

Federal Student Aid: Withdrawals, Leave of Absence Policy and R2T4 Policy

Overview

US federal law specifies that if a student begins attendance, then withdraws from all eligible courses or ceases attendance at King's College London, King's must complete a **Return to Title IV (R2T4)** calculation and arrange for any *unearned* loan funds to be returned to the US Department of Education.

For **R2T4** purposes, a **Leave of Absence (LOA)** that lasts, or is expected to last, for more than 180 days or an **unapproved Leave of Absence** is also deemed to be a withdrawal (see further detail and definitions below).

A **Leave of Absence** for **R2T4** purposes is a temporary interruption in a student's program of study. In King's general policies and procedures, a **Leave of Absence** is termed an **interruption**, and the terms can be considered synonymous.

For the purposes of Federal Student Aid, King's College London is considered to be an attendance taking institution.

What is Covered by This Policy?

- King's College London's procedure for withdrawing from a programme or applying for a leave of absence
- King's College London's fee refund policy
- Requirements regarding the treatment of Title IV funds when a student withdraws or takes leave of absence

The policy should enable students to:

- Understand how to withdraw or interrupt their studies, and any resulting financial consequences
- Estimate how much Federal Student Aid (FSA) he or she will retain, and how much he or she may have to return, upon withdrawing
- Understand the difference and interaction between the University's refund policy and the Federal Return requirements
- Understand that if he or she withdraws, the University charges that were previously paid by FSA funds might become a debit that the student will be responsible for paying
- Understand the effects that a failure to return from LOA may have on loan repayment terms, including the expiration of the grace period.
- This policy will also be used when calculating the return of funds to the US Department of Education for reasons other than withdrawal/leave of absence. The policy will be applied when a student completes or graduates earlier than anticipated; when a student becomes ineligible for federal aid at King's College London following changes to their enrolment or other factors; or for any other reasons that Federal Student Aid funds are returned to the US Department of Education.

How to Withdraw or Apply for A Leave of Absence

If a student is considering **withdrawing** from their course or taking an **LOA (Interrupting Your Studies)** in the terminology used by King's College London) they should consult the following guidance in the first instance:

<http://www.kcl.ac.uk/campuslife/services/student-advice-support/how/Changes-in-your-personal-circumstances/Withdrawing.aspx>

Students will apply to King's for a change in their registration via their Student Records account, selecting "**initiate Change of Circumstances.**"

The above guidance also details other steps that students are encouraged to take, including speaking to their Personal Tutor.

For international students subject to immigration control, it is essential they [contact the Advice & Guidance Team](#) about how withdrawal/interruption affects their visa and right to remain in the UK.

Approved Leaves of Absence

A student granted **Approved Leave of Absence** is not considered to have withdrawn, and no R2T4 calculation is required. Upon the student's return from the leave, he or she continues to earn the Title IV aid previously awarded for the period.

To be granted an **Approved Leave of Absence**, the student must meet certain conditions:

1. the student must follow the university's policy in requesting the **Leave of Absence**
2. there must be a reasonable expectation that the student will return from the **Leave of Absence**
3. the university must approve the student's request for a **Leave of Absence** in accordance with the university's policy
4. the institution may not assess the student for any additional institutional charges, the student's need may not increase, and therefore, the student is not eligible for any additional Title IV aid
5. the **Leave of Absence**, together with any additional leaves of absence, must not exceed a total of 180 days in any 12-month period
6. a student returning from a **Leave of Absence** must resume training at the same point in the academic program that he or she began it

In accordance with item 6, on a taught programme of study it is not possible for a student to take a **Leave of Absence** of less than 180 days and return to the course at the same point in the academic programme.

A student may therefore only apply for an Approved Leave of Absence if they are on a Postgraduate Research programme.

If a student takes an **Approved Leave of Absence** from their studies then any further loan disbursements will be put on hold for the duration of the absence. Please note that these payments will not be paid retrospectively once the student returns to their studies.

Requesting an Approved Leave of Absence

In addition to the general procedure for requesting a **Leave of Absence** from their studies, a student who wishes for their **Leave of Absence** to be considered an **Approved Leave of Absence** for the purposes of their Title IV aid must take the following steps:

- Students in receipt of Federal Student Aid wishing to take a **Leave of Absence** must also provide a written, signed and dated request that includes the reason for the request prior to the leave of absence beginning.
- This letter should be sent by email to funding@kcl.ac.uk and cc'd in to the Funding Manager liina.michelson@kcl.ac.uk.
- A student must apply to the Student Funding Office in advance for a **Leave of Absence** unless unforeseen circumstances prevent the student from doing so.

Once the application for a **Leave of Absence** has been processed by King's, and the **Approved Leave of Absence** request that you have submitted to the Student Funding Office has been deemed to meet the criteria in the section above, you will receive an email from the Student Funding Office explaining how the **Leave of Absence** will be applied.

Summary

To request an Approved Leave of Absence, students should:

1. Provide the Student Funding Office with a signed letter requesting the Leave of Absence
2. Await a response so that they are informed of any change to their loan entitlement
3. Complete the "initiate a Change of Circumstance" request on their student record

Absences Exceeding 180 Days

The number of days in the **Approved Leave of Absence**, when added to the number of days in all other **Approved Leaves of Absence**, must not exceed **180 days in any 12-month period**.

Where a **Leave of Absence** exceeds, or is expected to exceed, **180 days** then for the purposes of US Federal Student Aid processes the student is deemed to have **withdrawn** from their programme, retrospectively, from the first day of the **Leave of Absence**.

Please see the section **Calculation of Your Loan Entitlement Following a Withdrawal** for more information about how this will affect your entitlement to Federal Student Aid.

Where a student fails to return from a **Leave of Absence** within the agreed time frame, this may affect their loan repayment terms and they run the possibility of exhausting their grace period for loan repayment. Students receive **180 days'** grace from the last date of attendance before entering loan repayment.

Even if you are not **withdrawn** from your studies at King's, you may be reported as **Withdrawn** to the USDE. This does not affect your enrolment status at King's.

Calculation of your Loan Entitlement following a Withdrawal

If a student **withdraws** from their course, or is on a **Leave of Absence** that lasts for more than **180 days** or an **unapproved Leave of Absence**, then King's College London will handle their loan funds in accordance with the regulations set out by the US Department of Education.

In the first instance we will use the US Federal Student Aid office's **RT24** form to calculate the amount of funds from the current disbursement period that will need to be returned.

The **R2T4** process will use the student's **last date of attendance** to calculate their entitlement to Federal Student Aid.

When a student completes the "initiate Change of Circumstances" task, the last date of attendance reported in the task will be subject to the approval of your academic department and the appropriate registry centre, based on your last date of academic engagement with your course.

If a student has "unofficially" withdrawn from their course (that is, they have left their course and have not applied for a change of circumstance through the standard process) then the **last date of attendance** will be the last day that their academic department can confirm that they engaged with their programme of study.

Attendance is calculated for the **payment period** during which the **Withdrawal** or **Leave of absence** occurs. A student *earns* aid for every day they attend, and any *unearned* aid must be returned. Attendance is calculated by the number of calendar days, including weekends, holidays and other non-study days, but excluding any periods of more than five consecutive scheduled non-study days.

The university is responsible for returning any proportion of *unearned* funds it has received to the US Department of Education.

If you have attended for over **60%** of the current disbursement period, then no funds will be returned by the university.

Payment Periods

The dates for the payment periods for your US Federal Student Aid are as follows:

	Start	End	Total No. of Days	Scheduled Non-Study Days	Post 60% Date
Payment Period 1	01/10/2019	05/01/2020	97	23	14/11/2019
Payment Period 2	06/01/2020	31/03/2020	86	0	26/02/2020
Payment Period 3	01/04/2020	31/05/2020	61	19	15/05/2020
Payment Period 4 (PG)	01/06/2020	30/09/2020	122	0	13/08/2020

All dates are calculated inclusive of start and end date.

The **Post 60% Date** column gives the Last Date of Attendance (*not the first day of the leave of absence*) at which point the student has earned aid for more than 60% of the payment period, and therefore no funds from the payment period must be returned.

Example Calculations

Tim

Tim enrolls on a postgraduate degree programme and withdraws from his studies on 4th November 2018.

The corresponding payment period runs from 01/10/2018 up until the day prior to his next payment period, 06/01/2019.

This represents 98 total days, however 23 scheduled non-study days (representing the Christmas break period, commencing 15th December) do not count towards the calculation.

This means that there are 75 days in the enrolment period that count towards the R2T4 Calculation. Tim has completed 35 days of study. Our calculation therefore looks like this:

$$35 \div 75 = 47\%$$

As Tim has earned entitlement for 47% of the payment period, this means that, assuming King's College London has disbursed 100% of the funds for the period, King's College London must return 53% of all the funds allocated to fees from his disbursement.

If King's has disbursed less than 47% of funds, then King's must offer Tim a post-withdrawal disbursement.

Daisy

Daisy withdraws from her programme on the 28th February.

Her current payment period runs from 07/01/2019 to 31/03/2019 and includes no scheduled non-study days, for a total of 84 days.

Daisy has been enrolled for 53 days at the point that she withdraws.

$$53 \div 84 = 63\%$$

As the number of days that Daisy has been enrolled is above the 60% threshold, no funds need to be returned as a result of the R2T4 calculation.

Order in Which US Loans are Returned

Loans are returned in the following order:

1. Unsubsidised Stafford
2. Subsidised Stafford
3. PLUS (Graduate or Parent)

Where a student receives notification that funds should be returned then they will do so via their loan servicer in accordance with the terms of the promissory note.

In the event a student **withdraws** from their studies, begins a **Leave of Absence** that will last more than **180 days**, or their **Leaves of Absence** have lasted **180 days** or more within any **12-month period**, we will report them as **Withdrawn** via the National Student Loan Database. Please be aware that loan repayment will trigger 6 months after the date of a student's last day of study (in this case the date of their withdrawal).

An **R2T4** calculation will be performed within 30 days of the date that we determined that a student withdrew from their programme of study. This will be the date that the change of circumstance request is applied to their student record by the appropriate Registry centre.

Any funds that King's College London has allocated to fees from the student's disbursement and must now be returned will be returned within 45 days.

Once King's College London has performed the R2T4 Calculation, we will provide students with an email confirming:

- The amount unearned aid that we will return to the USDE
- The amount of unearned aid that the student must arrange to return via their loan servicer
- The amount of any tuition fees owing that have not been covered by the R2T4 process

Post-Withdrawal Disbursement

Where a student withdraws from their programme prior to their Title IV funds being disbursed, if Title IV funds could have been disbursed (i.e. the dates of the student's withdrawal means that they retain some entitlement to their disbursement) then King's College London will determine the amount of the funds earned by the student.

A written post-withdrawal disbursement notification must be offered to the student within 30 days of the date that the school determined the student withdrew. The notification will:

- Identify type and amount of funds
- Option to accept or decline some or all funds
- Explain your obligation to repay any loan funds disbursed
- Provide a 14-day Deadline to Respond

We must receive a confirmation from the student or borrower prior to releasing the disbursement. If received after the deadline, King's may choose to honour a late response.

Reducing Course-Load

Where a student reduces their course-load, for example by transferring from a full-time mode of attendance to a part-time mode of attendance, the student will not be considered to be withdrawn.

Unofficial Absence

Students are expected to maintain attendance to the satisfaction of the Faculty in accordance with King's [academic regulations](#).

Where a student ceases to attend, King's must make a determination within 14 days as to whether the student intends to return to their studies or withdraw. If a student is later determined to have withdrawn, the date that the school determined the student withdrew will be taken to be 14 days from the student's last date of attendance.

Fee Calculation Following a Withdrawal

If a student withdraws or interrupts their programme of study, their fees will be pro-rated according to the week they withdrew.

- If the student interrupts or withdraws with a confirmed last date of attendance within the first two weeks of term, no fees are due but the fee deposit (typically £2,000) is non-refundable.
- If they interrupt or withdraw after week two, fees will be re-calculated according to their last date of attendance prior to interruption.
- The calculation is based on attendance dates of 38 weeks for PG Students and 30 weeks for UG students.
- Calculation: $\text{fee} \div \text{year length (weeks)} \times \text{number of weeks attended}$.
- e.g. $19320 \div 38 \times 6 \text{ weeks} = \text{£}3,050$

Current students can also find this information on our [internal web pages](#).

A student's fee liability to the university following a withdrawal is calculated separately from the **R2T4** calculation.

This means that where a student withdraws, the amount of tuition fee that King's College London has been able to retain through the fee calculation process may not cover their final tuition fee liability.

Example of a Situation Where The R2T4 Process Will Not Cover Fees Owing From King's Tuition Fee Withdrawal Policy

Tim's fee for his postgraduate programme is £20,000 and he withdraws from his programme on 4th November 2019. As he has withdrawn in the 6th week of his programme, his fee is calculated as follows:

$$\text{£}20,000 \div 38 \times 6 \text{ weeks} = \text{£}3,158$$

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Tim also received Federal Student Aid to pay for his fees. His fee for the year of £20,000 will be divided into four equal instalments of £5,000 to coincide with each of his disbursements.

According to the R2T4 calculation, King's must return 53% of the fees that they have kept for tuition fees from his disbursement. We return £2,650 to the US Department of Education and keep £2,350 towards Tim's fees.

Although the R2T4 policy has allowed King's College London to retain £2,350 of Federal Student Aid to put towards Tim's fees, this will not cover the full £3,158 that Tim owes according to King's fee withdrawal policy.

Our Credit Control office will therefore contact Tim to arrange payment of the outstanding £808.