

# News story: 600,000 graduates to benefit from financial milestone

Hundreds of thousands of graduates will save up to £360 a year from the raising of the student loan repayment threshold which comes into effect today (6 April).

Around 600,000 university leavers will benefit from the change, which means borrowers who have taken out loans since 2012 will not begin paying back their loans until they earn £25,000 a year – up from £21,000. Over the 30 year lifetime of a student loan, after which any outstanding funds are written off by the government, this equates to a potential saving for some graduates of up to £24,000.

It will result in savings of up to £360 a year for anyone earning over £21,000, with those earning less than £25,000 paying nothing at all.

Graduates earning over the new £25,000 threshold are set to benefit too, with lower payments compared to before, for example:

- £25,000 per year repays £0 per month instead of £30
- £27,000 per year repays £15 per month instead of £45
- £30,000 per year repays £37 per month instead of £67
- £33,000 per year repays £60 per month instead of £90
- £35,000 per year repays £75 per month instead of £105
- £40,000 per year repays £112 per month instead of £142

Universities Minister Sam Gyimah said:

The increase in the student repayment threshold marks a key milestone and is another example of the steps the Government is taking to support those in higher education.

We are seeing more 18-year-olds than ever before attend university, including the highest ever number from disadvantaged backgrounds and we want to give these students a fair deal both during their studies and afterwards too. Not only will it benefit hundreds of thousands of graduates in the next financial year alone, but millions in the years to come.

The increased repayment threshold applies to any student who has taken out a post-2012 undergraduate student loan or Advanced Learner Loan.

Graduates living in the UK will not be required to take action in order to receive the saving. Repayments will be calculated automatically by employers (for those paid through PAYE) or as part of the Self-Assessment return to HMRC.

Full-time students are not required to begin repaying their loans until the April after graduation.

More information about student finance is [available](#).

Martin Lewis has written about the change in threshold on [Money Saving Expert.com](#)