

## Minutes

### Collection of Student Loans Consultation Group

**Tuesday 10 September 2019 (11:00-12:30)**

**LG.01, Department for Education, Sanctuary Buildings, Great Smith Street, London, SW1P 3BT**

<b>Attendees</b>	Neil Nicholas (HMRC) – Chair Dee Allcock (HMRC) Paul Crooks (HMRC)  Camilla Reinert (DfE)  Anne Johnstone (HMRC – secretariat)	Angela Adams (CIPP) Ann Elmer (ATT) Kate Upcraft (BCS Payroll Group) Matthew Brown (CIOT) Melanie Pizzey (Global Payroll) Peter Wilkinson (ICAEW)
<b>Dialling in</b>	Deborah Parmley (HMRC) Claire Thackaberry (LITRG)	Donna Thompson (SLC) Jamie Law (SLC)
<b>Apologies recorded for:</b>	Alex Lawrence (HMRC) Andrew Busby (DfE) Christina Dosh (HMRC) Jill Smith (CIPP) Richard George (Payroll Alliance)	Chris Jones (DA Wales) Mash Patel (HMRC)
<b>1. Introduction and opening remarks</b>		
<b>Neil Nicholas</b>	Neil Nicholas welcomed everyone to the meeting and confirmed attendees.	
<b>2. Postgraduate loans to include:</b>		
<ul style="list-style-type: none"> <li>• <b>Progress update</b></li> </ul>		
<b>Deborah Parmley Paul Crooks</b>	Deborah Parmley from the HMRC postgraduate loans project team dialled into the meeting to give a progress update on the introduction of postgraduate loan repayments into the student loans repayment system. <ul style="list-style-type: none"> <li>• Requirements have been agreed and signed off and indicative costs have been received.</li> <li>• Local testing release date is 27 November to provide information including SA100 for SA third party validation system update for 13 February 2020.</li> <li>• HMRC are working closely with the Student Loans Company (SLC) to ensure shared functions around student loan changes are in place for April 2020.</li> <li>• Everything is progressing as expected and is on track for delivery in April 2020.</li> </ul>	

<b>3. HMRC Process update to include</b> <ul style="list-style-type: none"> <li>• <b>More Frequent Data Sharing (MFDS)</b></li> <li>• <b>Off Payroll to the Private Sector</b></li> </ul>		
<b>Paul Crooks</b>	<p><b>More Frequent Data Sharing (MFDS)</b></p> <ul style="list-style-type: none"> <li>• In-year delivered for April 2019 and going smoothly with no issues.</li> <li>• For end of year – currently apply crystallisation at borrower level but now looking to providing at employment level. This will be broken down if there is more than one employer. This is the same format as in-year which is sent over at employment level.</li> <li>• Project team for MFDS end of year is the same team which delivered postgraduate loans.</li> </ul> <p><b>Off Payroll to the Private Sector</b></p> <ul style="list-style-type: none"> <li>• The representatives thanked the student finance team for their efforts in successfully getting the deemed worker marker on the Full Payment Submission (FPS).</li> <li>• HMRC appreciated the early feedback from the representatives which enabled them to put this into the requirements. The student finance team will have to work closely with the PAYE team on guidance so that everyone knows what is required.</li> <li>• The representatives highlighted some wider operational issues. There were a lot of questions around the use of the indicator and the group asked if the off payroll was going to be part of the indicator on the Basic PAYE Tool (BPT) Rules of engagement and some education are required.</li> <li>• If any of the operational issues are linked to student finance, the representatives should let the student finance team know.</li> </ul> <p><b>Action</b> – Paul Crooks to ask the project team about the BPT marker.</p>	<p>Paul Crooks</p>
<b>4. HMRC Policy update to include</b> <ul style="list-style-type: none"> <li>• <b>Scotland threshold</b></li> </ul>		
<b>Neil Nicholas</b>	<ul style="list-style-type: none"> <li>• Project has been set up. The HMRC project manager will be Deborah Parmley and a Requirements Manager has been recruited. The HMRC project team should be in place by the end of September. SLC also have their project team in place.</li> <li>• A Joint Management Board with representatives from HMRC, Department for Education (DfE), SLC and Scottish Government has also been set up.</li> <li>• The threshold will be £25K when it is introduced in 2021 and will increase annually each tax year in line with RPI.</li> <li>• Representatives asked if the starter checklist would be updated before the revised threshold was introduced in order to capture whether or not borrowers were Scottish.</li> </ul> <p>One of the challenges will be updating guidance to make it easier and clearer as this change will add complexity to the process. HMRC and SLC are working together to agree correct communications and also the naming convention for this plan type.</p>	

	Merging existing plan 1 customers on to the new threshold and communications for employers and employees to help them understand how this will work, is key.	
<b>5. HMRC Live Service update to include</b> <ul style="list-style-type: none"> <li>• <b>Starter checklist – updating Gov.uk guidance</b></li> <li>• <b>New GNS messages and their effectiveness</b></li> <li>• <b>Emerging findings on postgraduate loans</b></li> </ul>		
Dee Allcock	<p><b>Starter checklist – updating Gov.uk guidance</b></p> <p>Representatives had raised some concerns around the Guidance on Gov.uk. The student finance team had taken these concerns to the owners of the pages; however have had push back as the guidance on these pages is wider than just student finance. An employer with a student loan borrower should refer to our Student Loan Repayment guidance as this gives them a greater understanding of their roles and responsibilities as an employer with a student loan borrower. The starter checklist is just one part of the overall process.</p> <p>From a student loan perspective we will be continuing to encourage employers to use this (starter checklist) however, it is an optional form and we cannot make reference to it being mandatory. The student finance team are working with other areas of HMRC to promote the importance to borrowers of the starter checklist for both tax and student loan deduction implications. Customer insight showed that out of a sample of employers who had provided employees with a starter checklist as part of an induction pack, 70% didn't get these back from employees. This evidence shows the importance of getting the message out to individuals as well as employers.</p> <p><b>New GNS messages and their effectiveness</b></p> <p>New stop prompts came about through joint working with SLC to try to reduce the number of students overpaying their loan. Before introducing stop prompts the student finance team undertook research to see how many employers continue to take deductions after the SL2 is issued. This research showed that almost £15M had been taken after the SL2 was issued. The employer information gathered led the team to look at introducing the GNS stop prompts. This will be introduced from September 2019. A prompt will not be issued for at least two months to give time for employers to catch up with payroll. It will probably be November 2019 before employers see prompts coming through. The process will be monitored for its success and also to see if any improvements can be made.</p> <p>The representatives advised that there was some concern about the number of GNS messages going out. There needs to be certainty that there is value for money and that the messages are having the desired effect.</p> <p>If prompts don't work outreach work will take place which might mean that a further SL2 is issued and a call made to the employer.</p> <p>Data from start prompts show these have been effective and a good return on investment. Prompts narrow numbers down to a small percentage who benefit from HMRC's outreach work.</p>	

	<p>Representatives would be interested to know whether it is a particular group where prompts have been unsuccessful (e.g. whether employers are doing their own payroll or outsourcing). If the issue is with payroll bureaux then the representatives may be able to help with this.</p> <p>It will be November before results start to come through. HMRC will monitor and look at doing some outreach work and collecting data.</p> <p><b>Emerging findings on postgraduate loans</b>  Research by Student Finance’s live service team has shown that Impacts on work items and contact have been minimal in relation to postgraduate loans. The team are still gathering data and there should be more information available for the first meeting of this group in 2020.</p> <p>HMRC will continue to monitor to see if the introduction of postgraduate loans has increased error rates.</p>	
<b>6. Department for Education (DfE) update to include</b> <ul style="list-style-type: none"> <li><b>Annual announcement of Repayment Thresholds to apply from 2020</b></li> </ul>		
<b>Camilla Reinert</b>	<p>Annual announcement of the thresholds to apply from 6 April 2020 are now available on Gov.uk.</p> <p><a href="#">new student and postgraduate loan threshold and rates</a></p>	
<b>7. Student Loans Company update to include:</b> <ul style="list-style-type: none"> <li><b>More Frequent Data Sharing update and next steps</b></li> <li><b>The move of the Student Loan Repayment website to Gov.uk</b></li> <li><b>Brexit related issues</b></li> </ul>		
<b>Donna Thompson</b> <b>Jamie Law</b>	<p><b>More Frequent Data Sharing</b>  The in-year process is up and running with information received for all PAYE customers. Information coming across has shown that for a small number of customers there are more transactions than SLC expected. SLC and HMRC are working through the reasons for this.</p> <p>SLC have been receiving data for 2019/20 through MFDS, and transactions have been created on the system. From 1 October 2019 repayments will begin posting to customers’ accounts and, in time, this will bring balances up to date enabling SLC to provide a better online service to customers.</p> <p>SLC and HMRC are now working on the end of year process with delivery on track for April 2020.</p> <p><b>Credit Balances</b>  SLC are working on identification and implementation of new processes to make the refunding of credit balances to customers more streamlined and effective. This is taking into account different approaches depending on the value and age of the credit balance. While improvements can be made to these processes, it was</p>	

	<p>highlighted that joining the Direct Debit scheme when nearing the end of their loan repayment is the only way for customers not to go into a credit balance position.</p> <p><b>The move of the Student Loan Repayment website to Gov.uk</b>  The representatives had raised a question around the move of the Student Loan Repayment website material to Gov.UK (some of the material has been removed or was felt to be less user-friendly, such as the tool to help you identify which student loan you have and what to do when a student loan borrower dies – can student loans be included in Tell Us Once?)</p> <p>As part of the transition from the Student Loan Repayment website to Gov.UK, SLC carefully reviewed all content in the context of page views, drop offs and relevance with some content being removed as a result. SLC had a workshop with GDS recently and will be reintroducing an improved solution to help customers identify their plan type in the next few months. Incremental changes will be made to content more broadly as it moves forward.</p> <p>SLC have very recently reintroduced content that helps explain what to do when a student loan borrowers dies. Student Loans Company is not included in Tell Us Once, but the process to follow is now detailed on Gov.UK.</p> <p><b>Brexit related issues</b>  Representatives had raised a question around the UK government working with other countries in the EU to track and trace those with an outstanding student loan who may be working abroad, will this change after Britain leaves the EU?</p> <p>SLC will continue all overseas activities to tackle overseas non-compliance after Brexit. If any legislation prevents Student Loans Company from undertaking such activities once the UK is outside the jurisdiction of the EU, further options to continue tackling those who do not comply will be fully considered.</p>	
<b>8. Any Other Business</b>		
	No other business recorded.	
<b>Date and venue of meetings in 2019 (11:00 – 13:00)</b>		
	Date	Location
Tuesday	3 December	LGO.1, Sanctuary Buildings London