Financial FAQs for Graduates - 2015

This factsheet includes some FAQs about finances for when you graduate. You may also pick up some tips on managing your finances as a graduate at the same time!

**Will I have to pay back my Student Overdraft?**

Now that you have graduated you will no longer be eligible for a student bank account offering an interest-free overdraft. However, most banks continue to offer an interest-free or reduced interest rate overdraft to graduates. The amount of overdraft available will usually reduce in stages. You will need to be proactive – check you are getting the best deal available and transfer your account to another bank if necessary.

Independent information about bank accounts for graduates can be found at [http://moneyfacts.co.uk/guides/students/graduate-bank-accounts](http://moneyfacts.co.uk/guides/students/graduate-bank-accounts) and [www.moneysavingexpert.com/banking/graduate-bank-accounts](http://www.moneysavingexpert.com/banking/graduate-bank-accounts)

**When will I have to start paying back my student loan?**

The time is coming when you may have to start making repayments to the Student Loan Company. The earliest you will be expected to make a repayment is April 2016 and payments will depend on your salary. Repayments will be deducted at source from your salary.

The salary threshold used when calculating your repayments will depend on when you started university:

- **Students who started in 2011 or before:**
  
  Repayments are calculated at 9% of your earnings above the threshold, currently set at £17,335 – see table below:

<table>
<thead>
<tr>
<th>Annual income</th>
<th>Monthly repayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>£15,000</td>
<td>Nil</td>
</tr>
<tr>
<td>£20,000</td>
<td>£20</td>
</tr>
<tr>
<td>£25,000</td>
<td>£57</td>
</tr>
</tbody>
</table>

- **Students who started in 2012:**
  
  Repayments are calculated at 9% of your earnings above £21,000:

<table>
<thead>
<tr>
<th>Annual income</th>
<th>Monthly repayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>£20,000</td>
<td>nil</td>
</tr>
<tr>
<td>£25,000</td>
<td>£30</td>
</tr>
<tr>
<td>£30,000</td>
<td>£67</td>
</tr>
</tbody>
</table>

If you wish, you can make additional voluntary repayments over and above those taken from your salary. Please consider this carefully as the interest you are charged on your student loan is comparatively low when compared to other unsecured borrowing. Paying back your loans early may not be the best use of your spare money.
Student Services
www.nottingham.ac.uk/studentservices

Alternative arrangements for repaying your loan will need to be made if you move abroad or are self-employed.

For more information see the Student Loans Repayment website www.studentloanrepayment.co.uk

I will soon be starting work – how much money will I take home each month?
You may have a job lined up and are wondering how much you will actually receive after student loan repayments, tax and national insurance have been deducted. The figures in the table below are an indication of the deductions you may expect to be taken from your salary each month and the amount you could receive. The figures are correct for the 2015/16 tax year and assume you have been issued with a tax code of 1060L. Tax code 1060L gives you a personal allowance of £10,600 that you can earn tax-free over the year.

<table>
<thead>
<tr>
<th>Annual salary</th>
<th>Monthly pay</th>
<th>Tax</th>
<th>National Insurance</th>
<th>Student loan (pre-2012 start)</th>
<th>Student loan (2012 start)</th>
<th>Monthly take-home pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>£15,000</td>
<td>£1,250</td>
<td>£73</td>
<td>£69</td>
<td>£0</td>
<td>£0</td>
<td>£1,107</td>
</tr>
<tr>
<td>£20,000</td>
<td>£1,667</td>
<td>£157</td>
<td>£119</td>
<td>£20</td>
<td>£0</td>
<td>£1,371</td>
</tr>
<tr>
<td>£25,000</td>
<td>£2,083</td>
<td>£240</td>
<td>£169</td>
<td>£57</td>
<td>£30</td>
<td>£1,617 or £1,644</td>
</tr>
<tr>
<td>£30,000</td>
<td>£2,500</td>
<td>£323</td>
<td>£219</td>
<td>£95</td>
<td>£67</td>
<td>£1,863 or £1,891</td>
</tr>
</tbody>
</table>

For more accurate figures relating to your expected salary, you can use the tax calculator at www.moneysavingexpert.com/tax-calculator

You may also have the option to join a company pension scheme with contributions also being deducted straight from your salary. Further information about pensions www.gov.uk/workplace-pensions/about-workplace-pensions

Remember – most companies will pay in arrears so you may have a gap of a number of weeks before you receive your first pay packet!

What else will I have to pay for?
Now that you are no longer a student you may have to pay Council Tax. To give you an idea of the cost involved, the council tax currently charged on a typical band B property in Beeston, Nottingham is £1,263 per annum (figures correct for 2014/15.)

I am currently looking for a job – am I entitled to any benefits?
If you are not going straight into employment you may have an entitlement to benefits such as Job Seekers Allowance and Housing Benefit or Universal Credit. Further information on benefit entitlement and how to apply can be found at www.gov.uk/benefits-calculators.

I am moving out of my student house – what do I need to do?
If you are paying energy bills, telephone and water charges you should ensure all suppliers are informed you are leaving the property. Two weeks before you are due to move out you should contact your utility companies (gas/electricity/telephone/broadband) and arrange for final readings to be taken. It is your responsibility to inform the utility companies that you are moving out and to request that your name be removed from the bills.

Take every possible step to ensure your deposit is returned. For advice visit www.nus.org.uk/advice/housing-advice/getting-your-deposit-back
Remember to cancel any direct debits or standing orders relating to your time as a student, for example utilities, local gym membership, internet access, TV Licence and any subscriptions.

**Further study**
If you are considering further study it is important that you investigate how you are going to cover living costs and tuition fees before you register for a course. Information on funding for postgraduate study can be found at:

- [www.nottingham.ac.uk/graduateschool/funding/index.aspx](http://www.nottingham.ac.uk/graduateschool/funding/index.aspx)
- [www.gov.uk/funding-for-postgraduate-study](http://www.gov.uk/funding-for-postgraduate-study)
- [www.nottingham.ac.uk/careers/students/furtherstudy/funding.aspx](http://www.nottingham.ac.uk/careers/students/furtherstudy/funding.aspx)
- [www.gov.uk/career-development-loans/overview](http://www.gov.uk/career-development-loans/overview)

**Contact us**
If you have any questions relating to this document visit us in the Student Services Centre, Portland Building, University Park Campus.

E: financialsupport@nottingham.ac.uk  
T: +44 (0)115 823 2071

**Further information can be found at**
[www.moneyfacts.co.uk/guides/students/just-graduated-what-happens-now/](http://www.moneyfacts.co.uk/guides/students/just-graduated-what-happens-now/)

All information was correct at the time of writing and is based on data from Gov.UK, The University of Nottingham, www.studentloancalculator.co.uk and listed websites.

We make every effort to ensure the accuracy of the information we provide however can only give general guidance. We would always advise you to contact the relevant institution in relation to your specific circumstances.

Financial Support – April 2015