

Student Loans & Allowances

Student Allowance

A student allowance is a weekly payment to help with your living expenses while you study full-time. This does not have to be repaid.

Eligibility for the Student allowance are determined by many factors, including:

- Your Income
- Your parents income if you are under the age of 24
- Whether you live at home with your parents
- Whether you have a partner, and how much they earn
- Whether you have children

To see if you are eligible you need to go to studylink.govt.nz

Accommodation Benefit

Students may also be eligible for an accommodation benefit if they are living away from the parental home.

To apply for the Student Allowance and Accommodation Benefit you will need to apply through studylink: www.studylink.govt.nz.

Important to note:

- If a student earns over \$208 before tax per week the student allowance payments will be affected.
- Students will not be eligible for the accommodation benefit for any weeks that they live in the parental home.
- If a student receives a student allowance they must pass more than half the work of a full time tertiary course to get it again.

Student Loan

A student loan is a loan from the government to help finance study, it is made up of 3 parts, compulsory fees, course related costs & living costs. This loan has to be repaid.

Repaying your Student Loan

The repayment threshold has been fixed to \$19,084 per year, at any point that a student earns above this threshold they are required to start repaying their student loan.

You need to advise your employer that you have a student loan so they can update your tax code..

The repayment rate is 12 cents in every dollar (previously in 2012 this was 10 cents) which your employer will deduct directly from your wages.

As long as you remain in New Zealand your loan will be interest free.

Please note the repayment bonus has been removed from 1 April 2013

Going Overseas?

If you leave New Zealand for more than 6 months (183 days) your loan will accumulate interest.

You must then make repayments towards your overseas based repayment obligations. Repayments are based on your loan balance and payable in 2 installments (30 September and 31 March) each year. Making these payments does not prevent interest accumulating. The loan will become interest free again when you have been back in New Zealand for 6 months (183 days)

You may be able to apply for a repayment holiday—the maximum length of time is 1 year. This holiday means you won't be obligated to make repayments for the first year you are away. However **repayment holidays don't stop interest on your loan.**

For more information on Student Loans & Allowances contact Croys (insert link) Ltd or visit these links: www.ird.govt.nz/studentloans and www.studylink.govt.nz