
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations, which come into force on 6th April 2006, amend the Education (Student Loans) (Repayment) Regulations 2000 (S.I.2000/944) (“the principal Regulations”).

Regulation 3 provides that the terms Form P45 and Form P46 have the meanings given to them in the Income Tax (Pay as You Earn) Regulations 2003 (S.I. 2003/2682) (“the PAYE Regulations”).

Regulation 4 inserts a new regulation into the principal Regulations. Those borrowers who are required to complete a Form P46 by Her Majesty’s Revenue and Customs must indicate in the form whether they have a student loan which they have to repay. Upon receipt of such a notification from a borrower, the employer is required to start deducting the appropriate student loan repayments from the employee’s earnings (regulation 5). Regulation 5 also amends regulation 35 of the principal Regulations so that it refers to a Form P45.

Regulation 6 amends regulation 50 of the principal Regulations so that where an employee has given notice of their loan to their employer in a Form P46, at the cessation of employment the employer will state in the Form P45 that the employee is a borrower. Regulation 50 now also refers to a Form P45.

A regulatory impact assessment has been prepared in respect of the costs to the Exchequer and employers involved in the changes made by these Regulations (and those made by the Income Tax (Pay as You Earn)(Amendment) Regulations 2005). A copy may be obtained from Her Majesty’s Revenue and Customs.