
EXPLANATORY NOTE

(This note is not part of the Regulations)

The Regulations amend the Education (Student Loans) (Repayment) Regulations (Northern Ireland) 2009 (the principal Regulations). The principal Regulations provide the statutory framework for the collection and repayment system for income-contingent repayment (ICR) student loans.

Regulations 3, 4, 5 and 9 introduce a time limited mechanism to vary the £15,000 repayment threshold in the principal Regulations to maintain its value. Regulation 10 introduces a similar mechanism to vary the Applicable Threshold amounts in the principal Regulations, which apply to overseas borrowers, to maintain their value.

Regulations 6, 8 and 12 substitute new penalties, for failure to make payment of tax on time and failure to file returns on time, for those in the principal Regulations.

Regulation 7 substitutes new harmonised interest provisions for repayments and refunds of overpayments payable under Part 3 of the principal Regulations.

Regulation 11(2) prevents monies received by bankrupt in accordance with a student loan being used to benefit the bankrupt's creditors under an income payments agreement. Regulation 11(3) inserts new provisions into regulation 75 of the principal Regulations so that student loans made to a borrower who enters an individual voluntary arrangement will be treated in a similar way as they are treated under a bankruptcy in Northern Ireland.

A full impact assessment covering the introduction of the penalty regime entitled “working towards a harmonised regime and meeting the obligations to file returns and pay tax on time” was published on 14th April 2009 and is available at <http://www.hmrc.gov.uk/better-regulation/ia.htm>. The Explanatory Memorandum is published alongside the instrument on www.legislation.gov.uk.