

# Change to maximum Plan 2 and the Postgraduate student loan interest rates

News story

The Department for Education (DfE) has announced a change to maximum Plan 2 and Postgraduate student loan interest rates



From 1 October 2021 until 31 December 2021, the maximum interest rate applied to Plan 2 Income Contingent Repayment (ICR) student loans and the interest rate applied to Postgraduate loans will be capped in line with the prevailing market rate for comparable unsecured personal loans, which have recently reduced. From 1 January 2022, the maximum Plan 2 and the Postgraduate loan interest rates are expected to revert to RPI +3%.

The Government regularly monitors the interest rates set on student loans against the interest rates prevailing on the market for comparable loans. Following a decline in the prevailing market rate, the Government will temporarily reduce the maximum Plan 2 and the Postgraduate loan interest rate in line with the prevailing market rate. The reduction will be 0.4 percentage point on the maximum student loan interest rate to reflect the average market rates during the preceding monitoring period.

- The maximum Plan 2 ICR student loan interest rate and the Postgraduate loan interest rate will be 4.1% between 1 October and 31 December.
- The maximum Plan 2 ICR student loan interest rate and the Postgraduate loan interest rate is expected to revert to 4.5% (RPI +3%) from 1 January.

Interest rates on Plan 2 ICR student loans vary by income. Where the applied interest rate is already below the level of the cap, the interest rates will be unaffected.

- The SoS is required by section 22(4) of the Teaching and Higher Education Act 1998 (THEA) to ensure that student loan interest rates are

either below the prevailing market rate, or no higher than the prevailing market rate if the loan offers better terms and conditions.

- The Department for Education and the Welsh Government have confirmed the change following a decrease in the prevailing market rate.
- Plan 2 borrowers will continue to repay 9% of their earnings over the repayment threshold. The repayment threshold for Plan 2 ICR loans remains at £27,295.
- Plan 2 ICR loans are those loans taken out for a course starting after 1 September 2012 (England and Wales).
- Postgraduate loan borrowers will continue to repay 6% of their earnings over the repayment threshold. The repayment threshold for Postgraduate loans remains at £21,000.
- Postgraduate loans are those loans taken out for Postgraduate level study.
- Plan 1 ICR loans, those loans taken out for a course starting before 1 September 2012 are not affected.
- By "RPI" we mean the percentage increase between the retail prices all items index published by the Office for National Statistics for the two Marches immediately before the commencement of the academic year.

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## [Civil news: increases to emergency cost limit for legal aid work](#)

News story

Cost limit increases for emergency civil legal aid certificates take effect 13 September 2021 but certificates for investigative representations are excluded.



We are making increases to the cost limit on emergency civil legal aid certificates from 13 September 2021.

## **What sort of work is affected?**

- full representation
- family help, higher

## **What is the increase?**

Emergency civil legal aid certificates will be issued with a revised cost limit of £2,250.

We have deliberately set a figure which does not exceed substantive cost limits across different categories of law.

Certificates for investigative representations will continue to include a costs limit of £1,350.

## **How do emergency certificates work?**

Delegated functions to grant emergency certificates are used when there is no time to apply to the LAA and wait for a funding decision.

## **Why is this happening now?**

The new cost limit was suggested by providers in our process efficiency team (PET). This a small partnership group, which also includes LAA subject matter experts and representative bodies.

The increased limit should better reflect the work completed in emergency cases. It should also reduce the administrative burden on providers.

We are introducing this change manually while a permanent digital solution is worked on.

## **What if I need more than £2,250?**

A higher cost limit can be agreed in exceptional circumstances.

You would need to include details of the cost limit requested alongside written justification within the 'statement of case' or 'merits report'.

Authority for a cost limit to be reduced is provided for in CLA regulations. But this will only be done if the justification provided is not appropriate.

## **Challenges to cost limits**

You can email our 'civil application fixer service' if you believe:

## **Further information**

[Regulation 39\(2\) CLA \(Procedure\) Regulations 2012](#) – to view authority for

cost limits

[applicationfixer@justice.gov.uk](mailto:applicationfixer@justice.gov.uk) – to challenge cost limits

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## **Post Office card accounts closure extended until November 2022**



The Post Office Card Accounts (POca) scheme was previously set to end in November this year. Following the disruption caused by the pandemic, it has now been extended for 12 months to ensure everyone has the time to make alternative arrangements.

The Department for Work and Pensions is writing to all customers who currently receive payment into a POca, telling them the service is ending and encouraging those who are able to open a bank account to do so.

Those who remain unable to access such services will be migrated onto a new Payment Exception Service, which allows them to choose how they receive their payments.

Minister for Pensions, Guy Opperman, said:

Whilst the vast majority of pensions and benefits are paid directly into peoples' bank accounts, some people prefer to collect their payments over the counter at their local Post Office.

This extra time means we can support our most vulnerable customers to move to the payment method that will suit them best – even if that means making sure they can still get cash via the Post Office using a card from the new Payment Exception Service.

Under the new Payment Exception Service, pensioners and benefit claimants are able to choose how they receive their payments. These methods include the delivery of digital vouchers via:

- a SMS
- an email
- a unique barcode displayed on a mobile phone

In addition, all customers who are migrated from P0ca to the new service will receive a reusable mag stripe plastic card, which can be used to receive their benefits in cash from more than 28,000 PayPoint retail outlets or 11,500 Post Office branches.

Extensive work has been undertaken to identify those most at risk in order to provide vulnerable claimants with additional support before the move to the new system.

### **Further information**

- For more information about the Payment Exception Service: [Payment Exception Service – GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/payment-exception-service)
- For more information on the closure of P0cas: [How and when your benefits are paid – GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/how-and-when-your-benefits-are-paid)
- From January 2021 to July 2021, the number of active P0cas has reduced from 590,000 to 382,000.
- DWP are encouraging customers who can open a bank account to open a bank account, but vulnerable claimants who cannot open a bank account will need to move over to the new Payment Exception Service.
- DWP are writing to all customers who currently receive payment into a P0ca. They will receive two letters telling them that the P0ca is coming to an end and advising them that if they are unable to provide a bank account we will move their payments to the Payment Exception Service.
- For customers who we believe could be at risk of harm we will attempt to ring them to support them through the change.
- All customers who are migrated to the Payment Exception Service from P0ca will receive a payment card which they can take to their Post Office branch (or PayPoint retailer) for encashment.
- Checks will be made when customers are moved to the Payment Exception Service to ensure vouchers are being cashed.

- For HMRC Customers: The extension to POCA and the alternative Payment Exception Service voucher product only apply to payments from DWP.
- Should you be in receipt of tax credits, Child Benefit or Guardians Allowance you will need to provide HMRC with alternative bank details by 5 April 2022
- HMRC is encouraging their customers to act now so they do not miss any payments once their Post Office card account closes.
- You can contact HMRC's helplines (0345 300 3900 for tax credits or 0300 200 3100 for Child Benefit) or use your Personal Tax Account to provide alternative account details. To find out how to open a bank account visit Citizens Advice.

Media enquiries for this press release – 0115 965 8781

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Last updated 29 November 2021 [+ show all updates](#)

1. 29 November 2021

The deadline for closing POCAs for HMRC payments has changed

2. 9 September 2021

First published.

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## [Divorce applications move online](#)

News story

Fewer errors in online applications mean divorces are finalised in 20 weeks on average



From Monday 13 September legal representatives must submit all applications for divorce online using MyHMCTS.

The only exceptions are applications for civil partnership dissolution, judicial separation and nullity, which should be filed at the Bury St. Edmunds Regional Divorce Centre.

The change follows an update to the Family Procedure Rules made by the President of the Family Division in August.

## **Benefits of using MyHMCTS**

MyHMCTS is an online service for issuing, paying for and managing applications in the civil and family courts, and tribunals. Launched in 2018, it has now successfully processed over 150,000 divorce applications. The service allows representatives to submit applications at any time of day and monitor progress easily from any device and location.

Adam Lennon, Deputy Director, Family, commented:

COVID-19 has shown how MyHMCTS helps us to provide a modern, reliable service. Applications are proceeding more smoothly, and we now return fewer than 1% of online applications compared to around 20% of paper applications for legal representatives to amend or provide more information. That means divorcing couples can move forward with their lives faster.

We're really pleased with the way the service has been adopted. Around 70% of all divorce applications are now being made using MyHMCTS and it's helping us to finalise divorces in an average of 20 weeks compared to around 60 weeks for paper applications.

By mandating the service now, we can begin preparing MyHMCTS to meet the requirements of the Divorce, Dissolution and Separation Act 2020 which come into force on 6 April 2022.

## Preparing for the move to MyHMCTS

There will be a transitional period from 14 September 2021 to 4 October 2021 when we will continue to process paper applications. This gives legal representatives additional time to register for access to MyHMCTS and check the guidance on submitting applications online.

For further support on registering with MyHMCTS contact [HMCTSFinancialRemedy@justice.gov.uk](mailto:HMCTSFinancialRemedy@justice.gov.uk).

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## [UK's Chevening Scholarship: applications now open for Cameroonians](#)

Chevening Scholarships are awarded to individuals from all backgrounds who can demonstrate that they have the commitment and skills required to create positive change, and can show how a UK master's degree will help them do that. The scholarship offers full financial support for scholars to study for any eligible master's degree at any UK university whilst also gaining access to a wide range of exclusive academic, professional, and cultural experiences.

Since the programme was created in 1983, over 50,000 professionals have had the opportunity to develop in the UK through Chevening. There are more than 1,500 scholarships on offer globally for the 2022/2023 academic year, demonstrating the UK's ongoing commitment towards developing the leaders of tomorrow.

Head of Scholarships at the UK Foreign, Commonwealth and Development Office (FCDO), Naomi Rayner, said:

As the world continues to tackle major global issues such as Covid-19 and climate change, international cooperation is more essential than ever. Chevening seeks to build an international community of people who are committed to working together to drive positive change. We do this by bringing together incredible people from around the world and supporting them, through education, to achieve their goals.

In the UK we are proud of our world class universities and we know that our learning environments are enriched by the wide diversity of cultures, experiences and viewpoints represented on our campuses. Chevening scholars make a significant contribution to



these communities, as well as becoming an important part of our network of over 50,000 alumni.

Chevening represents the very best of the UK, welcoming people from across the world to study, grow, and thrive. Being a part of the Chevening network instils a strong sense of pride and responsibility. I am consistently inspired by the passion and commitment of those in the Chevening community and I look forward to hearing from this year's applicants.'

Chevening's Director, Duncan Barker, said:

The Chevening experience is so much more than a master's degree. As well as an academically challenging and fulfilling university experience, we'll immerse you in UK culture and bring you together with incredible people from around the world.

We organise an exclusive programme of events and activities, so you can experience Britain's heritage and history, discuss international policy, and interact with thought leaders at a range of academic, cultural, and social events. Previously, scholars have visited the UK prime minister's residence at 10 Downing Street, hiked up Mount Snowdon in Wales, exhibited art in London galleries, interned at the BBC and sat in the home dressing room at Anfield.

You will learn by interacting with people from all over the world, travelling around the UK and getting involved in the communities you live in. You will be expected to take control of your own learning, show independent thinking and chase new experiences. Those who get the most out of Chevening are the ones who put the most into it.

Your scholarship will last a year, but you will be a part of the Chevening community for life. Our hope is that you will leave the UK inspired, motivated, and better equipped to bring your own ideas to life.'

British High Commissioner to Cameroon, Dr. Christian Dennys-McClure to said:

If you are someone who is passionate about driving change, whether on a local or global scale, if you want to be the best at what you do and if you have the imagination to inspire others, then a Chevening scholarship could be the perfect opportunity for you.

There is no such thing as a 'typical' scholar. Your age, race, gender, religion and cultural background do not matter to us. We want to see that you have energy, curiosity, compassion a clear vision for your future and the ability to achieve your goals. If this sounds like you, then you are very likely to fit in with our

community of over 50,000 alumni worldwide.

Our alumni network is full of dynamic influencers who have shared the same experience that you will. They can offer encouragement, mentorship, advice, and contacts. When you return home after your studies you should feel well-equipped to start making a real difference professionally or socially.

There is a lot to gain from submitting a thoughtful application, so if you have what it takes to be a Chevening Scholar, I would encourage you to apply before the 3 November deadline.

The call for new applicants follows the selection of 13 scholars from Cameroon, Chad, Equatorial Guinea and Gabon, who won an award to study at a UK university this year. Successful applicants have been sharing their stories through the #ChosenForChevening hashtag on Twitter and Instagram.

### **Further information**

Chevening Scholarships are the UK Government's global scholarship programme, funded by the Foreign, Commonwealth and Development Office (FCDO) and partner organisations. The scholarships support study at UK universities – mostly one year taught master's degrees – for individuals with demonstrable potential to become future leaders, decision-makers, and opinion formers.

Chevening began in 1983 and has developed into a prestigious international awards scheme. Chevening Scholars come from over 160 countries and territories worldwide, and over the past five years we have awarded almost 10,000 scholarships. There are over 50,000 Chevening Alumni around the world who comprise an influential and highly regarded global network.

The name 'Chevening' comes from Chevening House in Sevenoaks, Kent – currently the joint official residence of the UK's Foreign Secretary.