

Scottish Government submission of 5 October 2023

PE2036/A: Write off student loan debts for paramedic students

Paramedic, Nursing and Midwifery Student Bursary

Following inclusion as an SNP manifesto commitment during the 2021 Scottish Parliamentary elections, the Scottish Government announced on 1 July 2021 that Scottish domiciled student studying towards a degree in Paramedic Science would be eligible for the new Paramedic, Nursing and Midwifery Student Bursary (PNMSB). This included both new and continuing Paramedic Science students.

The PNMSB scheme is a non-income assessed personal allowance for eligible students undertaking courses in pre-registration Nursing, Midwifery and Paramedic Science in Scotland. This provides an annual allowance of £10,000 for students paid monthly throughout their course.

The current position is that students who commenced their BSc Paramedic Science degree before the introduction of the bursary in 2021, will still need to pay back any student loans they have received. At the time of implementation, this was recognised i.e. that the Paramedic Science bursary would benefit new and further years of study for current students but those students who had already taken out student loans would have to repay them. This was considered to meet the 2021 SNP manifesto commitment. There are accordingly no plans to write-off previous student loans for this cohort of students.

Student Loan Write-off

The provisions for writing-off student loan debt are contained within the *Repayment of Student Loans (Scotland) Regulations 2000*. This currently states that Scottish Ministers shall cancel a borrowers liability to repay a student loan in the following circumstances:

- The borrower dies;
- The borrower receives a disability related benefit and because of that borrower's disability is permanently unfit for work;

- In the case of a post 2007 student loan, the 30th anniversary of the date on which the borrower became liable to repay the student loan; or
- In the case of a student loan which is not a post 2007 student loan, the earlier of:
 - The borrower's 65th birthday; or
 - The 30th anniversary of the date on which the borrowers became liable to repay the student loan.

There are currently no provisions within the regulations that allow Scottish ministers discretion to write-off student loan debt out with the circumstances highlighted above.

Student Loan Repayment

The current terms and conditions of student loan repayment for Scottish borrowers include the following provisions:

- A repayment threshold of £27,660 (scheduled to increase to £31,395 in April 2024)
- Deductions of 9% on earnings above the repayment threshold
- Interest calculated using the lower of either the Banks base rate +1% or the average increase in the Retail Price Index (RPI) All Items rate compared with that for the previous March (currently 6.25%).
- Repayment period of 30 years or the earlier of 30 years/a borrowers 65th birthday if they took out a loan prior to 2007.

Learner Experience Division