

people:skills:jobs:



Department for
**Employment
and Learning**
www.delni.gov.uk

HIGHER EDUCATION SUPPORT FUNDS 2012/13

Conditions of funding for Higher Education Institutions in Northern Ireland

Contents

Conditions of funding for Higher Education Insitutions in Northern Ireland	Page 2
---	--------

Support Funds 2012/13 Guidance for Insitutions	Page 5
--	--------

Conditions relating to Residence	Page 10
---	---------

Schedule 5 Financial Assessment	Page 14
---	---------

Conditions of funding for Higher Education Institutions in Northern Ireland

PURPOSE OF THE SUPPORT FUNDS

1. The Support Funds are to be used to provide financial help to students whose access to higher education might be inhibited by financial considerations, or who, for whatever reason, including physical or other disabilities, face financial difficulties in meeting their living costs. Support Funds cannot be used for the purpose of assisting in meeting tuition fees. Fee support is already available through Tuition Fee Loans.
2. Support Funds may also be used for emergency payments in the case of students who have not received their loan instalment at the beginning of term.

ARRANGEMENTS FOR 2012/13

PART-TIME STATUTORY SUPPORT

3. In 2012/13 the statutory means-tested grant for fees will be up to a maximum of £1,230. Eligible students will be entitled to receive up to £1,230 (depending upon intensity of study), or the cost of the fees charged by the college (whichever is the lower), depending on the outcome of an income assessment. The amount of fee support a student receives will be linked to intensity of study (see table below). The student would still be required to complete their course in no more than twice the length of time it would take to complete the equivalent full-time course.

In 2012/2013 the following bands will apply to both new and continuing students:

Intensity of the Course	Max. Fee Grant	Max. Course Grant	Total Max. Support
Equivalent to less than 60% of the full-time course LEVEL 1	£820	£265	£1,085
Equivalent to 60% to 74% of the full-time course LEVEL 2	£985	£265	£1,250
Equivalent to 75% or more of the full-time course LEVEL 3	£1,230	£265	£1,495

Continuing part-time students who have previously received a fee waiver and who qualify for maximum fee support in 2012/13 but whose fee exceeds the maximum fee support available, are eligible for a fee waiver for the difference between the statutory support and the actual fee. Administrators are asked to record separately any fee waivers paid for transitional purposes. New part-time students are not eligible for transitional protection.

The maximum course grant for books, travel and other course costs is £265 in 2012/13.

Conditions of funding for Higher Education Institutions in Northern Ireland cont.

RECOGNITION OF CIVIL PARTNERSHIPS AND SAME SEX PARTNERS

The Civil Partnership Act 2004 came into force in December 2005, allowing partners of the same sex to form a civil partnership with one another in the UK; this will give them the same legal status as a husband or a wife. A civil partnership is formed by going through a registration procedure with similarities to civil marriage. As civil partnerships have a parallel status to marriage, civil partners have the same rights and responsibilities as opposite sex partners who have entered into marriage.

For statutory support assessments, Student Finance NI offices will be taking account of same sex partners' income, dependent upon the student's age and whether they are a new or continuing student.

For Support Funds assessment purposes, in accordance with the Act, students who declare they are in a same sex partnership should have their partner's income taken into account in the same way as students who are cohabiting/married.

CONDITIONS OF PAYMENT

4. Support Funds are provided by the Department for Employment and Learning to the institutions in two instalments (normally in September and January of each academic year) on condition that:
 - i. they are used only for the purpose mentioned in paragraphs 1 and 2 above;

- ii. they are made available only to eligible students, as defined in paragraph 5 below; and
- iii. institutions maintain their Support Funds in an interest bearing account (see paragraph 9).

ELIGIBLE STUDENTS

5. Two groups of students will be eligible for support:
 - i. **postgraduates** - all home students following full-time or part-time courses of higher education studying at levels above first degree, (PGCE students should be assessed in the same way as full-time undergraduate students);
 - ii. **undergraduates** - all home students following full-time (including sandwich, but excluding a year out) or part-time courses of higher education.
6. Students on part-time courses are those studying at least 50% (60 credits) of a full-time equivalent course.
7. Support Funds shall not be used to assist students who are eligible for a student loan in the relevant academic year but who have decided not to take one out. The only exception to this will be emergency payments to students at the beginning of term.

Conditions of funding for Higher Education Institutions in Northern Ireland cont.

8. In each case “home students” means persons who satisfy certain conditions of eligibility for a student loan, i.e. they fall within one of the categories specified in Schedule 2 to the Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009. Further details are provided in Annex A to the Guidance for Institutions attached to this document.

ACCOUNTING FOR EXPENDITURE

9. As soon as possible after the end of the academic year, and not later than 31 December, institutions shall provide the Department with a receipts and payments account for the Support Funds covering the year ending the previous academic year, audited and certified by an auditor belonging to a recognised accounting body. Auditors shall be required to certify whether the Support Funds and any interest earned on them have been applied in accordance with the terms and conditions contained in this document.

UNSPENT BALANCES

10. Up to 10% of total allocated Support Funds may be carried forward to the next financial year. Any Support Funds, over and above the 10%, which have not been paid to students or not used to defray audit costs by the end of the academic year, must be returned along with any interest earned. Unused funds must be returned to the Department not later than two months after the end of the academic year.

GUIDANCE

11. Institutions should have regard to the attached guidance.

REVISION

12. The Department may at any time revise, revoke or add to any of the terms and conditions in this document. The institution itself may make representations to the Department for revision, revocation or addition to the terms and conditions of payment.

Support Funds 2012/13

Guidance for Institutions

PAYMENTS

1. Support Funds should be targeted at students in particular need. Very small payments are inconsistent with this. The minimum payment should be £100, other than in exceptional circumstances. Very large individual payments to a few students disproportionately reduce the amount of funds available for other cases of hardship. Normally, individuals should not receive payments totalling more than £3,500 from the Support Funds towards living costs in any one academic year.
2. It is for each institution to decide individual applications for payments from its Support Funds within the criteria laid down by the Department. Institutions are asked to ensure that the need for a payment is in each case properly supported by evidence of a gap between income and expenditure.
3. In order to widen access to further and higher education, institutions must use the funds to provide support to contribute towards the **living costs** but not the tuition fees, of students who would otherwise be deterred from entering higher education because of their financial circumstances. Such assistance is, however, subject to the maximum recommended amount of £3,500.

PRIORITY FOR SUPPORT FUNDS

4. Priority should be given to mature students, to lone parents and those students who are not eligible for Childcare Grant, to disabled students who are not in receipt of Disabled Students' Allowance (DSA), and final year students.

Support Funds can be used to meet the cost of diagnostic assessment (mainly for dyslexic students) as this cannot be met from the DSA. In such circumstances, students need not have taken out a student loan.

Institutions are also asked to give priority consideration to:

- Students who are homeless or who are living in Foyers (these provide accommodation, guidance and support for homeless young people).
5. While institutions are asked to give priority consideration to these groups, institutions must assess individual need, and Support Funds must always be given at the institutions' discretion.

HELP FOR STUDENTS WHO HAVE YET TO RECEIVE LOAN INSTALMENTS

6. Students who have difficulty in meeting their living costs include those who have not received the Government financial support by the beginning of term.
7. The student support arrangements for 2012/2013 are designed to ensure that all eligible students receive some support at the beginning of term. For late applicants, this would be a payment for the non-means-tested element of the student loan as an interim payment while any application for means-tested support was being processed. But there will be a small number of students for whom there has not been enough time to process any part of their application, perhaps because they took a very

Support Funds 2012/13

Guidance for Institutions cont.

late decision to enter higher education or did not have confirmation of their course or institution until late. The Department would like institutions to use their Support Funds in a flexible and sympathetic way to help any student in these circumstances who is in need of support. This should normally be in the form of a short-term loan, to be repaid to the institution when the student loan is received.

8. If it becomes clear that a large number of students are likely to need these payments, the Department will ensure that institutions have sufficient funds to meet demand.

9. Institutions will only need to pay for students' immediate needs over a few weeks, and only if the student has no other means of support. Some institutions already have schemes in place, either through Support Funds, or through alternative funds, which will achieve this aim and there is no need to change their arrangements if that is the case. Institutions may want to check the following before giving help in these cases:

- proof of identity;
- the student is registered at the institution for a course designated for loans;
- the student has applied for a loan, or has at the very least, contacted their Student Finance NI office to begin the application process;
- basic eligibility check (e.g. three years' residency and settled status) (see Annex A to this Guidance); and

- student's financial resources and needs.

10. Institutions are recommended to ask the student to sign a declaration that he will repay the loan once the loan instalment has been received.

DECIDING WHETHER A PART-TIME COURSE QUALIFIES

11. When deciding whether a course is 50% Full Time Equivalent (FTE) or not, institutions should consider how long it would take to achieve the relevant qualification if the course were taken full-time. The calculation used should be the same as that used to calculate the FTE for the annual statistical return for HESA.

If the part-time course would take more than twice as long to complete as a full-time course, it can be difficult to assess this 50% rule where no FTE course exists. In these cases, institutions may find it useful to compare the length of study to a more measurable course, perhaps in another institution if appropriate.

ASSESSING STUDENTS

12. Institutions should look at both the student's and their partner's income when assessing applications. When deciding which income to include or disregard institutions may wish to refer to Schedule 5 of the Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009 (see Annex B).

EVIDENCE FROM STUDENTS

13. Students should be asked to provide

Support Funds 2012/13

Guidance for Institutions cont.

supporting evidence of income including their assessment notice for any means-tested benefits or tax credits.

DISBURSING SUPPORT FUNDS

14. Assistance from the Support Funds may be given in the form of a cash payment to the student or to a third

party, or through the provision of items or services for the student on an individual basis or in the form of a short term repayable loan. Large items of equipment bought for the use of individual students should remain the property of the institution.

Institutions should take account of the following factors when considering applications:

- whether the claimed shortfall between income and expenditure constitutes real need and cannot reasonably be reduced to a manageable level through action by the student;
- the availability of support from other sources; and
- whether in some cases the payment should be in instalments subject to further review, or in the form of a short-term repayable loan, rather than a one-off grant.

The Support Funds should not be used for any of the following:

- i. to provide group or communal facilities;
- ii. adaptations to buildings; or

- iii. to meet staff salaries or any costs of administering or publicising the Funds.

15. Support Funds should not be used to meet tuition fees and, as a general rule, should not be used to make good failure to receive the parental contribution towards student maintenance.

16. Institutions should seek to ensure that applications are processed within a reasonable time. Students might reasonably expect to receive a decision within four weeks of applying. Where decisions are due to be taken at particular times during the year, the dates should be publicised.

GOOD PRACTICE

17. The following are some examples of good practice in the ways that the Funds can be targeted to students in genuine need:

PROACTIVE PREVENTION OF HARDSHIP

- The Department expects institutions to use Support Funds more proactively to prevent students from falling into hardship, rather than waiting for students to run into real difficulties before applying for help. Institutions could, for example, trawl vulnerable groups particularly mature students with dependants, at the start of the academic year, to see whether they have any foreseeable financial needs for which Support Funds could appropriately provide assistance. Payment could be made in instalments throughout the academic year. Payment can also

Support Funds 2012/13

Guidance for Institutions cont.

be made in kind, such as paying directly for childcare.

- When advertising Support Funds, care should be taken not to give the impression that all applicants will necessarily be successful, and institutions must check of course that the need is genuine in each case. Institutions should also keep a sensible amount in the budget for unforeseen circumstances and for students not in specifically targeted groups.
- For 2012/2013, institutions are encouraged to discuss with individual students who have particular needs, such as mature students and lone parents, and those from low income families, how Support Funds might be used to provide additional financial help.
- Publicity should as far as possible be directed towards students who may need assistance most, and not presented so as to suggest that all eligible students will receive payments. It may be helpful to consult counselling staff, personal tutors or student representatives on ways of achieving well-directed publicity.
- Counselling on money management may help ensure that assistance provided from the Support Funds is not wasted. Some institutions find group workshops effective.
- Institutions need to consider what evidence they require of a student's financial position. For example, a single bank balance does not indicate the long-term position, but monthly bank/building society statements are more likely to do so.

Where students are eligible for loans, institutions should check that the student has applied for the full loan entitlement (except in the case of emergency payments at the very beginning of term). The student should be asked to provide a copy, if he has one, of his Financial Assessment for Higher Education Student Support 2011/2012 Form (also known as the Student Notification Form) and his Loan Request Form. A bank statement will show whether the assessed amount has been paid to the student.

HOME STUDENTS

18. Eligibility for grant from Support Funds depends on the student being a "home student", i.e. a person referred to in any paragraph excluding paragraph 9 of Part 2 of Schedule 2 to the Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009 (as amended). Detailed definitions and guidance notes are provided in the attached Annex.

19. Intercalating students (those who are sick or unable to attend their course for health or caring reasons or other unavoidable circumstance)

Applications for help from the Support Funds should be considered from students who are intercalating as set out above.

Payments from the Fund can be made to students who are not attending their course through illness, caring responsibilities, pregnancy or other unavoidable circumstances, provided the institution is satisfied that the student intends to return.

Support Funds 2012/13

Guidance for Institutions cont.

If the institution has decided that the student has withdrawn or abandoned or been expelled from the course and this has been notified to the Student Finance NI office, payments from the Fund should not be made.

PROVISION FOR SUMMER TERM AND THE LONG VACATION

20. Some students find that they need financial assistance late in the academic year, perhaps because they have not been able to find temporary employment for the long vacation. Institutions are recommended to hold back some of their Support Funds, and keep in place arrangements for considering late applications. A need for assistance in the long vacation may also apply to those who have entered higher education from care, as mentioned above.

MONITORING

21. Institutions are asked to provide the Department with a commentary on the use of the Support Funds. This information will be used to assist in evaluating the performance of the Funds and to inform future decisions on the purpose of the Funds. Institutions are also asked to collect information in respect of each year and submit this to the Department by 31 December. Forms for this purpose will be sent electronically closer to the date.

IN YEAR MONITORING

22. Institutions may be asked to provide the Department with some information on the use of Support Funds, during the academic year. This will include the total spend and committed expenditure by institutions and other information as requested by the Department.

APPEALS

23. It is for individual institutions to consider and resolve appeals by students in respect of applications for a Support Funds payment and to establish a procedure for this purpose if they consider that appropriate. Appeals should not be referred to the Department.

ADVICE TO STUDENTS

24. Successful applicants should be advised that payments from the Support Funds may have implications for their entitlement to social security benefits (particularly income support, housing benefit), tax credits and certain payments from the Social Fund.

Support Funds 2012/13

Guidance for Institutions cont.

CONDITIONS RELATING TO RESIDENCE

1. The student must fall within a category (excluding paragraph 9) mentioned in Part 2 Schedule 2 to the Education (Student Support) (No. 2) Regulations (Northern Ireland) 2009, as amended in order to be eligible for a grant from the Support Fund.

The following is only a summary of the categories and the Schedule should be referred to for a definitive list of the categories.

2. Taking first of all the most straightforward type of case, a student will meet the requirements if:-
 - i. on the first day of his course, if it is on or after 1 August 1997, he is settled in the United Kingdom or Islands within the meaning of the Immigration Act 1971; and
 - ii. for the three years preceding that date he has been ordinarily resident in the United Kingdom or Islands including EU nationals whose residency for this three year period has been wholly or mainly for purposes of receiving full-time education.
3. In applying these rules, institutions will need to take account of the following:
 - i. a student will be settled in the United Kingdom if he is ordinarily resident and is not subject under immigration law to any restriction on the length of his stay;

- ii. a person is not subject to any restriction on the length of his stay in the United Kingdom if he is a British citizen or if his passport has been stamped to the effect that the holder has an indefinite right of residence in the United Kingdom;
- iii. evidence of British citizenship is a UK passport stating that the holder is a British citizen, or a UK birth certificate, coupled with evidence of identity;
- iv. a student who has lived outside the UK and Islands during all or part of the three year period mentioned above because he or his family were temporarily employed abroad may be treated as if his ordinary residence had not been interrupted.

STUDENTS FROM CHANNEL ISLANDS AND ISLE OF MAN

4. Students who move from the Channel Islands or the Isle of Man, for the purposes of attending the course (or a previous course if they did not take a break - disregarding the intervening vacation - between the two courses) are not eligible for Support Funds.

SETTLED STATUS

5. The requirement for settlement within the UK within the meaning of the Immigration Act 1971 is new, and only applies in relation to students starting courses on or after 1 August 1997. (See paragraph 11 in relation to existing students.)
6. In certain circumstances, outlined below, students can meet the residence requirements even though they do not meet the three year and settled status rules. Further guidance on ordinary residence is given in paragraphs 10 and 11.

REFUGEES AND THOSE GRANTED EXCEPTIONAL LEAVE TO REMAIN

7. The residence conditions do not apply to a student who has been granted refugee status in the UK, or whose parent (including step parent) or spouse has been granted that status. Such a student is eligible to receive Support Funds as soon as refugee status has been granted. However, students who have been granted exceptional leave to remain are not eligible until they have satisfied the three year ordinary residence rule mentioned above, although they are not required to satisfy the requirements of settled status.

From 1 April 2003 the Home Office replaced the granting of Exceptional Leave to Enter/Remain ELE/ELR with Humanitarian Protection (HP) or Discretionary Leave (DL). Persons awarded either of these statuses continue to be unsuccessful asylum seekers who are nevertheless in genuine need of international protection or have other truly compelling reasons for not being removed from the UK.

ELE/ELR, HP or DL is not the same as indefinite leave to remain. They are normally granted to a set calendar date which can vary depending on which status has been granted. The student should have been sent a letter by the Home Office confirming which status has been granted.

Students with ELE/R, HP or DL must meet the usual three-year residence requirement before the first day of the academic year of the course.

Conditions relating to residence cont.

EEA AND SWISS MIGRANT WORKERS

8. European Economic Area (the European Community, Iceland, Liechtenstein and Norway) nationals employed in the UK, including UK nationals, their spouses and their children, who do not pass the three year ordinary residence test will meet the residence requirements provided that:
 - i. the EEA national has “migrant worker status” through having been employed in the UK (not necessarily continuously) since he last entered the UK (brief absences abroad, e.g. on holiday, should be disregarded); in the case of a UK national having moved to the UK after a period of employment elsewhere in the EEA;
 - ii. where the student is the spouse or child of the EEA national with migrant worker status, the student is ordinarily resident in the UK as a result of the migrant worker's employment in the UK; and
 - iii. the student has been ordinarily resident in the EEA (the European Community, Iceland, Liechtenstein and Norway) throughout the period covered by the three year rule, and has not during any part of that period been so resident wholly or mainly for the purpose of receiving full-time education.

TURKISH WORKERS

9. If the student is a child of a Turkish worker and has been ordinarily resident in the EEA, Switzerland and Turkey for the three year period immediately before the first day of the course.

DEFINITION OF ORDINARY RESIDENCE

10. Interpretation of “ordinary residence” is, in the last resort, a matter for the courts. A judgement by the House of Lords in 1982 (*Shah v Barnet London Borough Council*, reported in [1983] 2 WLR 16) clarified the law. It held that ordinary residence is habitual and normal residence from choice for a settled purpose apart from temporary or occasional absences.
11. Temporary or occasional absences from the British Islands do not break ordinary residence. For example, trips abroad on holiday or for business would not normally break ordinary residence. As the courts have not defined “temporary or occasional”, each case must be judged on its own facts. Institutions should not apply universal rules of thumb or specified periods of time to decide what constitutes a temporary or occasional absence. Further, for these purposes, absences abroad because the student, his spouse or his parent was temporarily employed abroad will not be considered to break ordinary residence in the UK even though the absence would not otherwise be regarded as temporary or occasional.

Conditions relating to residence cont.

FURTHER ADVICE

12. The information in this section is a summary of the principal points likely to be of relevance to universities. For further details contact:

**Student Finance Branch
Department for Employment and Learning
39/49 Adelaide Street
BELFAST
BT2 8FD**

(Tel: 028 90 257699)

The Home Office enquiry points given below operate independently and if advice from both is required it will be necessary to write to both separately.

**UK Border Agency (UKBA)
Lunar House
40 Wellesley Road
CROYDON
CR9 2BY**

**Croydon Asylum Screening Unit
3rd Floor
Asylum Screening Unit UKBA
40 Wellesley Road
CROYDON
CRO 2BY**

Schedule 5

Financial assessment

DEFINITIONS

1. In this schedule:-

- (a) “financial year” means the period of twelve months in respect of which the income of a person whose residual income is calculated under the provisions of this Schedule is computed for the purposes of the income tax legislation which applies to it;
- (b) “household income” has the meaning given in paragraph 3;
- (c) “independent eligible student” has the meaning given in paragraph 2;
- (d) “Member State” means a Member State of the European Union;
- (e) “new eligible student” means an eligible student who begins a specified designated course on or after 1st September 2004;
- (f) “parent” means a natural or adoptive parent and “child”, “mother” and “father” are to be construed accordingly;
- (g) “parent student” means an eligible student who is the parent of an eligible student;
- (h) “partner” in relation to an eligible student means any of the following -
 - (i) the spouse of an eligible student;
 - (ii) the civil partner of an eligible student;
- (iii) a person ordinarily living with an eligible student as if the person were the student’s spouse where an eligible student falls within paragraph 2(1)(a) and the student begins the specified designated course on or after 1st September 2000;
- (iv) a person ordinarily living with an eligible student as if that person were the student’s civil partner where an eligible student falls within paragraph 2(1)(a) and the student begins the specified designated course on or after 1st September 2005;
- (i) “partner” in relation to the parent of an eligible student means any of the following other than another parent of the eligible student-
 - (i) the spouse of an eligible student’s parent;
 - (ii) the civil partner of an eligible student’s parent;
- (iii) a person ordinarily living with the parent of an eligible student as if the person were the parent’s spouse;
- (iv) a person ordinarily living with the parent of an eligible student as if the person were the parent’s civil partner;
- (j) “preceding financial year” means the financial year immediately preceding the relevant year;
- (k) “prior financial year” means the financial year immediately preceding the preceding financial year;

Schedule 5

Financial assessment cont.

- (l) “relevant year” means the academic year in respect of which the household income falls to be assessed;
 - (m) “residual income” means taxable income after the application of paragraph 4 (in the case of an eligible student), paragraph 5 (in the case of an eligible student’s parent), paragraph 6 (in the case of an eligible student’s partner) or paragraph 7 (in the case of the partner of a new eligible student’s parent) and income referred to in sub-paragraph (2) received net of income tax;
 - (n) “taxable income” means, in relation to paragraph 4, in respect of the academic year for which an application has been made under regulation 9 and, in relation to paragraph 5, in respect (subject to sub-paragraphs (3), (4) and (5) of paragraph 5) of the prior financial year, a person’s taxable income from all sources computed as for the purposes of -
 - (i) the Income Tax Acts;
 - (ii) the income tax legislation of another Member State which applies to the person’s income; or
 - (iii) where the legislation of more than one Member State applies to the period, the legislation under which the Department considers the person will pay the largest amount of tax in that period (except as otherwise provided in paragraph 5), except that no account is taken of income referred to in sub-paragraph (2) paid to another party.
- (2) The income referred to in this sub-paragraph is any benefits under a pension arrangement pursuant to an order made under Article 25 of the Matrimonial Causes (Northern Ireland) Order 1978 which includes provision made by virtue of Articles 27B(4) and 27E(3) of that order or pension benefits under Part 1 of Schedule 5 to the Civil Service Partnership Act 2004 which includes provision made by virtue of Parts 6 and 7 of that schedule.

INDEPENDENT ELIGIBLE STUDENT

2.

- (1) An independent eligible student is an eligible student where –
 - (a) the student is aged 25 or over on the first day of the relevant year;
 - (b) the student is married or is in a civil partnership before the beginning of the relevant year, whether or not the marriage or civil partnership is still subsisting;
 - (c) the student has no parent living;
 - (d) the Department is satisfied that neither of the student’s parents can be found or that it is not reasonably practicable to get in touch with either of them;
 - (e) the student has communicated with neither of the student’s parents for the period of one year before the beginning of the relevant year or, in the opinion of the Department, the student can demonstrate on other grounds

Schedule 5

Financial assessment cont.

- that the student is irreconcilably estranged from the student's parents;
- (f) the student was looked after by an authority (within the meaning of Article 25 of the Children (Northern Ireland) Order 1995) throughout any three-month period ending on or after the date on which the student attained the age of 16 and before the first day of the first academic year of the course (the "relevant period") provided that the student has not in fact at any time during the relevant period been under the charge or control of the student's parents;
- (g) the student's parents are residing outside the European Community and the Department is satisfied that either –
- (i) the assessment of the household income by reference to their residual income would place those parents in jeopardy; or
- (ii) it would not be reasonably practicable for those parents as a result of the calculation of any contribution under paragraph 8 or 9 to send any relevant funds to the United Kingdom;
- (h) paragraph 5(9) applies and the parent whom the Department considered the more appropriate for the purposes of that paragraph has died (irrespective of whether the parent in question had a partner);
- (i) in the case of a student who began the current course before 1st September 2009, the student is a member of a religious order who resides in a house of that order;
- (j) as at the first day of the relevant year, the student has the care of a person under the age of 18; or
- (k) the student ("A") has supported A out of A's earnings for any period or periods ending before the first academic year of the course which periods together aggregate not less than three years, and for the purposes of this sub-paragraph he is to be treated as supporting himself out of his earnings during any period in which –
- (i) A was participating in arrangements for training for the unemployed under any scheme operated by, sponsored or funded by any state authority or agency, whether national, regional or local ("a relevant authority");
- (ii) A was in receipt of benefit payable by any relevant authority in respect of a person who is available for employment but who is unemployed;
- (iii) A was available for employment and had complied with any requirement of registration imposed by a relevant authority as a condition of entitlement for participation in arrangements for training or receipt of benefit;
- (iv) A held a state studentship or comparable award; or

Schedule 5

Financial assessment cont.

(v) A received any pension, allowance or other benefit paid by any person by reason of a disability to which A subject, or by reason of confinement, injury or sickness.

(2) An eligible student who qualifies as an independent eligible student under sub-paragraph 2(1)(j) in respect of an academic year of a designated course retains that status for the duration of the period of eligibility.

HOUSEHOLD INCOME

3.

(1) The amount of an eligible student's contribution depends on the household income.

(2) The household income is –

(a) in the case of an eligible student who is not an independent eligible student, the residual income of the eligible student aggregated with the residual income of the eligible student's parents (subject to paragraph 5(9)) and –

(i) in the case of a new eligible student who began the specified designated course before 1st September 2005, the residual income of the partner (other than a partner within the meaning of paragraph 1(i)(iv)) of the student's parent (provided that the Department has selected that parent under paragraph 5(9)); or

(ii) in the case of a new eligible student who began the specified designated course on or after 1st September 2005,

the residual income of the partner of the student's parent (provided that the Department has selected that parent under paragraph 5(9));

(b) in the case of an independent eligible student who has a partner, the residual income of the eligible student aggregated with the residual income of the eligible student's partner (subject to sub-paragraph (4)); or

(c) in the case of an independent eligible student who does not have a partner, the residual income of the eligible student.

(3) In determining the household income under sub-paragraph (2), there is deducted the sum of £1,153 –

(a) for each child wholly or mainly financially dependent on the eligible student or the eligible student's partner; or

(b) for each child other than the eligible student wholly or mainly financially dependent on the eligible student's parent or the eligible student's parent's partner whose residual income is being taken into account.

(4) For the purpose of calculating the contribution payable in respect of a parent student, the residual income of the parent student's partner must not be aggregated under paragraph (b) of sub-paragraph (2) in the case of a parent student whose child or whose partner's child holds an award in respect of which the household income is calculated with reference to the residual income of the parent

Schedule 5

Financial assessment cont.

student or of the parent student's partner or of both.

CALCULATION OF ELIGIBLE STUDENT'S RESIDUAL INCOME

4.

(1) For the purpose of determining the residual income of an eligible student, there is deducted from the student's taxable income (unless already deducted in determining taxable income) the aggregate of any amounts falling within any of the following sub-paragraphs –

(a) any remuneration for work done during any academic year of the eligible student's course, provided that such remuneration does not include any sums paid in respect of any period for which he has leave of absence or is relieved of his normal duties for the purpose of attending that course;

(b) the gross amount of any premium or other sum paid by the eligible student in relation to a pension (not being a pension payable under a policy of life insurance) in respect of which relief is given under section 273, of the Income and Corporation Taxes Act 1988 or under section 188 of the Finance Act 2004, or where the eligible student's income is computed for the purposes of the income tax legislation of another Member State, the gross amount of any such premium or sum in respect of which relief would be given if that legislation made provision equivalent to the Income Tax Acts.

(2) Where the only paragraph in Part 2 of Schedule 2 into which an eligible

student falls is paragraph 9 and the student's income arises from sources or under legislation different from sources or legislation normally relevant to a person referred to in paragraph 9 of Schedule 2, the student's income is not disregarded in accordance with sub-paragraph (1) but is instead disregarded to the extent necessary to ensure that he is treated no less favourably than a person who is referred to in any paragraph of Part 2 of Schedule 2 would be treated if in similar circumstances and in receipt of similar income.

(3) Where the eligible student receives income in a currency other than sterling, the value of that income for the purpose of this paragraph is –

(a) if the student purchases sterling with the income, the amount of sterling the student so receives;

(b) otherwise, the value of the sterling which the income would purchase using the rate for the month in which it is received published by the Office for National Statistics.

CALCULATION OF PARENT'S RESIDUAL INCOME

5.

(1) For the purposes of determining the taxable income of an eligible student's parent, ("A" in this paragraph) any deductions which fall to be made or exemptions which are permitted –

(a) by way of personal reliefs provided for in Chapter 1 of Part VII of the Income and Corporation Taxes Act 1988 or, where the income is

Schedule 5

Financial assessment cont.

computed for the purposes of the income tax legislation of another Member State, any comparable personal reliefs;

(b) pursuant to any statutory provision under which payments which would otherwise under United Kingdom law form part of a person's income are not treated as such; or

(c) under sub-paragraph (2)

must not be made or permitted.

(2) For the purposes of determining the residual income of A, there is deducted from the taxable income determined under sub-paragraph (1) the aggregate of any amounts falling within any of the following sub-paragraphs –

(a) the gross amount of any premium or sum relating to a pension (not being a premium payable under a policy of life assurance) in respect of which relief is given under section 273, of the Income and Corporation Taxes Act 1988 or under section 188 of the Finance Act 2004, or where the income is computed for the purposes of the income tax legislation of another Member State, the gross amount of any such premium in respect of which relief would be given if that legislation made provision equivalent to the Income Tax Acts;

(b) in any case where income is computed for the purposes of the Income Tax Acts by virtue of sub-paragraph (6) any sums equivalent to the deduction mentioned in paragraph (a) of this sub-paragraph, provided that any

sums so deducted do not exceed the deductions which would be made if the whole of A's income were in fact income for the purposes of the Income Tax Acts;

(c) where A is a parent student or the student holds a statutory award, £1,153.

(3) Where the Department is satisfied that the residual income of A in the financial year beginning immediately before the relevant year ("the current financial year") is likely to be not more than 95% of the sterling value of A's residual income in the prior financial year the Department may, for the purpose of enabling the eligible student to attend the course without hardship, ascertain A's residual income for the current financial year.

(4) In the event that sub-paragraph (3) or this sub-paragraph was applied in the previous academic year of the current course and the Department is satisfied that the residual income of A in the financial year beginning immediately before the relevant year ("the current financial year") is likely to be not more than 95% of the Sterling value of A's residual income in the previous financial year the Department may, for the purpose of enabling the eligible student to attend the course without hardship, ascertain A's residual income for the current financial year.

(5) In an academic year immediately following one in which the Department has ascertained A's residual income from the current financial year under sub-paragraph (3) and, where applicable under sub-

Schedule 5

Financial assessment cont.

paragraph (4), the Department must ascertain A's residual income from the preceding financial year.

- (6) Where A satisfies the Department that A's income is wholly or mainly derived from the profits of a business or profession carried on by A, then any reference in this Schedule to a prior financial year means the earliest period of 12 months which ends after the start of the prior financial year and in respect of which accounts are kept relating to that business or profession.
- (7) Where A is in receipt of any income which does not form part of A's income for the purposes of the Income Tax Acts or the income tax legislation of another Member State by reason only that –
- (a) A is not resident, ordinarily resident or domiciled in the United Kingdom, or where A's income is computed as for the purposes of the income tax legislation of another Member State, not so resident, ordinarily resident or domiciled in that Member State;
 - (b) the income does not arise in the United Kingdom, or where A's income is computed as for the purposes of the income tax legislation of another Member State, does not arise in that Member State; or
 - (c) the income arises from an office, service or employment, income from which is exempt from tax in pursuance of any legislation, A's taxable income for the purposes of this Schedule is computed as though the income under this sub-
- paragraph were part of A's income for the purposes of the Income Tax Acts or the income tax legislation of another Member State, as the case may be.
- (8) Where A's income is computed as for the purposes of the income tax legislation of another Member State, it is computed under the provisions of this Schedule in the currency of that Member State and A's income for the purposes of this Schedule is the sterling value of that income determined in accordance with the rate for the month in which the last day of the financial year in question falls, as published by the Office for National Statistics.
- (9) Where one of the eligible student's parents dies either before or during the relevant year and that parent's income has been or would be taken into account for the purpose of determining the household income, the household income is –
- (a) where the parent dies before the relevant year, determined by reference to the income of the surviving parent; or
 - (b) where the parent dies during the relevant year, the aggregate of –
 - (i) the appropriate proportion of the household income determined by reference to the income of both parents, being the proportion in respect of that part of the relevant year during which both parents were alive; and
 - (ii) the appropriate proportion of the household income

Schedule 5

Financial assessment cont.

determined by reference to the income of the surviving parent, being the proportion in respect of that part of the relevant year remaining after the death of the other parent.

- (10) Where the Department determines that the parents are separated for the duration of the relevant year, the household income is determined by reference to the income of whichever parent the Department considers the more appropriate under the circumstances.

SPLIT CONTRIBUTIONS

- (11) Where the Department determines that the parents have separated in the course of the relevant year, the household income is determined by reference to the aggregate of
- (a) the appropriate proportion of the household income determined in accordance with sub-paragraph (10), being the proportion in respect of that part of the relevant year during which the parents are separated; and
 - (b) the appropriate proportion of the household income determined otherwise in respect of the remainder of the relevant year.

CALCULATION OF ELIGIBLE STUDENT'S PARTNER'S RESIDUAL INCOME

- 6.**
- (1) Subject to sub-paragraphs (2), (3) and (4) an eligible student's partner's income is determined in accordance with paragraph 5 (other than sub-paragraphs (8), (9) and (10) of paragraph 5), references to

the parent being construed as references to the eligible student's partner.

- (2) Where the Department determines that the eligible student and the student's partner are separated for the duration of the relevant year, the partner's income is not taken into account in determining the household income.
- (3) Where the Department determines that the eligible student and the student's partner have separated in the course of the relevant year, the partner's income is determined by reference to the partner's income under sub-paragraph (1) divided by 52 and multiplied by the number of complete weeks in the relevant year for which the Department determines that the eligible student and the student's partner are not separated.
- (4) Where an eligible student has more than one partner in any one academic year, the provisions of this paragraph apply in relation to each.

CALCULATION OF PARENT' PARTNER'S RESIDUAL INCOME

- 7.**
- The income of a new eligible student's parent's partner whose income is part of the household income by virtue of paragraph 3(2)(a) is determined in accordance with paragraph 6, references to the eligible student's partner being construed as references to the new eligible student's parent's partner, and references to the eligible student being construed as references to the new eligible student's parent.

Schedule 5

Financial assessment cont.

CALCULATION OF CONTRIBUTION – OLD SYSTEM STUDENTS

8.

- (1) The contribution payable in relation to an old system student who is not an independent eligible student is –
 - (a) in any case where the household income is £24,770 or more, £45 with the addition of £1 for every complete £12.50 by which the household income exceeds £24,770; and
 - (b) in any case where the household income is less than £24,770, nil.
- (2) The contribution payable in relation to an old system student who is an independent eligible student with a partner is –
 - (a) in any case where the household income is £24,770 or more, £45 with the addition of £1 for every £9.50. by which the household income exceeds £24,770; and
 - (b) in any case where the household income is less than £24,770, nil.
- (3) The contribution payable in relation to an old system student who is an independent eligible student without a partner is –
 - (a) in any case where the household income is £11,535 or more, £45 with the addition of £1 for every complete £9.50 by which the household income exceeds £11,535; and
 - (b) in any case where the household income is less than £11,535, nil.

- (4) The amount of the contribution payable under sub-paragraphs (1) to (2) must in no case exceed £8,730.
- (5) The contribution may be adjusted in accordance with paragraph 10.
- (6) Where sub-paragraph (7) applies, the aggregate contributions must not exceed £8,730.
- (7) This sub-paragraph applies where –
 - (a) a contribution is payable in relation to two or more eligible students (other than current system students) in respect of the same income under paragraph 5 or, where the relevant parent's partner's residual income is taken into account, under paragraphs 5 and 7; or
 - (b) the household income consists of the residual income of an independent eligible student and his partner where both hold a statutory award.

CALCULATION OF CONTRIBUTION – CURRENT SYSTEM STUDENTS

9.

- (1) In relation to an eligible student who is a current system student, the contribution payable is –
 - (a) in any case where the household income exceeds £41,540 £1 for every complete £9.50 by which the household income exceeds £41,540; and
 - (b) in any case where the household income is £41,540 or less, nil.

Schedule 5

Financial assessment cont.

- (2) The contribution must not in any case exceed £6,336.
- (3) The contribution may be adjusted in accordance with paragraph 10.
- (4) Where sub-paragraph (5) applies, the aggregate contributions must not exceed £6,336.
- (5) This sub-paragraph applies where –
 - (a) a contribution is payable in relation to two or more eligible students (other than old system students) in respect of the same income under paragraph 5 or, where the relevant parent's partner's residual income is taken into account, under paragraphs 5 and 7; or
 - (b) the household income consists of the residual income of an independent eligible student and his partner where both hold a statutory award.

SPLIT CONTRIBUTIONS

10.

Where the same household income is used to assess the amount of a statutory award for which two or more persons qualify, the contribution payable in respect of the eligible student is divided by the number of such persons.

people:skills:jobs:



Department for
**Employment
and Learning**
www.delni.gov.uk



THE DEPARTMENT:

Our aim is to promote learning and skills, to prepare people for work and to support the economy.

This document is available in other formats upon request.

Further information:

telephone: 028 9025 7699

email: studentfinance@delni.gov.uk

web:

www.delni.gov.uk/index.cfm/area/library/site/studentfinance