

# Advice Service

## WHERE TO START WHEN YOU FINISH

In this guide you will find detailed information about claiming benefits, repaying your loans and bank accounts.



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Student Support Centre

ASK FOR THE



# Information for Final Year Students

## Welfare Benefits

Once you complete your degree course you are no longer a student. Ideally you will be moving into full time work, but if you find yourself with no income you can claim welfare benefits so that you have some money to live on.

You can claim benefits from the Monday following the official end of your course.

The benefits mentioned here are means-tested which means your existing income and any savings or capital you have will be taken into consideration when working out how much money you get. You should apply for benefits as soon as possible. You will not get backdated benefits unless you can show a good reason for not applying sooner.

The benefits system is changing and in most areas of the UK a number of benefits have now been replaced by Universal Credit. Generally, if you are single and available for work you will be required to claim Universal Credit wherever you live. If you have a partner, children or you have a disability, you may be required to claim under the old system of benefits.

### Universal Credit

Universal Credit is paid once a month into your bank or building society account.

If you need help with housing costs like rent, you claim for these as part of Universal Credit.

You can claim Universal Credit online:

<https://www.gov.uk/apply-universal-credit>

You will usually have to attend an interview at your local Jobcentre Plus office and it will be about 6 weeks before you get a payment.

You will be required to prove your identity and provide your National Insurance number.

If you have problems with your online claim you can call the Universal Credit helpline:

0345 600 0723

## 'Old system' benefits

### **Job Seekers Allowance (JSA)**

You can claim JSA online. It is a benefit for people who are looking for work and you will be required to register with the Jobcentre's Universal Jobmatch website and show evidence of your jobseeking activities in order to be paid.

To claim JSA you can apply online here:

<https://www.gov.uk/jobseekers-allowance/how-to-claim>

Depending on where you live and your circumstances you may be directed to claim Universal Credit instead.

### **Income Support**

If you are the lone parent of a child under 5 or you get benefits because you care for a disabled person, you can claim Income Support instead of JSA.

### **How to claim**

The easiest way to claim Income Support is by phone: for details see here:

<https://www.gov.uk/income-support/how-to-claim>

You can call 0800 055 6688 (8.00am to 6.00pm, Monday to Friday) for further information.

### **Housing Benefit**

You could get Housing Benefit to help you pay your rent if you're on a low income.

Housing Benefit can pay for part or all of your rent. How much you get depends on your income and circumstances. Housing Benefit can't be paid for heating, hot water, energy or food.

You can apply for Housing Benefit whether you're unemployed or working.

If you rent in the private sector and you're single and under 35, you will get a reduced rate of Housing Benefit based on the rent for a room for a shared house in your area. This means that even if you qualify for maximum benefit, your benefit might not cover your rent. You will need to pay the rest of your rent out of your other income.

Most people claim Housing Benefit from their local authority: for more details of how to claim see here:

<https://www.gov.uk/housing-benefit/how-to-claim>

## Council Tax and Council Tax Support (CTS)

Once your course ends you are no longer a student (even if you have resits, or you are coming back next year for postgraduate study). This may mean that you become liable to pay council tax.

### **Council Tax Reduction/Council Tax Support**

If you are on a low income you can apply to your local authority for help with the costs of Council Tax. This scheme is called different names depending on where you live but every local authority must have one: it's usually Council Tax Reduction or Council Tax Support.

You can apply for Council Tax Reduction whether you own your home, rent, are unemployed or working.

#### **What you'll get**

The most you can get is a 100% reduction, but this is not available in every area: some authorities have a maximum reduction of 75%, so everyone in that area has to pay at least 25% council tax.

How much you get depends on where you live and your individual circumstances.

#### **Single Person Discount**

You will get a 25% discount if you are the only person in the house liable to pay Council Tax, regardless of your income. This is not the same thing as the Council Tax Reduction scheme.

#### **How to claim**

You will need to contact your local council: to find them, see:

<https://www.gov.uk/find-local-council>

## **Student Loan Repayments**

If you started your course before September 2012 or you are a Scottish or Northern Irish student you will repay under Plan 1. You repay 9% of anything you earn over the threshold (currently £17775 in June 2017, but this goes up each year).

If you started your course after September 2012 you repay under Plan 2. You repay 9% of anything you earn over £21000 a year. See:

<https://www.gov.uk/repaying-your-student-loan/overview>

If you're employed your employer will deduct the amount from your wages before they're paid to you.

If you're self-employed, HMRC will ask you to work out your repayments when you work out how much your tax and National Insurance payments.

If you move abroad for more than three months you have to inform the Student Loans Company. They'll ask you to fill in an Overseas Income Assessment form and, based on this information, will give you a repayment schedule. You still have to repay your student loans even if you live abroad.

## Interest on your student loan

You're charged interest on your loan from the time your first payment is made by SFE until you pay back your loan in full. The interest rate charged depends on the Retail Price Index (RPI).

If you started your course on or after 1 September 2012 the interest rate on your loan will be calculated as follows:

While you're studying the interest rate on your loan will be RPI plus 3%.

### Your income per year Interest rate on your loan

£21,000 or less	RPI
£21,000 - 41,000	Varies between the RPI and RPI plus 3% depending on your income.
£41,000 or more	RPI plus 3%

If you started your course before 1 September 2012 the interest rate on your loan will be fixed at RPI or the Bank Base Rate plus 1%, where the Bank Base Rate is lower than RPI.

For more information on repaying your Student Loans go to:

[www.thestudentroom.co.uk/content.php?r=613-Student-loan-repayment-finance-hub](http://www.thestudentroom.co.uk/content.php?r=613-Student-loan-repayment-finance-hub)

## Bank Accounts

Got a student overdraft? Talk to your bank about how to repay your overdraft. You will usually have a further 12 months to pay it off, but check your bank's terms and conditions.

### Graduate accounts

Some graduate accounts offer preferential terms for up to three years. See:

<http://www.moneysavingexpert.com/students/graduate-bank-accounts>