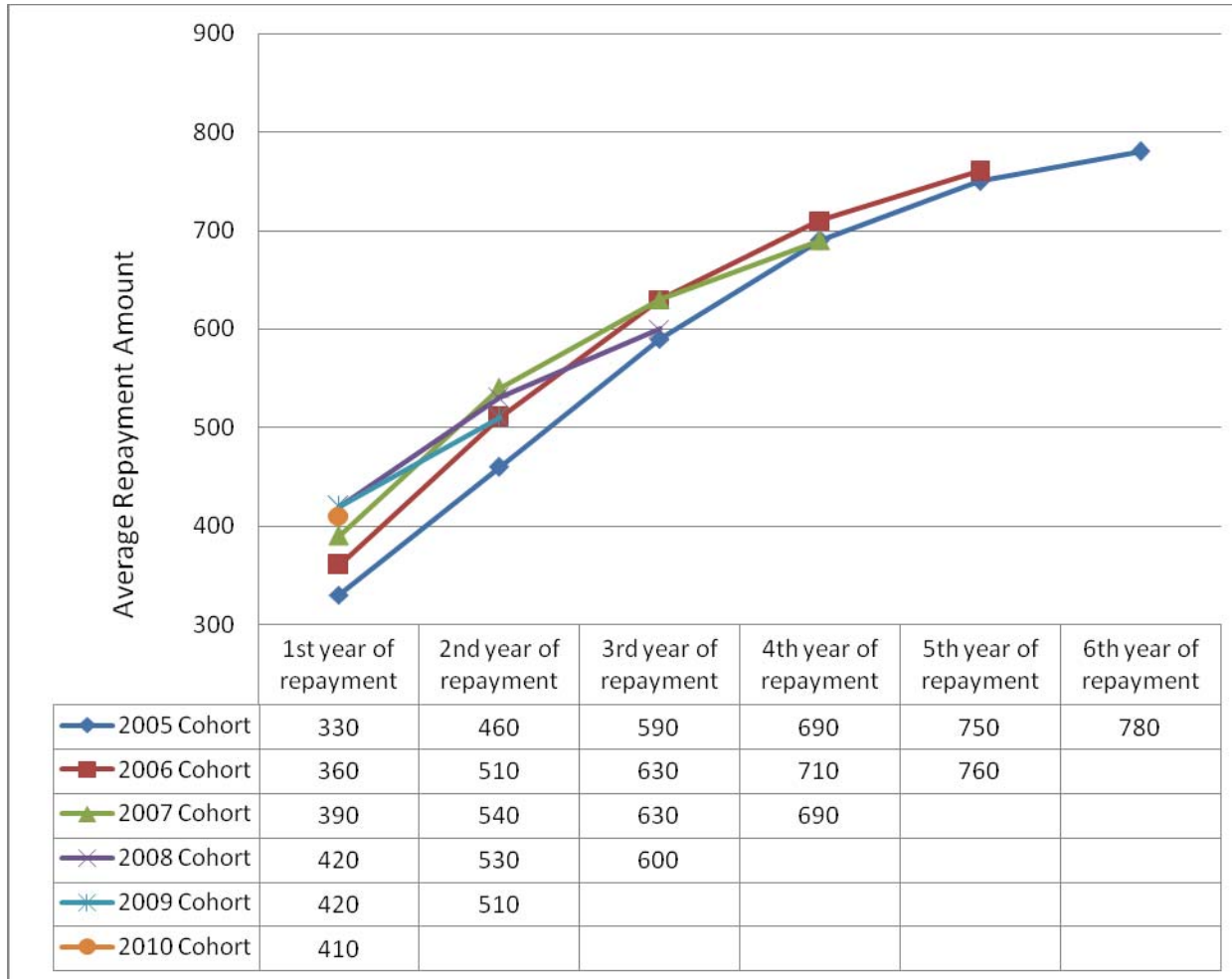
Official statistics on repayment of income contingent student loans are today released by the Student Loans Company (SLC). This publication provides a detailed analysis of the repayment statistics for income contingent repayment (ICR) student loans. It covers Scottish borrowers and a small number of EU borrowers who studied in Scotland and took out a graduate endowment loan. Repayments for tax years after 2010/11 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 2011-12'. The SFR is also being published today, 19th June 2012 by Student Loans Company.

KEY POINTS

- The percentage of borrowers who have fully repaid their loans at 30th April 2012 ranges from 2.3% for the latest entry cohort (2012) to 26.0% for the 2000 cohort (after 12 years of repayment liability) (*Table 1*).
- The average amount repaid by each borrower who made a repayment via HMRC in tax year 2010/11 ranged from £410 for the 2010 cohort in its first year of repayment to £780 for the 2004 and 2005 cohorts (after 7 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 2010/11 ranged from £5,580 for the 2000 cohort (after 11 years of recorded repayment history) to £7,540 for the 2006 cohort (after 5 years of recorded repayment history). For the 2011 cohort, the average debt was £5,980 at the point where their liability to repay began, slightly higher than the 2009 cohort where the average debt was £5,940 on entering repayment (*Table 3*).
- Within cohorts of borrowers the average repayments have generally increased, due to growing incomes since leaving higher education. The 2010 cohort which is the latest cohort to have made a repayment, has a lower average repayment than that of the 2009 cohort as reported in its first year of repayment (*Table 2*).

Chart 1: Average annual amount repaid (£) by ICR Student Loan borrowers making repayments via HMRC (cohorts 2005 to 2010)



See table 2(iii) for data on all cohorts

Chart 1 illustrates the average amounts repaid by borrowers per year for each repayment cohort. The average amount repaid increases sharply in the first and second years of repayment, followed by a more gradual increase over the following years. The increasing repayments are caused by income growth in the years following graduation. It can also be seen that the average repayment on the first year of repayment increased gradually through 2005 to 2008 before reaching a plateau in 2009, followed by a decrease in 2010. This could be linked to changes in starting salaries over the years.

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- 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*
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TIMING OF PUBLICATION DATA

The data in this publication is taken as at 30th April 2012 in order to incorporate the effect of the provisional close of tax year 2010/11. 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, would cease repaying until their income reached the new threshold.
- 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 2011-12'. 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 31st March 2012 rather than 30th April 2012.

This related publication can be found at: <http://www.slc.co.uk/statistics/national-statistics>

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 30/04/2012 [2]

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

Key Points:

- By the end of April 2012, 47,700 Income Contingent borrowers, which represents 14% 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	
	Account closed		In the UK tax system					Known to be in the UK	Resident overseas			Repayment status to be confirmed			
	Fully repaid	Loan has been cancelled	Above earnings threshold or has made a repayment in last tax year [5]	Below earnings threshold in the last tax year [5]	No live employment at HMRC [6]	Awaiting first year tax return to determine if earnings above threshold [5]	Repaying		Defaulted in arrears	No details of income provided so Placed in arrears [7]	Not currently repaying - Further information being sought[8][9]				
Repayment Cohort															
2000	2.4	0.2	2.6	1.9	1.2	-	0.7	-	-	-	-	-	0.2	9.4	
2001	2.7	0.3	4.6	2.7	1.7	-	0.7	-	-	-	-	-	0.5	13.4	
2002	3.7	0.5	7.9	4.5	2.7	-	1.3	-	-	0.1	-	-	0.5	21.3	
2003	7.4	0.5	13.1	6.2	3.9	0.1	1.7	0.1	0.1	0.2	-	-	0.9	34.1	
2004	7.2	0.4	14.0	6.3	4.0	0.1	1.6	0.2	0.1	0.2	-	-	0.7	34.7	
2005	6.5	0.3	15.1	6.1	3.7	0.1	1.7	0.2	0.1	0.2	-	-	0.7	34.5	
2006	5.2	0.2	14.7	6.3	3.7	0.1	1.6	0.2	0.1	0.2	-	-	0.6	33.0	
2007	4.0	0.1	14.0	6.8	3.5	0.2	1.6	0.2	0.1	0.2	-	-	0.6	31.2	
2008	3.3	0.1	11.9	7.0	3.4	0.2	1.6	0.1	-	0.2	-	-	0.8	28.7	
2009	2.2	0.1	10.8	7.6	3.8	0.3	1.5	0.1	-	0.2	-	-	0.4	27.1	
2010	1.5	0.1	9.4	8.9	4.5	0.8	1.8	0.1	-	0.2	-	-	0.4	27.7	
All cohorts with at least one tax year processed	46.1	2.9	118.2	64.2	36.2	1.9	15.7	1.2	0.6	1.5	0.2	0.2	6.4	295.1	
2011	1.0	0.1	0.7	0.5	5.5	17.7	1.8	0.1	-	0.2	-	-	0.4	27.9	
2012	0.6	-	0.1	0.1	5.9	15.6	1.5	-	-	0.2	-	-	0.5	24.5	
Cohorts with no tax year processed as yet	1.5	0.1	0.8	0.6	11.4	33.2	3.4	0.1	-	0.4	-	-	0.9	52.4	
All ICR borrowers who have become liable to	47.7	3.0	119.0	64.9	47.5	35.1	19.0	1.3	0.6	1.9	0.2	0.2	7.2	347.5	

. = 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 2012. Until their debt is fully repaid or cancelled they can move into and out of any of the other statuses.

The 2012 repayment cohort represents those borrowers who became liable to repay in April 2012. 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 30/04/2012 [2]

Key Points:

- The percentage of borrowers who have fully repaid their loans at 30th April 2012, ranges from 2% for the latest repayment cohort, 2012, to 26% for the 2000 cohort (after 12 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 2010), 17% no longer have live accounts and no longer liable to repay, 80% are liable to repay and known to be in the UK and/or UK tax system, 1% are known to be overseas and 2% 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	Number of borrowers as a percentage of the cohort total [4]												Total
	Account closed		In the UK tax system				Known to be in the UK	Resident overseas			Repayment status to be confirmed		
	Fully repaid	Loan has been cancelled	Above earnings threshold or has made a repayment in last tax year [5]	Below earnings threshold in the last tax year [5]	No live employment at HMRC [6]	Awaiting first year tax return to determine if earnings above threshold [5]	Status that does not require repayment at this point	Above earnings threshold for that country(of which)	Below earnings threshold for that country	No details of income provided so Placed in arrears [7]	Not currently repaying - Further information being sought[8][9]		
Repayment Cohort							Repaying	Defaulted in arrears					
2000	26.0%	2.4%	27.8%	20.5%	12.9%	-	7.2%	-	-	-	-	2.5%	100.0%
2001	20.2%	2.3%	34.4%	19.9%	13.0%	-	5.5%	-	-	-	-	3.9%	100.0%
2002	17.3%	2.1%	37.3%	21.0%	12.9%	-	6.0%	-	-	-	-	2.4%	100.0%
2003	21.5%	1.5%	38.5%	18.1%	11.4%	-	5.1%	-	-	-	-	2.6%	100.0%
2004	20.8%	1.2%	40.2%	18.2%	11.6%	-	4.5%	-	-	-	-	1.9%	100.0%
2005	18.7%	0.9%	43.6%	17.8%	10.7%	-	4.8%	0.5%	-	-	-	2.0%	100.0%
2006	15.9%	0.7%	44.8%	19.1%	11.2%	-	4.7%	0.5%	-	0.5%	-	1.9%	100.0%
2007	12.9%	-	44.8%	21.7%	11.2%	-	5.1%	0.5%	-	0.7%	-	2.0%	100.0%
2008	11.4%	-	41.6%	24.3%	12.0%	0.8%	5.5%	-	-	0.6%	-	2.7%	100.0%
2009	8.1%	-	40.0%	28.0%	14.1%	1.2%	5.5%	-	-	0.6%	-	1.5%	100.0%
2010	5.5%	-	33.9%	32.1%	16.2%	2.8%	6.5%	-	-	0.8%	-	1.5%	100.0%
All cohorts with at least one tax year processed	15.6%	1.0%	40.0%	21.8%	12.3%	0.6%	5.3%	-	-	0.5%	-	2.2%	100.0%
2011	3.4%	-	2.4%	1.9%	19.7%	63.4%	6.5%	-	-	0.8%	-	1.3%	100.0%
2012	2.3%	-	0.5%	-	23.9%	63.5%	6.3%	-	-	0.7%	-	2.1%	100.0%
Cohorts with no tax year processed as yet	2.9%	-	1.5%	1.2%	21.7%	63.4%	6.4%	-	-	0.7%	-	1.7%	100.0%
All ICR borrowers who have become liable to repay	13.7%	0.8%	34.2%	18.7%	13.7%	10.1%	5.5%	-	-	0.6%	-	2.1%	100.0%

. = 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 30/04/2012 [2]

Key Points:

- In tax year 2010/11, 143,000 borrowers made repayments via HMRC.
- The amount repaid via HMRC in tax year 2010/11 was £95.9 million which is a 19% increase on 2009/10 when it was £80.4m.

Table 2(i): Number of ICR Student Loans borrowers making repayments via HMRC [10] by repayment cohort and tax year [11] as at 30/04/2012 [2]

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

Tax Year of repayment	Number of borrowers repaying in thousand [4]											
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [12]	2006/07	2007/08	2008/09	2009/10	2010/11	
Repayment Cohort												
2000	2.7	3.3	3.6	4.1	4.2	3.4	3.5	3.5	3.5	3.3	3.3	
2001	.	4.1	4.8	5.8	6.3	5.2	5.6	5.8	5.7	5.5	5.6	
2002	.	.	6.6	8.7	9.8	8.0	8.7	9.4	9.5	9.4	9.5	
2003	.	.	.	13.5	16.1	13.9	15.3	16.3	16.3	16.0	16.2	
2004	15.2	13.2	15.1	16.7	17.1	16.8	17.3	
2005	11.9	14.8	16.9	17.8	18.0	18.4	
2006	11.9	15.2	16.5	17.0	18.0	
2007	11.4	14.1	15.3	16.7	
2008	11.5	12.8	14.3	
2009	10.7	12.8	
2010	10.9	
2011	
2012	
All ICR borrowers who made a repayment via HMRC	2.7	7.4	15.1	32.1	51.6	55.6	74.8	95.2	112.0	124.8	143.0	

. = 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 30/04/2012 [2]

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

Tax Year of repayment	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	2010/11	
Repayment Cohort												
2000	0.5	0.8	1.1	1.4	1.8	1.0	1.3	1.6	1.7	1.7	1.9	
2001	.	0.8	1.3	2.0	2.7	1.6	2.1	2.7	2.9	3.0	3.2	
2002	.	.	1.6	2.7	3.9	2.6	3.4	4.5	5.1	5.4	5.8	
2003	.	.	.	4.3	7.1	5.5	7.7	10.0	11.3	11.7	12.2	
2004	6.0	5.1	7.4	10.2	11.8	12.5	13.5	
2005	4.0	6.8	10.0	12.3	13.4	14.4	
2006	4.3	7.7	10.4	12.0	13.7	
2007	4.5	7.6	9.6	11.6	
2008	4.8	6.7	8.6	
2009	4.5	6.6	
2010	4.5	
2011	
2012	
All ICR borrowers who made a repayment via HMRC	0.5	1.6	4.0	10.4	21.5	19.7	33.0	51.1	67.9	80.4	95.9	

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

Source: Student Loans Company

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 30/04/2012 [2]

Key Points:

- The average amount repaid by each borrower who made a repayment via HMRC in tax year 2010/11 ranges from £410 for the 2010 cohort in its first year of repayment to £780 for the 2004 and 2005 cohorts (after 7 and 6 years of recorded repayment history).
- The average amount repaid by the 2010 cohort in year 1 was £410 which is £10 lower than the 2009 cohort in their year 1 which was £420.

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

Tax Year of repayment	Average amount of repayment per borrower in £ [4]											
	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [12]	2006/07	2007/08	2008/09	2009/10	2010/11	
Repayment Cohort												
2000	170	250	310	350	430	300	360	440	480	520	550	
2001	.	190	270	340	430	310	380	460	520	540	580	
2002	.	.	240	310	400	320	390	480	540	580	610	
2003	.	.	.	320	440	400	500	610	690	730	750	
2004	390	390	490	610	690	740	780	
2005	330	460	590	690	750	780	
2006	360	510	630	710	760	
2007	390	540	630	690	
2008	420	530	600	
2009	420	510	
2010	410	
2011	
2012	
All ICR borrowers who made a repayment via HMRC	170	220	270	320	420	350	440	540	610	640	670	

. = 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 2010/11 as known by SLC at 30/04/2012.

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 2010/11 (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 2010/11 was 281,300.
- The total outstanding income contingent loan debt of borrowers now liable to repay at the end of tax year 2010/11 was £2 billion. This is an increase of 6% on the debt at the end of tax year 2009/10 when it was £1.9 billion.

Table 3(i): Number of ICR Student Loans borrowers with outstanding debt [13] by repayment cohort and tax year [11] as at 30/04/2012[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]	2011/12 [14]
Repayment Cohort													
2000	9.4	9.4	9.3	9.2	9.0	8.7	8.6	8.4	7.7	7.4	7.1	6.8	..
2001	..	13.4	13.3	13.3	13.1	12.9	12.8	12.6	12.2	11.8	11.3	10.9	..
2002	21.2	21.1	20.9	20.6	20.4	20.1	19.6	19.0	18.4	17.7	..
2003	33.8	33.6	33.1	32.7	32.1	30.6	29.5	28.2	27.1	..
2004	34.3	33.8	33.4	32.9	32.0	30.8	29.7	28.6	..
2005	33.9	33.6	33.2	32.2	31.0	29.9	28.7	..
2006	31.9	32.1	31.4	30.5	29.6	28.4	..
2007	30.1	30.3	29.6	28.9	28.0	..
2008	28.1	27.5	26.9	26.1	..
2009	26.5	25.9	25.3	..
2010	27.2	26.4	..
2011	27.3	..
2012	24.0
All ICR borrowers with outstanding debt	9.4	22.7	43.8	77.3	110.8	143.1	173.3	201.3	224.1	243.6	263.0	281.3	..

. = 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 30/04/2012[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]	2011/12 [14]
Repayment Cohort													
2000	24.6	29.3	32.6	34.8	36.2	36.9	38.1	39.3	39.6	39.9	38.7	37.9	..
2001	..	52.1	58.9	63.4	66.2	67.7	69.9	71.5	73.8	73.8	71.4	69.4	..
2002	103.5	117.0	125.4	130.4	135.3	138.6	141.4	141.5	137.6	133.0	..
2003	186.9	201.8	209.5	216.7	220.4	220.1	217.7	208.3	199.8	..
2004	205.5	217.9	227.7	232.9	235.7	233.7	223.6	213.4	..
2005	214.7	229.0	235.7	237.6	235.8	226.5	216.0	..
2006	201.0	222.8	230.1	230.9	223.5	214.3	..
2007	182.4	207.8	213.3	209.4	203.1	..
2008	168.1	178.1	179.1	177.7	..
2009	161.5	166.9	169.3	..
2010	161.4	167.7	..
2011	163.4	..
2012	155.3
All ICR borrowers with outstanding debt	24.6	81.4	195.0	402.0	635.1	877.1	1,117.8	1,343.7	1,554.1	1,726.3	1,846.3	1,964.9	..

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

Source: Student Loans Company

Table 3(iii): Average amount owed by ICR Student Loans borrowers with outstanding debt [13] by repayment cohort and tax year [11] as at 30/04/2012[2]

Key Points:

- The average debt for the 2012 repayment cohort who have just entered repayment in April 2012 is £6,480. This is £500 (8%) higher than the average debt of the 2011 cohort when they entered repayment which was £5,980.

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	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]	2011/12 [14]
Repayment Cohort													
2000	2,620	3,130	3,500	3,800	4,040	4,230	4,450	4,700	5,130	5,390	5,480	5,580	..
2001	.	3,900	4,420	4,770	5,040	5,230	5,470	5,700	6,030	6,270	6,320	6,380	..
2002	.	.	4,890	5,550	5,990	6,320	6,640	6,880	7,200	7,460	7,490	7,500	..
2003	.	.	.	5,530	6,010	6,320	6,630	6,870	7,190	7,390	7,380	7,380	..
2004	6,000	6,450	6,820	7,080	7,370	7,580	7,530	7,480	..
2005	6,330	6,820	7,100	7,390	7,600	7,580	7,520	..
2006	6,300	6,950	7,320	7,570	7,560	7,540	..
2007	6,060	6,860	7,200	7,250	7,260	..
2008	5,980	6,470	6,650	6,810	..
2009	6,100	6,430	6,680	..
2010	5,940	6,360	..
2011	5,980	..
2012	6,480
All ICR borrowers with outstanding debt	2,620	3,580	4,450	5,200	5,730	6,130	6,450	6,670	6,930	7,090	7,020	6,990	..

. = 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 2011 cohort. The only change for that cohort is an increase in numbers (from 26,600 in April 2011 to 27,300 in April 2012) 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 2012 incorporates the effect of an assumption for tax year 2010/11 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 2012 are allocated into earnings categories based on the 2010/11 tax returns.

[6] Borrowers in the UK tax system where HMRC does not have a record of any current 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 2012, 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 2010 represents the position after the processing of the 2010/11 tax year returns.

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

The latest known debt for the 2012 cohort is at 31/03/2012 on entry into the 2012/13 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"> • On the death of the borrower; • When, in the case of post-2007 student loans, the 35th anniversary of the date on which the borrower became liable to repay the student loan; or • Where the student loan is not a post-2007 student loan, the borrower reaches the age of 65; or • If/when the borrower is disabled and permanently unfit for work
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 2012 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 2010/11. 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.