

## **EXECUTIVE NOTE**

### **THE REPAYMENT OF STUDENT LOANS (SCOTLAND) AMENDMENT REGULATIONS 2012 (S.S.I. 2012/ 22 )**

1. The above instrument was made in exercise of the powers conferred by sections 73(f), 73B, and 74(1) of the Education (Scotland) Act 1980. The instrument is subject to negative resolution procedure.

#### **Policy Objective**

2. The purpose of the instrument is to amend the Repayment of Student Loans (Scotland) Regulations 2000 (“the principal Regulations”). The principal Regulations are of fairly limited application given that there are other regulations (the Education (Student Loans) (Repayments) Regulations 2009 – “the 2009 Regulations”) that deal with the majority of matters to do with collection of repayments through the tax system.

3. In agreement with the UK Government and other devolved administrations the Scottish Government decided in December 2010 that the current student loan repayment threshold of £15,000 should be increased each year by the retail prices index (RPI) with effect from April 2012. The 2009 Regulations have already been changed to that effect.

4. This instrument amends the principal Regulations to bring relevant provisions into line with the decision to increase the repayment threshold by RPI.

5. A new definition of “repayment threshold” is added at regulation 2 which has the effect of increasing the repayment threshold in line with RPI from April 2012 to April 2016. That defined term is then amended into regulation 9(4) which makes provision for refunds where a repayment has been made in circumstances where the borrower’s earnings did not in fact exceed the repayment threshold. Amendments are also made to regulation 13B so that thresholds for repayment by overseas borrowers will increase in line with RPI.

#### **Impact Assessment**

6. There are no equality impact issues therefore an equality impact assessment has not been necessary.

#### **Financial Effects**

7. The regulations have a negligible financial effect on the Scottish Government, Local Government or business. It has therefore not been necessary to prepare a Regulatory Impact Assessment.

Employability, Skills and Lifelong Learning Directorate