

**Official
Statistics**



31 October 2011

Correction Notice

Official Statistic

**“INCOME CONTINGENT REPAYMENTS BY REPAYMENT COHORT AND TAX YEAR
2000/01 TO 2008/09 INCLUSIVE (PROVISIONAL)”**

An incorrect dataset was used to prepare the Student Loan debt figures in Table 3 of the publication on 22 June 2010. The dataset included borrowers that should have been excluded i.e. those who had fully repaid their loans but had a residual credit balance. The effect is small for the most recent cohorts but is significant for the older cohorts. It affects the whole of Table 3.

The third Key Point taken from Table 3 has been corrected. The average debt at 31/3/2009 for the 2000 cohort has been corrected from £4,560 to £5,380. The average debt at 31/3/2009 for the 2009 has been corrected from £6,000 to £6,100. The cohort with the highest average debt at 31/3/2009 has been corrected from the 2006 cohort (corrected from £7,180 to £7,530) to the 2004 and 2005 cohorts (corrected to £7,570).

Please note that these historic figures have all subsequently been superseded by more recent data. See the publication on 23 June 2011: “Income Contingent Repayments by Repayment Cohort and Tax Year 2000/01 to 2009/10 Inclusive (Provisional)”

The Student Loans Company and the Scottish Government apologise for any inconvenience caused.

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Statistics Publication Notice

Lifelong Learning Series

An Official Statistics Publication for Scotland

**INCOME CONTINGENT REPAYMENTS BY REPAYMENT COHORT AND TAX YEAR
2000/01 TO 2008/09 INCLUSIVE (PROVISIONAL) (CORRECTED)
22 June 2010 (Corrected 31 October 2011)**

SLC OSP 05/2010

22 June 2010

Coverage: Scotland

**Theme: Education
and Training**

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INVESTOR IN PEOPLE

INTRODUCTION

Official statistics on repayment of income contingent student loans are today released jointly by Scotland's Chief Statistician and 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 2008/09 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 2009-10'. The SFR is also being published today, 22nd June 2010 by Scotland's Chief Statistician and the Student Loans Company.

KEY POINTS (WITH CORRECTED THIRD KEY POINT)

- The percentage of borrowers who have fully repaid their loans at 30th April 2010 ranges from 2.3% for the latest entry cohort (2010) to 20.5% for the 2000 cohort (after 10 years of repayment liability). (*Table 1*).
- The average amount repaid by each borrower who made a repayment via HMRC in tax year 2008/09 ranged from £410 for the 2008 cohort in its first year of repayment to £690 for the 2004 and 2005 cohorts (after 5 and 4 years of recorded repayment history respectively). (*Table 2*).
- The average debt for borrowers who still had a live account at the end of tax year 2008/09 ranged from £5,380 for the 2000 cohort (after 9 years of recorded repayment history) to £7,570

for the 2004 and 2005 cohorts (after 5 years and 4 years respectively of recorded repayment history) For the 2009 cohort, the average debt was £6,100 at the point where their liability to repay began. (*Table 3*).

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Table 1 shows the repayment status of the ICR borrowers after the provisional close of tax year 2008/09. *Pages 4 and 5.*

Table 2 shows the repayments made by ICR borrowers via HMRC in tax years up to and including tax year 2008/09 as known by SLC at 30/04/2010. *Page 6.*

Table 3 shows the outstanding balances for ICR borrowers at the end of each tax year since their liability to repay began. *Page 7.*

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Appendix C contains notes for editors. *Pages 10 and 11.*

TIMING OF PUBLICATION DATA

The data in this publication is taken as at 30th April 2010 in order to incorporate the effect of the provisional close of tax year 2008/09. 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.
- In financial year 2008-09 SLC took action against those borrowers who moved overseas and did not provide SLC adequate information to allow the processing of repayments. Such measures included notifying borrowers that they would move into an arrears status and enforcement of litigation through legal system. This change in process accounts for the increase in the number of overseas borrowers in arrears at 30th April 2010.

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 and the Scottish Government include: 'Student Loans for Higher Education in Scotland Financial Year 2009-10'. 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 2010 rather than 30th April 2010.

The link to this publication is: <http://www.slc.co.uk/pdf/slcsfr052010.pdf> .This link and other publications can be found on SLC Web site:

http://www.slc.co.uk/statistics/official_statistics.html

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

Shows the repayment status of the ICR borrowers after the provisional close of tax year 2008/09.

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

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]												
	Fully Repaid	Loan has been cancelled	In UK Tax System : Above Earnings Threshold And/OR 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	Not Currently Repaying - Further Information Required To Establish Correct Repayment Status [7][8]	Total
Repayment Cohort													
2000	1.9	0.2	2.6	2.2	1.5	-	0.5	-	-	-	-	0.4	9.4
2001	2.0	0.2	4.6	3.2	2.2	-	0.5	-	-	-	-	0.7	13.4
2002	2.6	0.3	7.7	5.3	3.6	0.1	0.9	-	0.1	-	-	0.7	21.3
2003	5.0	0.3	13.1	7.5	4.7	0.2	1.5	0.1	0.2	-	-	1.5	34.2
2004	4.7	0.3	13.7	7.7	5.4	0.2	1.4	0.1	0.2	0.1	-	1.0	34.7
2005	4.0	0.2	14.4	7.9	4.6	0.2	1.7	0.1	0.2	-	-	1.2	34.5
2006	2.8	0.1	13.7	8.1	4.7	0.3	1.7	0.1	0.2	-	-	1.2	33.0
2007	2.0	0.1	12.1	8.5	4.5	0.6	1.8	0.1	0.2	-	-	1.3	31.2
2008	1.6	0.1	9.6	8.2	4.7	1.1	1.8	0.1	0.2	-	-	1.3	28.7
All cohorts with at least one tax year processed	26.7	1.7	91.5	58.6	35.9	2.7	11.9	0.8	1.1	0.2	0.1	9.4	240.5
2009	1.1	-	0.6	0.2	5.7	16.9	1.7	0.1	0.2	-	-	0.5	27.1
2010	0.6	-	-	-	7.1	15.9	1.5	-	0.2	-	-	1.4	26.7
Cohorts with no tax year processed as yet	1.7	0.1	0.7	0.2	12.8	32.8	3.2	0.1	0.4	-	-	1.9	53.8
All ICR borrowers who have become liable to repay	28.4	1.8	92.1	58.8	48.6	35.5	15.1	0.8	1.5	0.2	0.1	11.3	294.3

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

Source: Student Loans Company

See Appendix A for footnotes

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

Shows the repayment status of the ICR borrowers after the provisional close of tax year 2008/09.

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]

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
	Fully Repaid	Loan has been cancelled	In UK Tax System : Above Earnings Threshold And/Or 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	Not Currently Repaying - Further Information Required To Establish Correct Repayment Status [7][8]		
Repayment Cohort														
2000	20.5%	1.6%	27.8%	23.5%	15.8%	-	5.3%	-	-	-	-	4.8%	100%	
2001	14.5%	1.4%	34.0%	23.6%	16.2%	-	4.0%	-	-	-	-	5.5%	100%	
2002	12.4%	1.2%	36.1%	24.9%	16.7%	0.5%	4.3%	-	0.3%	-	-	3.3%	100%	
2003	14.6%	1.0%	38.4%	22.0%	13.8%	0.5%	4.4%	0.3%	0.4%	-	-	4.4%	100%	
2004	13.5%	0.8%	39.5%	22.3%	15.6%	0.6%	4.0%	0.4%	0.4%	0.1%	-	2.9%	100%	
2005	11.5%	0.5%	41.6%	22.9%	13.4%	0.6%	4.9%	0.4%	0.4%	-	-	3.5%	100%	
2006	8.6%	0.4%	41.5%	24.4%	14.2%	1.0%	5.3%	0.4%	0.5%	-	-	3.5%	100%	
2007	6.5%	0.3%	38.8%	27.2%	14.4%	1.9%	5.6%	0.3%	0.5%	-	-	4.2%	100%	
2008	5.6%	0.3%	33.6%	28.5%	16.4%	3.7%	6.4%	0.3%	0.6%	-	-	4.5%	100%	
All cohorts with at least one tax year processed	11.1%	0.7%	38.0%	24.4%	14.9%	1.1%	4.9%	0.3%	0.5%	0.1%	-	3.9%	100%	
2009	4.0%	-	2.3%	0.8%	21.0%	62.5%	6.3%	0.2%	0.8%	-	-	1.7%	100%	
2010	2.3%	-	-	-	26.4%	59.3%	5.7%	-	0.6%	-	-	5.4%	100%	
Cohorts with no tax year processed as yet	3.2%	0.2%	1.2%	0.4%	23.7%	60.9%	6.0%	0.2%	0.7%	-	-	3.5%	100%	
All ICR borrowers who have become liable to repay	9.6%	0.6%	31.3%	20.0%	16.5%	12.1%	5.1%	0.3%	0.5%	0.1%	-	3.8%	100%	

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

Source: Student Loans Company

See Appendix A for footnotes

Table 2 : ICR Student Loans borrowers making repayments via HMRC [9] by repayment cohort and tax year [10] as at 30/04/2010 [2]
Shows the repayments made by ICR borrowers via HMRC in tax years up to and including tax year 2008/09 as known by SLC at 30/04/2010.

Key Points

The average amount repaid by each borrower who made a repayment via HMRC in tax year 2008/09 ranged from £410 for the 2008 cohort in its first year of repayment to £690 for the 2004 and 2005 cohort (after 5 and 6 years respectively of recorded repayment history).

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 at which repayments begin 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.

Table 2 (i): Number of ICR Student Loans borrowers making repayments via HMRC [9] by repayment cohort and tax year [10] as at 30/04/2010 [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]								
Tax Year of repayment		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [11]	2006/07	2007/08	2008/09
Repayment Cohort										
	2000	2.7	3.3	3.6	4.1	4.1	3.3	3.5	3.5	3.4
	2001		4.1	4.8	5.8	6.2	5.2	5.5	5.7	5.5
	2002			6.6	8.7	9.6	8.0	8.6	9.3	9.3
	2003				13.5	15.8	13.8	15.1	16.2	16.0
	2004					15.0	13.2	14.9	16.6	16.8
	2005						11.9	14.7	16.8	17.5
	2006							11.8	15.1	16.2
	2007								11.3	13.8
	2008									11.3
	2009									
	2010									
All ICR borrowers who made a repayment via HMRC		2.7	7.4	15.1	32.1	50.8	55.5	74.2	94.5	109.6

. = 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 [9] by repayment cohort and tax year [10] as at 30/04/2010 [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]								
Tax Year of repayment		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [11]	2006/07	2007/08	2008/09
Repayment Cohort										
	2000	0.5	0.8	1.1	1.4	1.7	1.0	1.3	1.6	1.6
	2001		0.8	1.3	2.0	2.7	1.6	2.1	2.6	2.8
	2002			1.6	2.7	3.8	2.5	3.4	4.5	4.9
	2003				4.3	7.0	5.5	7.6	9.8	10.9
	2004					5.9	5.1	7.4	10.1	11.5
	2005						3.9	6.7	9.9	12.0
	2006							4.3	7.6	10.2
	2007								4.4	7.3
	2008									4.6
	2009									
	2010									
All ICR borrowers who made a repayment via HMRC		0.5	1.6	4.0	10.4	21.2	19.7	32.7	50.6	66.0

. = 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 [9] by repayment cohort and tax year [10] as at 30/04/2010 [2]

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 £								
Tax Year of repayment		2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [11]	2006/07	2007/08	2008/09
Repayment Cohort										
	2000	170	250	310	350	420	300	360	440	480
	2001		190	270	340	430	310	380	460	510
	2002			240	310	400	320	390	480	530
	2003				320	440	400	500	610	680
	2004					390	390	500	610	690
	2005						330	460	590	690
	2006							360	500	630
	2007								390	530
	2008									410
	2009									
	2010									
All ICR borrowers who made a repayment via HMRC		170	210	270	320	420	350	440	530	600

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

Source: Student Loans Company

See Appendix A for footnotes

Table 3 : ICR Student Loans borrowers with outstanding debt [12] by repayment cohort and tax year [10] as at 30/04/2010 [2]

Shows the outstanding balances for ICR borrowers at the end of each tax year since their liability to repay began.

Key Points:

The average debt for borrowers who still had a live account at the end of tax year 2008/09 ranged from £5,380 for the 2000 cohort (after 9 years of recorded repayment history) to £7,570 for the 2004 and 2005 cohorts (after 5 years and 4 years respectively of recorded repayment history). For the 2009 cohort, the average debt was £6,100 at the point where their liability to repay began.

Table 3 (i): Number of ICR Student Loans borrowers with outstanding debt [12] by repayment cohort and tax year [10] as at 31/04/2010 [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 [11]	2006/07	2007/08	2008/09 [13]	2009/10 [13]	
Repayment Cohort												
2000	9.4	9.4	9.3	9.2	9.0	8.8	8.6	8.4	7.4	6.9	..	..
2001	..	13.4	13.4	13.3	13.2	13.0	12.8	12.6	12.2	11.6	..	..
2002	..	..	21.2	21.1	21.0	20.7	20.4	20.1	19.5	18.7	..	..
2003	..	..	..	33.9	33.6	33.2	32.7	32.1	29.7	28.0	..	..
2004	..	..	..	..	34.3	33.8	33.4	32.9	31.7	30.1	..	..
2005	..	..	..	..	..	33.9	33.6	33.2	31.4	29.7	..	..
2006	..	..	..	..	..	..	31.9	32.1	30.9	29.3	..	..
2007	..	..	..	..	..	..	..	30.1	30.1	28.7	..	..
2008	..	..	..	..	..	..	..	..	28.1	27.1	..	..
2009	..	..	..	..	..	..	..	..	..	26.5	..	..
2010	..	..	..	..	..	..	..	..	..	..	..	26.2
All ICR borrowers with outstanding debt	9.4	22.8	43.9	77.5	111.0	143.3	173.5	201.5	221.0	236.5	..	..

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

Source: Student Loans Company

Table 3 (ii): Amount owed by ICR Student Loans borrowers with outstanding debt [12] by repayment cohort and tax year [10] as at 31/04/2010 [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 [11]	2006/07	2007/08	2008/09 [13]	2009/10 [13]	
Repayment Cohort												
2000	24.6	29.3	32.6	34.8	36.2	37.0	38.2	39.4	37.7	37.0	..	..
2001	..	52.2	59.1	63.5	66.4	67.9	70.1	71.8	73.5	72.7	..	..
2002	..	..	103.6	117.0	125.4	130.5	135.4	138.6	140.3	138.9	..	..
2003	..	..	..	187.1	202.0	209.8	216.9	220.5	212.7	205.1	..	..
2004	..	..	..	..	205.7	218.2	228.0	233.1	233.3	228.0	..	..
2005	..	..	..	..	..	214.7	229.0	235.7	231.7	224.7	..	..
2006	..	..	..	..	..	..	201.0	222.6	225.5	220.4	..	..
2007	..	..	..	..	..	..	..	182.4	206.3	204.9	..	..
2008	..	..	..	..	..	..	..	..	168.1	174.9	..	..
2009	..	..	..	..	..	..	..	..	..	161.6	..	..
2010	..	..	..	..	..	..	..	..	..	..	..	157.8
All ICR borrowers with outstanding debt	24.6	81.5	195.2	402.5	635.8	878.2	1,118.6	1,344.1	1,528.9	1,668.2	..	..

.. = 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 [12] by repayment cohort and tax year [10] as at 31/04/2010 [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	Average amount of debt outstanding in £											
	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06 [11]	2006/07	2007/08	2008/09 [13]	2009/10 [13]	
Repayment Cohort												
2000	2,620	3,130	3,500	3,800	4,040	4,230	4,450	4,690	5,110	5,380	..	..
2001	..	3,900	4,410	4,770	5,040	5,230	5,470	5,700	6,030	6,250	..	..
2002	..	..	4,890	5,550	5,990	6,320	6,640	6,880	7,190	7,430	..	..
2003	..	..	..	5,520	6,010	6,320	6,630	6,870	7,160	7,330	..	..
2004	..	..	..	..	6,000	6,450	6,820	7,080	7,370	7,570	..	..
2005	..	..	..	..	..	6,330	6,820	7,100	7,370	7,570	..	..
2006	..	..	..	..	..	..	6,300	6,950	7,300	7,530	..	..
2007	..	..	..	..	..	..	..	6,060	6,850	7,140	..	..
2008	..	..	..	..	..	..	..	..	5,980	6,450	..	..
2009	..	..	..	..	..	..	..	..	..	6,100	..	..
2010	..	..	..	..	..	..	..	..	..	..	..	6,030
All ICR borrowers with outstanding debt	2,680	3,520	4,200	4,730	5,180	5,540	5,870	6,250	6,650	6,900	..	..

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

Source: Student Loans Company

See Appendix A for footnotes

Appendix A

FOOTNOTES FOR TABLES 1, 2, AND 3

[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 2010 incorporates the effect of an assumption for tax year 2008/09 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.

[5] Those borrowers who are known to be in UK employment at the end of April 2010 are allocated into earnings categories based on the 2008/09 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 as at 30th April 2010, not repaying because their account is still with SLC to resolve or there is no tax record for them at HMRC.

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

[9] 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.

[10] 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.

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

[12] 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.

[13] The outstanding debt for cohorts 2000 through 2008 represents the position after the processing of the 2008/09 tax year returns. The latest known debt for the 2009 cohort is at 31/03/2009 on entry into the 2009/10 tax year. The latest known debt for the 2010 cohort is at 31/03/2010 on entry into the 2010/11 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 annex 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 2010 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 2008/09. 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 supplementary 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.

Repayments via HMRC (Table 2)

6. 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)

7. 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.

8. This publication was produced by the Student Loans Company in collaboration with statisticians from Education Analytical Services within the Scottish Government.