

How much are student loans, when do you start paying back and what is the interest?

Basically, student finance is a government-financed loan that covers university students' tuition fees and living costs for the duration of their study.

There are two main types of loan, tuition and maintenance – we'll take each in turn.

Tuition fees

Undergraduate courses in England generally cost students about £9,250 a year.

That's a lot for a young person (or their family) to cover, so the government offers to pay that outright, direct to the university, on their behalf.

This is known as your tuition loan – we'll come to how this is repaid later.

Maintenance loans

These help students cover day-to-day costs, such as rent and food, while studying.

For the 2024-25 academic year, students can borrow anywhere between £4,327 and £13,348 for each year of study – depending on where you live, where you're going to study and your family's financial situation.

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See how much you could be entitled to by clicking [here](#).

The various plans

Here's where it gets more complicated. What plan you may be on is listed below...

Why no Plan 3? The repayment plan for postgraduate loans in England and Wales is actually Plan 3.

In the UK, you pay nothing up front, and the amount you pay back each month is determined by how much you earn.

You'll repay a percentage of your income over the threshold for your type of loan, depending on how often you get paid – see the table below for the thresholds.

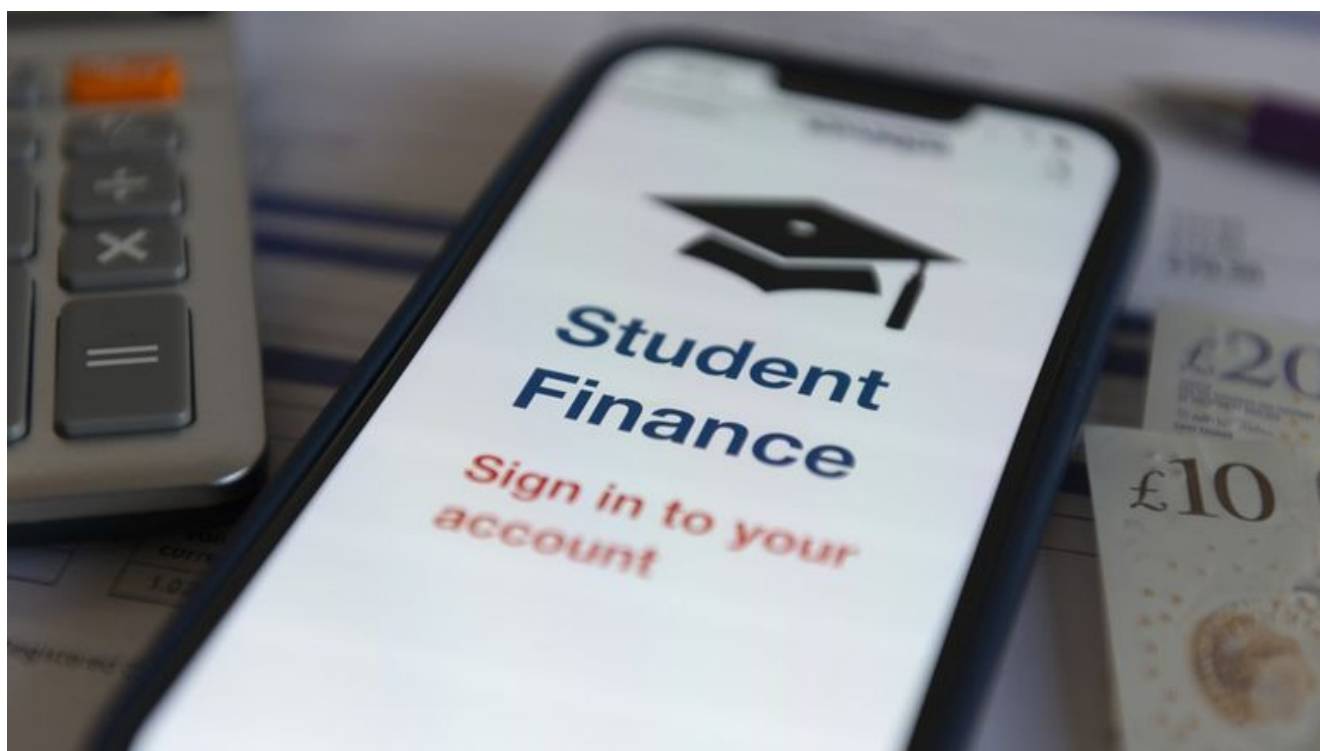


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With those thresholds in mind, you'll repay either:

- 9% of your income over the threshold if you're on Plan 1, 2, 4 or 5
- 6% of your income over the threshold if you're on a postgraduate loan (Plan 3)

If you're on multiple plans, the rules are slightly different.

If you don't have a postgraduate loan, you'll repay 9% of your income over the **lowest** threshold out of the plan types you have.

In this scenario, you'll only have a single repayment taken each time you get paid, even if you're on more than one plan type.

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But if you do have a postgraduate loan, you'll repay 6% of your income over the postgraduate loan threshold **and** 9% of your income over the lowest threshold for any other plan types you have.

You don't need to worry about paying it off each month yourself if you're employed – the money will be deducted from your earnings before it hits your account, like income tax.

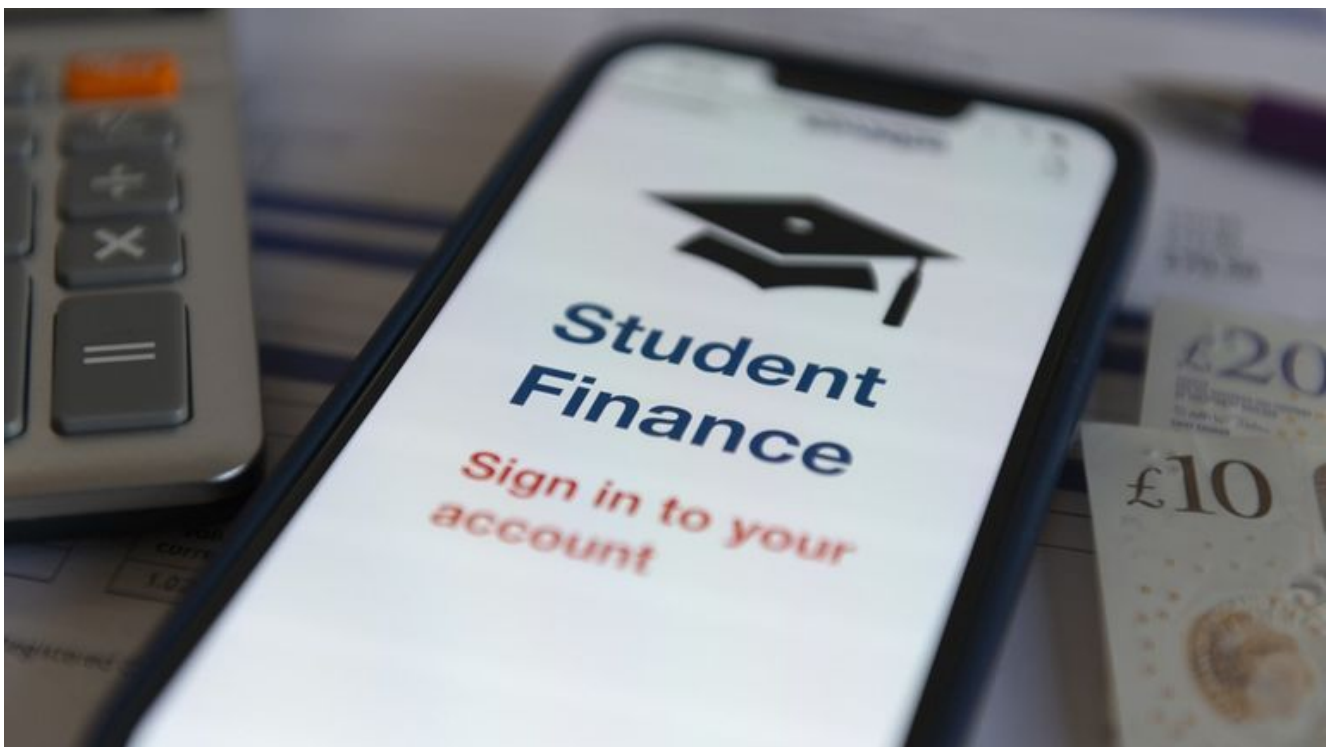


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Interest rates

Like any loan, you'll be paying back what you owe plus a little bit on the top – known as interest.

With student loans, that extra on the top isn't so little right now, as it is linked to retail price rises.

- 6.25% if you're on Plan 1
- 7.8% if you're on Plan 2
- 6.25% if you're on Plan 4
- 7.8% if you're on Plan 5
- 7.8% if you're on a postgraduate loan plan (Plan 3).