

REPAYMENT OF STUDENT LOANS FOR TEACHERS OF SHORTAGE SUBJECTS IN THE FURTHER EDUCATION (FE) SECTOR

This factsheet sets out the basic details of the Repayment of Teachers' Loans (RTL) initiative for teachers in the FE Sector. To determine whether you are eligible please read the details below.

The RTL Initiative allows the government to repay, over time, the student loans of teachers in the FE sector employed to teach a designated shortage subject(s) in England. The Initiative will initially operate as a pilot beginning in the academic years 2002/03, 2003/04 and 2004/05.

You will be eligible for the pilot, provided you meet each criteria detailed in paragraphs i to viii.

- i. **You must be employed in an FE teaching post in either an FE sector institution (general FE college; sixth form college; art, drama & performing arts college; agricultural and horticultural college; tertiary college) or a non-FE sector independent specialist college providing further education for persons with learning difficulties and/or disabilities; or in an FE teaching post in a Higher Education Institution (HEI) and receiving funding from the Learning and Skills Council for England (LSC);**

Notes:

- Examples of institutions which do not fall within the scope of the RTL initiative are: adult and community learning providers; external institutions; non-FE college prison education providers; dance and drama schools; work based learning providers and Ufi hubs;
- Teachers employed by private employment agencies and/or on a contract for service are not eligible.

- ii. **You must be employed to teach one or more of the designated shortage subjects, for at least half of your teaching time in a normal week. The designated shortage subject areas are:**
- Construction
 - Design and technology
 - Engineering
 - English (including drama)
 - Information and communications technology
 - Mathematics
 - Modern languages
 - Science
 - Welsh
 - Basic Skills (literacy, numeracy and English for speakers of other languages [ESOL]).

Note:

Basic Skills only applies to teachers who started their first teaching post on or after 1 September 2003.

- iii. **You must have started teaching in that post between 1 July 2002 and 30 June 2005 (for teachers of Basic skills the dates are 1 September 2003 and 30 June 2005);**
- iv. **You must be employed to work in an FE institution on a permanent or a fixed-term contract for a minimum period of eight continuous weeks. This must be a contract of service only and can be either full-time or part-time;**

Note:

- Agency teachers may be eligible if they have a permanent or fixed-term contract of at least eight continuous weeks and that contract is directly with the FE institute or HEI;
 - Teachers employed by supply agencies and working within an FE sector institution will not be eligible.
- v. **You must not have taught previously in an FE institution (outlined in paragraph i) or in a school or equivalent institution in the European Economic Area;**
- vi. **You must have obtained on or after 1 February 2002 (or be on a course leading to) the appropriate FE teaching qualification in accordance with the Further Education Teachers Qualifications (England) Regulations 2001;**

Note:

If you are uncertain whether your teaching qualification meets the requirements of the Regulations please seek advice from the Further

Education National Training Organisation (FENTO). Contact details are: telephone 0207 332 9535.

- vii. You must, where a teaching qualification has been obtained, go into an FE teaching post, no later than seven months after qualifying;**

Note:

See maternity concession at note 4.

- viii. You must have an outstanding loan debt with the Students Loans Company (SLC) (as set out in note 8).**

ADDITIONAL NOTES

- 1.** If you meet these criteria it is likely that the full amount of your outstanding student loan(s) will be repaid - provided you remain in an eligible teaching post for the time that the Initiative requires. This will be 10 years for teachers with Income Contingent Loans or up to five or seven years for those with Mortgage Style loans -see note 9. Part-time teachers will receive a pro-rata benefit over the same repayment periods.
- 2.** Although you may be eligible for the Initiative if you take up employment from 1 July 2002, the commencement date for the Initiative, i.e. the date from which your loan will start to be repaid for you, will be 1 September 2002. After that date, the date from which your loan will start to be repaid will be the date you started eligible employment.
- 3.** If you are an existing borrower you cannot join the Initiative if you are in arrears with your loan repayments or your account has outstanding charges. However, you will be given time to bring your account up to date. If you do so, you can join the Initiative and your write-off will be backdated to the date when you started your current teaching post.

Note:

'in arrears' is not the same as 'in deferment' – you can still join the initiative while in deferment.

- 4.** If a teacher has just gained their FE teacher qualification, and cannot take up their first teaching post within 7 months because they are pregnant. The normal seven month period a teacher must take up their first teaching post is extended by 12 months. This means they must take up their first teaching post within 19 months of obtaining their FE teacher qualification.
- 5.** Assuming you have submitted a valid application, the potential benefit you receive from the initiative will be based on the outstanding balance of any student loans at the date you started employment (or 1 September 2002 if you started eligible employment before then

and after 1 July 2002). This balance takes into account any repayments (voluntary or scheduled) that have been made against the loan(s) prior to that date. It may therefore not always be in your interests to make voluntary repayments and you should consider this carefully before doing so.

6. New teachers who took out Scottish or Northern Irish student loans will also be eligible for the Initiative if they teach in England and Wales and meet the other criteria. We will be able to take applications for this extension of the Initiative from 7 July 2003. Teachers who are accepted will have their applications backdated to when they became eligible.
7. Some teachers may have more than one eligible teaching post. You will only need to apply once to join the initiative but, given that the posts may be in different institutions, you will have to get separate verification for each post as part of the application process. The application pack will explain how to do this.
8. **Types of loan covered by the Initiative:**

Income Contingent Loans

Income Contingent (IC) Loans are available to students starting Higher Education courses in or after 1998. Repayment of IC Loans starts in the April after leaving their course once a borrower's gross income reaches £10,000 pa. Repayment is made at the rate of 9% of marginal income over £10,000 pa. For example, a borrower with an income of £19,000 pa would repay 9% of £9,000 i.e. £810 pa or £67.50 per month. Repayments for the vast majority of borrowers with IC Loans are made through the tax system i.e. deductions by employers direct from a borrower's salary for those who are within the PAYE system. For those within self-assessment, repayment is made directly to the Inland Revenue. Borrowers who are outside the UK tax system altogether make repayments directly to Student Loans Company. IC Loans include Hardship Loans and loans to part-time students.

Mortgage Style Loans (also known as fixed-term loans)

Mortgage Style Loans were available from 1990 until September 1998. Repayment of a Mortgage Style Loan starts in the April after leaving their course once the borrower's income reaches 85% of national average earnings. The loans are paid back in monthly instalments over five years (or seven years for those with 5 or more loans). Graduates make repayments directly to Student Loans Company. There is no Inland Revenue or employer involvement in the repayment.

If you have read this fact-sheet and want an application pack, please call the RTL Helpline at Student Loans Company on 0870 240 6298.