Penny Explains

Key Stage 4 · Years 10 and 11 | Student finance | About 45 minutes

Student finance

Loans, repayments and the choices after school

Name _____ Class _____ Date _____ Score: / 50

I can...

- [ ] I can explain the tuition fee loan and the maintenance loan.
- [ ] I can calculate Plan 5 student loan repayments for different salaries.
- [ ] I can compare university with an apprenticeship and challenge common myths.

Key words

Tuition fee loan: pays the university's fees (up to £9,790 a year).

Maintenance loan: helps with living costs such as rent and food.

Threshold: the salary you must earn above before you repay anything (£25,000 on Plan 5).

Written off: cancelled, so nothing more is owed.

Apprenticeship: a paid job with training that leads to a qualification.

1 Myth or fact?

6 points

Twins Maya and Theo are in Year 11 and thinking ahead. They have heard all of these. Circle True or False.

You have to pay your tuition fees up front, before the course starts.	True	False
A Plan 5 graduate earning £24,000 a year makes no repayments.	True	False
The more you borrowed, the bigger your monthly repayment.	True	False
Any Plan 5 loan still unpaid after 40 years is written off.	True	False
If your pay drops below the threshold, your repayments stop.	True	False
Apprentices have to pay for their own training.	True	False

2 How much would they repay?

15 points

Plan 5 graduates repay **9% of what they earn above £25,000** a year. It comes straight out of their pay, like tax. Fill in the gaps. The first row is done for you.

Penny says: A student loan does not behave like a bank loan. What you repay depends on what you earn, not on what you owe.

Salary	Earnings above £25,000	Repaid in a year (9%)	Repaid in a month (÷ 12)
£24,000	£0	£0	£0
£27,000	_____	_____	_____

£30,000	£5,000	_____	_____	
£40,000	_____	_____	_____	
£55,000	_____	_____	_____	

a) **Maya might owe £50,000. A friend owes £30,000. If both earn £30,000 a year, who repays more each month? Explain.** 2 marks

b) **Imagine a graduate earned exactly £30,000 for all 40 years. How much would they repay in total before the rest was written off?** 2 marks

3 Maya's loan

4 points

Maya plans a 3-year degree, living away from home.

a) Her tuition fee loan is £9,790 a year. How much is that over 3 years, if the fee stays the same?

Working

Answer: _____

b) She also takes a maintenance loan of £8,400 a year. What is her total borrowing over the 3 years, before interest?

Working

Answer: _____

4 Uni scramble

5 points

The letters are mixed up. Use the clue to work out each word.

U O I T N T I	The ___ fee loan pays for the course	☐☐☐☐☐☐☐
G A U A D R T E	Someone who has finished a degree	☐☐☐☐☐☐☐☐
E R T H O L H S D	Earn above this before you repay	☐☐☐☐☐☐☐☐☐
S A Y A R L	Pay for a year's work	☐☐☐☐☐☐
R E E E G D	What you earn at university	☐☐☐☐☐☐

5 University, apprenticeship or both?

9 points

Write each one in the right box.

- Most of the week is spent at work
- Employer and government pay for training
- You earn a wage while you train
- Takes several years of commitment
- Maintenance loan for living costs
- Can lead to a well-paid career
- Tuition fee loan available
- Leads to a recognised qualification
- Repay 9% of earnings over £25,000

University	Apprenticeship	Both

6 Maya or Theo: what would you do?

8 points

Read the story, then answer the questions.



At 18, Theo starts an apprenticeship. In year one he is paid the apprentice minimum wage of **£8.00 an hour** for **35 hours a week**. Maya goes to university and works **8 hours a week** in a café at **£10.85 an hour** during the **30 weeks** of term.

a) How much does Theo earn in a week, and in a 52-week year? 2 marks

b) How much does Maya earn from her café job over the 30 weeks? 2 marks

c) Which route would you choose at 18, and why? Give one reason that is about money and one that is not. 4 marks

7 Bust a myth

3 points

Design a social media post for Year 11s that busts **one** student finance myth. Include a headline, the myth, the fact and one accurate number.

8 Before you go

One thing I learned today

One question I still have

How sure do I feel?

Not yet | Getting there | Got it



Take it home

Ask an adult who went to university or did an apprenticeship what they would tell their 16-year-old self. Then try the student finance calculator on GOV.UK together.

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