

Human Resources

Interest Free Educational Loan

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INTRODUCTION

1. This policy offers guidance for eligible employees to request an interest free educational loan, including the criteria to qualify for a loan, process of making an application and conditions linked with an interest free loan.
2. South Yorkshire Fire & Rescue (SYFR) are committed to the training and development of employees. All employees are entitled to fair and equitable access to education and development opportunities for their current, potential future role or self development.
3. Each individual, regardless of role or position has a personal responsibility for ensuring they maintain continuous personal development.
4. This documents sets out the arrangements and conditions of the interest free educational loan scheme.

SCOPE

5. This policy applies to:
 - a. All permanent uniformed and support staff and is designed to promote equal access to learning for all members of staff.
 - b. All members of staff, both full time and part time, on permanent contracts
 - c. Fixed term employees subject to certain conditions (please see point 7 and point 9)
6. An interest free loan up to a maximum of £5,000.00 in a tax year will be available **to all permanent staff** (those engaged on a SYFR contract of employment and paid through the Payroll Section of the Finance Function).
7. For staff on a fixed term contract, the amount loaned will be dealt with on a pro rata basis depending on the length of contract e.g. a fixed term employee on a 3 month contract will be loaned up to a maximum of £1250 over a 3 month period.
8. The loan will be for the employee to pay for, or contribute to, further education fees or qualifications at any stage throughout a tax year.

ELIGIBILITY

9. In order to make a request for an interest free loan, an employee will need to:
 - Have been employed continuously for 3 months duration or more at the date the application is made
 - Have not requested termination of employment contract
 - Have no live disciplinary warnings
 - Employees are not eligible to apply for more than one loan at time

- Have a contract of employment with SYFR and be paid through the Payroll Section of the Finance Function).

FINANCIAL LIMITS

10. The maximum amount that can be loaned to an employee at any one time is £5,000.00 due to tax implications of exceeding this amount. This applies to all employees irrespective of grade.
11. The total amount of Interest Free Loans issued to staff in each tax year will not exceed £30,000.00. (This amount will be reviewed on an annual basis in line with SYFR financial situation). Due to this limit, it may be necessary to decline some applications. Applications will be on a 'first come first served basis.

HOW TO APPLY

12. The employee must complete an application form and submit it to the Head of Human Resources. Applications will be considered on a case by case basis.
13. Please note that employees must submit their request at least 2 months before they require the loan.

PAYMENT OF LOANS TO EMPLOYEES

14. Once agreed and authorised the payment of loans to employees will be made through the Payroll Section on the next available payday.

REPAYMENT METHOD

15. Repayment of the loan will be by deduction from the employee's monthly pay, commencing one month after the loan is credited. The repayment period will be for no longer than 12 months.
16. If, for any reason, the employee leaves SYFR's employment before the total loan has been repaid, the outstanding amount will be deducted from the employee's final pay. Where this is not possible or it does not cover the total outstanding amount, an invoice for the outstanding balance will be raised which will be payable immediately.

REVIEW OF POLICY

17. The operation of this policy will be reviewed and may be amended or withdrawn at that time.

CONDITIONS

18. Only one loan may be made at any one time and no further requests for an Interest Free Loan will be considered until full repayment of any previous loans has been made.

19. A photocopy of the receipt of purchase or contributions towards further education/ qualifications must be forwarded to Human Resources Function within 10 days of receipt of loan. Clear copies of College/Course arrangements with clear names shown must be submitted. Failure to comply with this may result in delay or a decline of the loan.
20. The loan may not be used for any other purpose than that stated above and cannot be used for friends, family etc. It is solely for the applicant to use for the above. Failure to comply with these conditions will be considered as a serious misconduct issue and will be dealt with under the appropriate Disciplinary Policy.
21. SYFR will not make any refunds for non-completion of courses and employees are responsible for notifying the Human Resources Function any change in circumstances.
22. Applicants are reminded not to commit themselves financially in advance of loan decisions.

If you require further help and guidance then please contact a member of the Organisation Development Team.