



ST. HUGH'S COLLEGE, OXFORD

STAFF LOAN POLICY

Date Policy Ratified by Governing Body: 05 11 2025

Responsible Committee: Finance and General Purposes Committee

Date to be reviewed by: 05 11 2027

Staff Loan Policy

Introduction

This policy sets out the types of financial assistance that the College can provide to employees, and how you can access them.

This policy does not form part of your contract of employment and we reserve the right to amend or withdraw it at any time.

Scope

This policy applies to employees of the College. It does not apply to non-employee workers, contractors, consultants or any self-employed individuals working for the organisation.

Spreading the cost of a season ticket for travel to work

The College is able to obtain annual season tickets for bus or train travel at a discounted rate and to spread the cost for employees over twelve months. This only applies to annual season tickets and must be for the full cost of the season ticket, and for the purpose of travel to and from work. The College will obtain the ticket and the employee must sign a letter agreeing to the repayment of the cost of the ticket via payroll deduction in twelve equal monthly instalments. The application for a season ticket loan should be handed to the Finance Office for processing.

Employee loans

The College can offer interest-free loans to employees to assist with a range of financial needs.

To qualify, you must:

- Be currently employed directly by the College;
- Have satisfactorily completed your initial or any extended probationary period;
- Not be subject to an active final written warning;

The maximum amount of a loan is three times the employee's basic monthly take-home pay from their St Hugh's College salary (i.e. after all deductions but excluding overtime, holiday pay, or any additional allowances), up to a maximum of £5,000.

Repayment will be made via monthly deductions from salary payments, each instalment being equal to one-twelfth of the employee's monthly take-home pay. Repayments are from post-tax income and do not constitute salary sacrifice. Individuals are responsible for ensuring that they can afford to meet the cost of monthly deduction from their personal finances.

For staff on fixed term contracts any loan agreed cannot have a repayment period exceeding the end of the fixed term contract.

The £5,000 maximum is below the HM Revenue & Customs (HMRC) current threshold for beneficial loans, which means that the provision of an interest-free loan under this policy does not currently count as a taxable benefit and will not therefore result in an additional tax charge for the employee provided the loan is repaid.

Requesting a loan

If you wish to apply you will need to complete our Loan request form, **Appendix 1**. This should be submitted to the HR department.

The application for a loan is subject to approval by the Head of Human Resources, College Accountant and the Bursar.

The HR department will notify you of the decision within 10 working days of your request. The decision as to whether to grant a loan and the amount of the loan will be entirely at the College's discretion.

An employee may apply once in any five-year period for an employee loan, and loans will not be available while there are any outstanding balances due to the College.

Loan agreement

If your request is approved, you will be asked to sign a loan agreement setting out the terms and conditions of the loan and its repayment. On receipt of the signed written agreement, the loan will be paid to you on the next available payment run by direct transfer into the same account into which your salary is paid.

Leaving the College's employment

If your employment with St Hugh's ends for any reason before a loan has been fully repaid, you will be required to repay the balance.

In accordance with the terms of the loan agreement, a deduction equivalent to the outstanding amount will be made from any final pay due to you. If your final pay is insufficient to allow for the whole of any such deduction, you will be required to make a separate payment to us within one month of the termination of your employment.

If you do not repay the loan in accordance with this policy, the College has the right to take action to recover the outstanding balance.

If at any point the loan is written off as a bad debt due to non-repayment, the full amount of the original loan advance becomes reportable to HMRC as a p11d benefit in kind and the employee would be liable for a tax charge from HMRC.

Disciplinary action

If we find that an individual has made false representations to apply for a loan under this policy, this will be treated as a disciplinary offence.

Appendix 1 – Loan Request Form

St Hugh's College Loan request form		
Employee's name:		
Department:		
Job title:		
Start date:		
I would like to apply for a [please tick the applicable box]:		
Season ticket loan		
Financial hardship loan		
If applying for a financial hardship loan, please provide a brief explanation of the purpose of the loan with reference to the loans policy:		
Amount of loan required		
Date loan required (please note that we may not be able to provide the loan by the date required if you have not given sufficient notice in accordance with the loans policy)		
Please tick "Yes" or "No" for each question:		
Have you passed your probation period?	Yes	No
Do you have sufficient monthly salary to make loan repayments?	Yes	No
Have you served notice terminating your employment or received notice from the College terminating your employment?	Yes	No

Are you subject to an active final written warning?	Yes	No
Have you made a previous application for a loan from the organisation?	Yes	No
If Yes to the above question, on what date did you make the application?		
The information in this application form is true to the best of my knowledge and belief.		
Employee's signature:		Date: