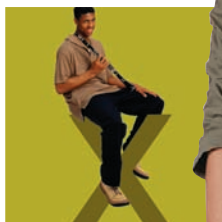


# LOANS AND BURSARIES ANSWERS TO YOUR QUESTIONS

2006  
2007



# The Loans and Bursaries Program

Are you enrolled in a secondary school vocational training program or pursuing postsecondary studies at the college or university level? Does your educational institution recognize you as a full-time student? If so, you can apply for student financial assistance under the Loans and Bursaries Program. This program, administered by Aide financière aux études (AFE), is intended to help Quebecers who do not have sufficient financial resources to pursue full-time studies.

## **Financial assistance needs assessed in accordance with the school calendar**

With the Loans and Bursaries Program, you are sure to know and receive, at the appropriate time, the amount of financial assistance to which you are entitled, provided you file your application within the set deadline. The factors taken into account in assessing your student financial assistance are determined on a monthly basis. This way, your needs are covered in accordance with the school calendar, and your debt load is in keeping with the duration of your studies.

## **Effective budget planning**

Once you have filed your application for financial assistance, a first assessment is made, based on the information you have reported. This is when you will be informed of the total amount of financial assistance to be awarded to you by the government for the award year (i.e. the loan portion of the financial assistance, the bursary portion, if any, and the installment breakdown).

During the school year, the financial assistance awarded to you will be deposited directly into your bank account on a monthly or periodic basis. This will allow you to plan your budget appropriately.

# Table of Contents

<b>APPLYING FOR FINANCIAL ASSISTANCE</b>	<b>2</b>
• Do I qualify for the Loans and Bursaries Program?	2
• Do my parents or sponsor have to contribute financially toward the cost of my education?	3
• How do I apply for student financial assistance?	4
• How will my student financial assistance actually be paid out?	4
• How will my student financial assistance be distributed?	5
• How long will I remain eligible for the Loans and Bursaries Program?	5
• What is the period of eligibility set out for my studies?	5
• What is the debt limit established for my studies?	7
• What is the deadline for submitting an application for financial assistance? Is it too late to do so after I have completed my studies?	7
<b>ASSESSING STUDENT FINANCIAL ASSISTANCE</b>	<b>8</b>
• How is the loan portion calculated?	8
• How is the bursary portion calculated?	9
• What are allowable expenses?	9
• What happens if I withdraw from courses or from my studies?	11
• What if I can't resume my studies the following study period, as expected?	11
• What income is taken into account in the assessment of the financial assistance to be awarded to me?	11
• When do I have to report my income?	11
• Is my total income taken into account when calculating my contribution?	11
• How is my contribution calculated?	12
• How are my exemptions calculated?	12
• Am I entitled to contribution reductions?	13
• How is my parental or sponsor contribution calculated?	15
• Can I still submit an application for financial assistance if my parental contribution and my employment income exceed my allowable expenses?	16
• How is my spouse's contribution calculated?	16
<b>METHOD USED FOR ASSESSING STUDENT FINANCIAL ASSISTANCE</b>	<b>17</b>
• One-stage assessment: determining your financial assistance needs and bursary amount, if applicable	17
• Two-stage assessment: determining your financial needs without taking into account your employment income	18
• Three-stage assessment: determining your financial needs without taking into account your parental or spousal contribution	19
• Loan graduation	20
• Calculating the amount by which the parental contribution exceeds the combined total of the allowable expenses and the first portion of the loan	20
• Calculating the reduced loan amount	20
<b>REPAYING A STUDENT LOAN DEBT</b>	<b>21</b>
• When do I have to start repaying my student loan debt?	21
• I have to interrupt my studies temporarily. Do I have to start repaying my student loan debt?	21

# Applying for Financial Assistance

## DO I QUALIFY FOR THE LOANS AND BURSARIES PROGRAM?

- Are you a Canadian citizen, a permanent resident, a refugee or a protected person?
- Are you a Québec resident or are you deemed a Québec resident?
- Have you been or will you be admitted to a recognized educational institution?
- Are you pursuing full-time studies\* or are you deemed to be pursuing full-time studies\*\* in a recognized program?
- Are you still eligible for a loan based on the eligibility period set out for your program?
- Are you below the debt limit established for your level of education, type of degree and program?

If you answered "yes" to all of these questions and do not have sufficient financial resources to pursue your studies, you may qualify for the Loans and Bursaries Program.

\* The rules in effect at your educational institution serve to determine your full-time student status.

\*\* To be deemed a full-time student, you must be enrolled for at least 20 course hours per month, without being a full-time student, and meet one of the following requirements:

**1. You are a single parent and**

you are living with your child who is under age 12 as of September 30 of the award year for which the application for financial assistance is filed.

**or**

you are living with your child who is under age 21 as of September 30 of the award year for which the application for financial assistance is filed. Your child is a student with a major functional disability or mental disorder.

**2. You have a spouse and**

you are living with your child who is under age 6 as of September 30 of the award year for which the application for financial assistance is filed.

**or**

you are living with your child who is under age 21 as of September 30 of the award year for which the application for financial assistance is filed. Your child is a student with a major functional disability or mental disorder.

**3. You are at least 20 weeks pregnant.**

**4. You have a major functional disability.**

If you and your spouse are receiving financial assistance under the Loans and Bursaries Program, only one of you may take advantage of this measure during the award year.



## DO MY PARENTS OR SPONSOR HAVE TO CONTRIBUTE FINANCIALLY TOWARD THE COST OF MY EDUCATION?

To find out whether you belong to the category of students without a parental or spousal contribution or to the category of students with a parental or spousal contribution, read the following situations. They are grouped according to criteria related to family situation, studies and experience in the labour market.

- **You may be considered a student without a parental contribution if you are in one of the following situations:**

### Family situation

- you are or were the biological or adoptive parent of a child
- you are single and both your parents are deceased
- you are at least 20 weeks pregnant
- you are a single parent living with at least one child
- you are living with a de facto spouse of the opposite sex or the same sex and at least one child (yours or your de facto spouse's)
- you are married, in a civil union, legally separated, de facto separated, divorced or widowed

### Studies

- you hold a bachelor's degree from a Québec university
- you hold a bachelor's degree or the equivalent from an institution outside Québec
- you are studying toward a master's or doctoral degree but do not hold a bachelor's degree
- you hold a Level I graduate diploma in music (*Diplôme d'études supérieures en musique I*) issued by the Conservatoire de musique et d'art dramatique du Québec or an attestation issued upon completion of three years of training at that institution
- after 3 years of study, you have earned 90 credits\* toward a single university degree
- you have earned the equivalent of 90 credits toward a single university degree outside Québec

### Experience in the labour market

- you have been in one of the following situations for a total period of at least 24 months, without ever studying full-time during this period:
  - you have held a paid job or have received employment insurance or income replacement benefits (CSST, SAAQ, QPP, etc.) while living with your parents or sponsor
  - you have supported yourself while living elsewhere than with your parents or sponsor
  - you have been in both of the previous situations
- you have not studied full-time for at least seven years (consecutive or not)

\* If you have a major functional disability and are a part-time student, you must have earned 45 credits instead of 90.

### Exceptional family situation

- you are a refugee, a protected person, a permanent resident or a naturalized Canadian citizen, your parents do not reside in Canada and you do not have a sponsor
- you are single and you are in one of the following situations:
  - you have been placed in a foster home
  - you have been placed in the custody of a guardian
  - you are or will be living in a halfway house during the award year for which the application for financial assistance is filed
  - your parents are living or your sponsor is living in a special care home
  - your parents or sponsor cannot be located
  - your family situation has deteriorated
  - you receive support payments from your parents
- You are deemed a student with a spousal contribution if one of the situations listed below applies to you:
  - you are married
  - you are in a civil union
  - you are living with a de facto spouse of a different sex or the same sex and at least one child (yours or your de facto spouse's)

### HOW DO I APPLY FOR STUDENT FINANCIAL ASSISTANCE?

Do not hesitate to apply on-line. It's a simple, fast, easy and secure way of applying for financial assistance. The system validates the information you enter as you go along, which means mistakes are less likely to occur. To apply on-line, go to our Web site at <[www.afe.gouv.qc.ca/english](http://www.afe.gouv.qc.ca/english)> and click on *On-Line Access to Your File!* Please note that your parents or your spouse can also fill out their declaration forms on-line.

After you have completed and sent your application for financial assistance, you will receive your first *Financial Assistance Statement* indicating the total amount of financial assistance awarded to you for the award year, based on the information you have reported. It will also indicate which portion of the amount corresponds to the loan and, if applicable, which portion corresponds to the bursary.

For further information on the different steps you will need to follow throughout the school year, consult our Web site.

If you do not have access to the Internet, contact the financial assistance office at your educational institution to get the *Application for Financial Assistance* form.

### HOW WILL MY STUDENT FINANCIAL ASSISTANCE ACTUALLY BE PAID OUT?

#### First application

If you are filing your first application for financial assistance, you will have to pick up your *Guarantee Certificate* from the financial assistance office of your educational institution at the appropriate time. This document will authorize you to enter into a *Loan Agreement* with one of the financial institutions participating in the Loans and Bursaries Program. You will then have to go to any branch of one of the participating Québec-based financial institutions and have your *Guarantee Certificate* authenticated.

## Application renewal

If you are renewing your application for financial assistance, the assistance awarded to you will be deposited directly into your bank account on a monthly or periodic basis, in accordance with your school calendar and the breakdown of installments. Another *Guarantee Certificate* is not required. However, if you have interrupted your studies for more than 6 months, you will need a new *Guarantee Certificate* in order to receive the financial assistance awarded to you.

## HOW WILL MY STUDENT FINANCIAL ASSISTANCE BE DISTRIBUTED?

If you **qualify for a loan only**, the financial assistance awarded for the school year will be distributed among the study periods\* lasting at least three months. The installments will be deposited into your account at the beginning of each period so as to make the beginning of the school year easier to manage.

If you **qualify for a loan and a bursary**, an installment will be deposited directly into your account for each month of study.

During the entire school year, the total amount of financial assistance awarded to you will be paid out in the form of a loan. At the end of the school year, after you have received your last installment and following the verification of your income with Revenu Québec, the government will repay your financial institution the bursary portion of the financial assistance awarded to you. You will then be notified by mail or e-mail of the amount repaid to your financial institution.

**Note:** No installment will be issued for a month for which the amount of financial assistance assessed is under \$25. If this is the case, the amount will be added to the installment for the previous month or the subsequent month, as the case may be.

## HOW LONG WILL I REMAIN ELIGIBLE FOR THE LOANS AND BURSARIES PROGRAM?

You remain eligible for financial assistance under the Loans and Bursaries Program during the entire school year as long as you have not exceeded the **period of eligibility for a loan** set out for your program or the **debt limit** established for your level of education and as long as you are attending a recognized educational institution.

Your situation during the first month of study of the school year in question is taken into account in determining your eligibility under the Program.

## WHAT IS THE PERIOD OF ELIGIBILITY SET OUT FOR MY STUDIES?

The period of eligibility for a loan is based on the set duration of your studies and on your level of education, type of degree and program, plus an additional 15 months.

The period of eligibility for a bursary is based on the set duration of your studies, plus an additional six months.

\* *Study period* is now used instead of *term*. For most students, a study period corresponds to a term (lasting four or five months, as the case may be). If you are enrolled in a secondary school vocational training program or a program leading to an Attestation of College Studies (ACS), your studies will be divided into four-month periods as of the first month of study.



#### PERIODS OF ELIGIBILITY FOR PROGRAMS OF NORMAL LENGTH

Program	Set duration	Period of eligibility for a loan	Period of eligibility for a bursary
<b>Secondary school</b>			
Vocational training	20 months	35 months	First 26 months
<b>College</b>			
Pre-university education	18 months	33 months	First 24 months
<b>College</b>			
Technical training	27 months	42 months	First 33 months
<b>University</b>			
Bachelor's degree	24 months	39 months	First 30 months
<b>University</b>			
Master's degree	16 months	31 months	First 22 months
<b>University</b>			
Doctoral degree	32 months	47 months	First 38 months

If your studies are recognized for the purpose of loans only, your period of eligibility for financial assistance will correspond to the set duration of your studies, plus an additional 15 months. During this period, the financial assistance will be paid out only in the form of a loan.

Only the months during which you are actually pursuing your studies are taken into account in determining the number of months during which you qualify under the Program. The number of months during which you are doing a cooperative practicum is not taken into account, since no financial assistance is awarded during these months.



## WHAT IS THE DEBT LIMIT ESTABLISHED FOR MY STUDIES?

The debt limit is determined on the basis of the level of education, the type of degree, and the program.

DEBT LIMITS BY LEVEL OF EDUCATION	
Level of education	Debt limit
<b>SECONDARY SCHOOL</b> (vocational training)	\$22 000
<b>COLLEGE</b>	
Pre-university education	\$16 000
Technical training	
• Subsidized programs	\$23 000
• Subsidized programs offered at a private educational institution	\$27 000
• Nonsubsidized technical training	\$27 000
<b>UNIVERSITY</b>	
Bachelor's degree	
• Programs lasting 24 months or less	\$30 000
• Programs lasting more than 24 months	\$36 000
Master's degree	
• Programs lasting 16 months or less	\$42 000
• Programs lasting more than 16 months	\$48 000
Doctoral degree	
• All programs	\$55 000
Bachelor's, master's and doctoral degrees	
• Programs outside Québec, but in Canada	\$55 000
• Programs outside Canada	\$70 000

Your debt limit is calculated by adding the balance of your loans and the balance of bursary overpayments made to you during your studies.

## WHAT IS THE DEADLINE FOR SUBMITTING AN APPLICATION FOR FINANCIAL ASSISTANCE? IS IT TOO LATE TO DO SO AFTER I HAVE COMPLETED MY STUDIES?

No, it is not too late. You have 60 days after your last month of recognized studies to submit an application.

# Assessing Student Financial Assistance

## HOW IS THE LOAN PORTION CALCULATED?

Calculation parameters (see following table) are used to determine the amount of the loan that may be awarded to you for the award year, based on the information you have reported. An amount set for your level of education and your program is thus multiplied by the number of months of study.

### PARAMETERS USED TO CALCULATE THE LOAN AMOUNT THAT MAY BE GRANTED FOR THE AWARD YEAR

#### Programs recognized for the purposes of loans and bursaries\*

##### Secondary school (vocational training)

Subsidized programs (public educational institutions)	\$200/month of study programs
Subsidized programs (private educational institutions)	\$200/month of study + compulsory fees charged by the educational institution
Nonsubsidized programs	\$200/month of study + compulsory fees charged by the educational institution

##### College\*

Subsidized programs (public educational institutions)	\$220/month of study + \$20/study period
Subsidized programs (private educational institutions)	\$220/month of study + compulsory fees charged by the educational institution
Nonsubsidized programs	\$315/month of study + compulsory fees charged by the educational institution

##### University\*

Bachelor's degree	\$305/month of study + \$270/study period
Master's and doctoral degrees	\$405/month of study + \$270/study period
Bachelor's degree holder	\$405/month of study + \$270/study period

**Programs recognized for the purposes of loans only** \$950/month of study

\* If applicable, expenses for the purchase of computer equipment and childcare expenses are added to the total loan amount.

\*\* If you are pursuing studies outside Québec, the compulsory fees charged by the educational institution are added to your monthly loan amount.



## HOW IS THE BURSARY PORTION CALCULATED?

Your bursary amount corresponds to the difference between the amount of your financial needs and the maximum loan amount that may be awarded to you for the award year.

## WHAT ARE ALLOWABLE EXPENSES?

AFE allows your expenses for the months during which you are a full-time student, you are deemed a full-time student, you are deemed enrolled\* or you have withdrawn from courses or your studies (provided you resume them the following study period). These expenses are considered allowable expenses.

Allowable expenses are divided into two categories: **monthly expenses** (recurring on a monthly basis) and **one-time expenses** (occurring only in certain situations and months). This latter category includes your educational expenses (tuition fees and expenses for school supplies). Please note that these expenses are taken into account at the beginning of each study period.

### MONTHLY EXPENSES

#### Living expenses (including transportation costs)

• Student who is pursuing studies or doing a full-time practicum (excluding cooperative practicums) and who is <b>living</b> with his or her parents	\$325/month
• Student who is pursuing studies or doing a full-time practicum (excluding cooperative practicums) and who is <b>not living</b> with his or her parents	\$715/month
• Student who is deemed enrolled and who is <b>living</b> with his or her parents	Each month: \$125 + 10% of employment income Maximum: \$325/month
• Student who is deemed enrolled and who is <b>not living</b> with his or her parents	Each month: \$515 + 10% of employment income Maximum: \$715/month

#### Living expenses for children

• First child	\$217/month (\$2 604/year)
• Other children	\$200/month (\$2 400/year)

**Childcare expenses** \$151/month of study

**Additional childcare expenses (unsubsidized childcare service)** \$279/month of study

#### Additional living expenses for single parents

• With child under age 18	\$58/month
• With child age 18 or over	\$166/month

**Additional amount to offset unavailable public transit** \$83/month

**Short-term practicum expenses (duration of the practicum is less than that of the study period)** \$243/month  
Maximum: \$1 128/year

\* Even if you are not actually studying, you may be deemed enrolled if you live with your child, are in a situation which may lead to total destitution, have a major functional disability or are at least 20 weeks pregnant. Your expenses will be allowed for a maximum period of four months between two study periods.



## ONE-TIME EXPENSES

<b>Tuition fees*</b>	This expense is allowed in the first month of each study period.
<b>Expenses for school supplies*</b>	This expense is allowed in the first month of each study period.
<b>Expenses for specialized equipment*</b>	This expense is allowed in the first month of each study period.
<b>Expenses for special transportation</b>	This expense is allowed in the first month of each study period.
<b>Expenses for eyeglasses or contact lenses</b>	\$185/person (student or child) per 24-month period This expense is allowed in the month of purchase.
<b>Costs related to the purchase of computer equipment</b>	This expense is allowed only once during the entire duration of the studies. An amount of \$2 000 is <b>added to the allowable expenses</b> for the purchase of computer equipment (i.e. including the computer, peripherals and software). The amount is \$3 000 if the use of a laptop is required in the program of study.
<b>Allowance for students in outlying regions</b>	\$63/month Maximum: \$504/year This expense is allowed in the first month of each study period.
<b>Medical expenses</b>	\$16 monthly deductible This expense is allowed in the month in which it was incurred.
<b>Additional assistance for students with little or no income</b>	If applicable, this amount is taken into account in the first month when expenses for the award year are allowed. See reductions and exemptions calculation tables.
<b>Additional assistance for students who are studying full-time during the summer and who have a drop in income of over 10% during the current calendar year</b>	Amount equivalent to a <b>portion</b> of the difference between the contribution calculated the year preceding the drop in income and the contribution calculated the year when the drop in income occurs. This amount is taken into account in the first month of study.
<b>Interest paid by students under the former Computer Loan Guarantee Program</b>	The interest accrued on this loan is paid by the government every year for the entire duration of studies.

\* These expenses are allowed for a study period during which you are a full-time student or are deemed a full-time student for at least three months.

## WHAT HAPPENS IF I WITHDRAW FROM COURSES OR FROM MY STUDIES?

If you withdraw from **one or several courses**, your expenses for the period concerned will be allowed. However, during the months following your withdrawal from full-time studies, living expenses will be reduced by \$100 per month.

If you withdraw from **your studies**, your expenses for the remaining months of the study period (including the month during which you withdrew from your program) will be allowed, provided you resume your studies the following study period. If you **expect to resume your studies** the following study period, your expenses for the month following your withdrawal and the months during which you are not a student will be allowed, but your living expenses will be reduced by \$200 per month as of the month following your withdrawal. However, if you withdraw from your studies and **do not resume them** within four months, no expenses will be allowed as of the month following your withdrawal.

## WHAT IF I CAN'T RESUME MY STUDIES THE FOLLOWING STUDY PERIOD, AS EXPECTED?

If you withdraw from your studies or if you are a student who is deemed enrolled, the financial assistance awarded for the previous study period will be included in your student loan debt and will not be considered an overpayment.

## WHAT INCOME IS TAKEN INTO ACCOUNT IN THE ASSESSMENT OF THE FINANCIAL ASSISTANCE TO BE AWARDED TO ME?

Your employment income, your income considered employment income and your other financial resources, including your scholarships or bursaries (excluding those awarded under the Loans and Bursaries Program or the Explore program) will be taken into account when calculating your contribution.

Income related to an election will not be taken into account when calculating your contribution.

If you are receiving support payments, you must declare all amounts received. The first \$1 200 of those payments will not be taken into account when your contribution is calculated.

## WHEN DO I HAVE TO REPORT MY INCOME?

You must first report your income when you apply for financial assistance. The *Application for Financial Assistance* form includes a section to be completed for this purpose.

In September and January, you will have to confirm the income you earned between January 1 and December 31 of the calendar year ending during the award year in question. To do so, you will have to complete the *Confirmation of Financial Resources* form. At the appropriate time, you will receive a letter or e-mail asking you to confirm your financial resources.

## IMPORTANT!

**If you fail to confirm your financial resources, payment of your financial assistance will be suspended.**

## IS MY TOTAL INCOME TAKEN INTO ACCOUNT WHEN CALCULATING MY CONTRIBUTION?

No. Only the portion of income you have earned between January 1 and December 31 of the calendar year ending during the award year in question is taken into account when calculating your contribution. The remaining portion of your income should enable you to provide for your needs in the months during which no expenses are allowed.



## HOW IS MY CONTRIBUTION CALCULATED?

A calculation method similar to the one used by the government for income tax returns is used to calculate your contribution. First, the **exemptions** to which you are entitled are deducted from your **employment income**. Then, 50% of the amount obtained (or 40% if you did not receive assistance under the Loans and Bursaries Program the previous year) is further reduced by subtracting the **contribution reductions** to which you are entitled. Finally, 100% of your other income and 100% of your bursary income in excess of \$5 000 are added to this last result.

The following calculation method is used:

- if you received financial assistance under the Loans and Bursaries Program the previous year:  
 $(\text{your employment income} - \text{your exemptions}) \times 50\%$   
 – your **contribution reductions**  
 + 100% of your other income  
 + 100% of your bursary income in excess of \$5 000  
 = your contribution
- if you did not receive financial assistance under the Loans and Bursaries Program the previous year:  
 $(\text{your employment income} - \text{your exemptions}) \times 40\%$   
 – your **contribution reductions**  
 + 100% of your other income  
 + 100% of your bursary income in excess of \$5 000  
 = your contribution

**Note:** If the result of the calculation of your contribution is below zero and you benefited from the Program last year, this amount will be added to your allowable expenses. For example, if the result is – \$500, then \$500 will be added to your allowable expenses to cover the deficit.

## HOW ARE MY EXEMPTIONS CALCULATED?

First of all, the months during which no expenses are allowed are taken into consideration when calculating your exemptions. Based on this number of months, your **protected income** is determined using the following calculation:

$\$1\ 110 \times \text{the number of months for which no expenses are allowed (between January 1 of the previous award year and the last month of the current award year for which expenses are allowed)}$

The result or portion thereof is used to calculate your **exemptions**:

1. You are entitled to a **basic exemption**. This exemption amount is determined by comparing your employment income and the amount corresponding to 30% of your protected income. The lesser of these two amounts is regarded as your **basic exemption**.
2. You are entitled to an **additional exemption**. This exemption amount is determined by taking into account your situation during the first month of study.
  - a) You are considered **to be living with your parents** (i.e. you are a student with a parental contribution or you are a student without a parental contribution and, in this latter case, you are living with your parents).

An amount equivalent to 5% of your employment income is added to your basic exemption, up to an amount equivalent to 5% of your protected income.

- b) You are considered **not to be living with your parents** (i.e. you are a student without a parental contribution and are not living with them, or you are a student with a spousal contribution).

An amount equivalent to 35% of your protected income and an amount equivalent to 35% of your employment income are added to your basic exemption. The additional exemption may not exceed 70% of your protected income.

## EXEMPTIONS

### Basic exemption

The lesser of the following two amounts: 100% of your employment income or 30% of your protected income

### Additional exemption

If you are considered to be living with your parents: 5% of your employment income, up to an amount equivalent to 5% of your protected income

If you are considered not to be living with your parents: 35% of your protected income + 35% of your employment income, up to an amount equivalent to 70% of your protected income

## AM I ENTITLED TO CONTRIBUTION REDUCTIONS?

You are entitled to **contribution reductions** only in the following cases:

1. You are pursuing studies that are **not full-time studies**, and these studies take place within the four-month period preceding one month of full-time studies.

Your level of education is taken into account when your contribution reduction is calculated. If you are enrolled in a university-level program, the number of credits for which you are enrolled is multiplied by \$255. If you attend a private college, the number of course hours is multiplied by \$22. If you attend a public college or if you are enrolled in a secondary school vocational training program, the number of course hours is multiplied by \$15.

If you have employment income, 2.5% of this income amount (up to the amount equivalent to your protected income) is multiplied by the number of course hours divided by 15 or by the number of credits. This amount is then subtracted from the amount obtained previously.

2. You are in the first situation or you are **working** and are **considered to be living with your parents** (but you are not living with them during the months for which your expenses are not allowed).

If you are in the first situation and you are considered to be living with your parents, you will get an additional reduction on top of the one described above.

Your level of education is taken into account when this reduction is determined. If you are enrolled in a university-level program, the number of credits for which you are enrolled is multiplied by \$120. If you are enrolled in a college-level or secondary school vocational training program, the number of course hours is multiplied by \$8.

If you are **working**, the lesser of the two following amounts is multiplied by \$380:

- the result obtained by subtracting the number of credits divided by 3 or the number of course hours divided by 45 from the number of months taken into account when calculating your protected income
- the result obtained by dividing your employment income by \$1 110

## CONTRIBUTION REDUCTIONS

### If you are pursuing studies that are not full-time studies:

- University:  $\$255 \times \text{number of credits}$
- College (private educational institutions):  $\$22 \times \text{number of course hours}$
- College (public educational institutions) or secondary school (vocational training):  $\$15 \times \text{number of course hours}$ 
  - (2.5% of your employment income up to an amount equivalent to your protected income,  $\times [\text{number of course hours} \div 15]$  or the number of credits)

### If you are pursuing studies that are not full-time studies and are considered to be living with your parents (but are not living with them during the months for which no expenses are allowed):

- University:  $\$120 \times \text{number of credits}$
- College or secondary school (vocational training):  $\$8 \times \text{number of course hours}$

### If you are working:

- $\$380 \times$  the lesser of the following two amounts:
  - number of months taken into account when calculating the protected income – (number of credits  $\div$  3) or (number of course hours  $\div$  45)
  - your employment income  $\div$   $\$1\,110$



### Garry's example will help you understand how your own contribution is calculated.

Garry is a single student with a parental contribution. He is beginning his second year of university and has received student financial assistance for the previous winter period. In the summer, he earned \$5 000 and was not living with his parents.

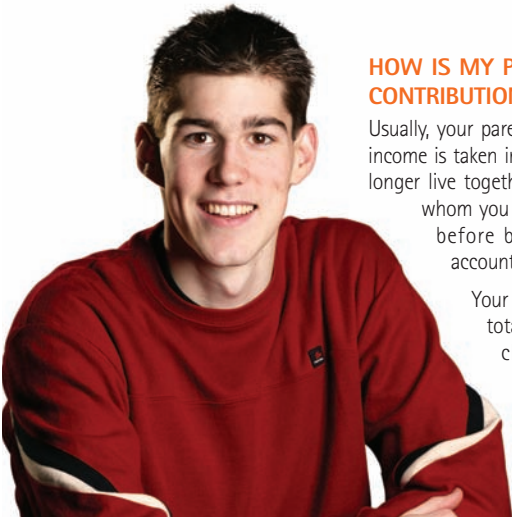
## HOW GARRY'S CONTRIBUTION IS CALCULATED

Number of months during which no expenses are allowed: 4 months (from May to August inclusively)

Evaluation of protected income:  $4 \times \$1\,110 = \$4\,440$

<b>Employment income</b>	\$5 000
<b>EXEMPTIONS</b>	
Basic exemption	
Employment income (max.: 30% of protected income)	\$1 332
Additional exemption	
<i>Student who is considered to be living with his or her parents</i>	
5% of employment income	
(max.: 5% of protected income)	\$ 222
<b>Total exemption</b> (\$1 332 + \$222)	- \$1 554
<b>Employment income minus total exemption</b> (\$5 000 - \$1 554)	\$3 446
<b>Employment income taken into account</b> (50% of previous amount)	\$1 723
<b>CONTRIBUTION REDUCTION</b>	
<i>Student who is considered not to be living with his or her parents and who is working</i>	
4 months $\times$ \$380	\$1 520
<b>Total contribution reduction</b>	- \$1 520
<b>Garry's contribution</b>	<b>\$ 203</b>





## HOW IS MY PARENTAL OR SPONSOR CONTRIBUTION CALCULATED?

Usually, your parents' combined income or your sponsor's income is taken into account. However, if your parents no longer live together, only the income of the parent with whom you are living or with whom you were living before beginning your studies is taken into account when calculating the contribution.

Your parents' or sponsor's income includes the total gross income, family allowances and child tax benefits received during the calendar year preceding the current award year.

The following exemptions are deducted from your parents' or your sponsor's income when calculating your parental or sponsor contribution:

<b>Family support:</b>	\$13 885 (if your parents live together) \$11 755 (if your parents do not live together)
<b>Dependent children:</b>	\$2 660 for the first child \$2 400 for the second child and subsequent children \$2 200 for the student who has a major functional disability and who applies for financial assistance
<b>Second parent with an income:</b>	14% of the lowest income (maximum: \$2 100)

A progressive contribution rate is applied to the resulting amount.

### PROGRESSIVE CONTRIBUTION RATE FOR PARENTS, SPOUSES OR SPONSORS

Income	Expected contribution
Between \$0 and \$8 000	\$ 0
Between \$8 000 and \$44 000	\$ 0 on the first \$8 000, and 19% of the remainder
Between \$44 000 and \$54 000	\$ 6 840 on the first \$44 000, and 29% of the remainder
Between \$54 000 and \$64 000	\$ 9 740 on the first \$54 000, and 39% of the remainder
\$64 000 or more	\$13 640 on the first \$64 000, and 49% of the remainder

The result is then divided by the number of children with a parental contribution who are studying.

## **CAN I STILL SUBMIT AN APPLICATION FOR FINANCIAL ASSISTANCE IF MY PARENTAL CONTRIBUTION AND MY EMPLOYMENT INCOME EXCEED MY ALLOWABLE EXPENSES?**

Yes. Even if your parental contribution and your employment income are higher than the allowable expenses, you may still be entitled to a loan.

## **HOW IS MY SPOUSE'S CONTRIBUTION CALCULATED?**

Your spouse's contribution is determined by subtracting \$11 755 (the basic exemption for a spouse) and, where applicable, the additional \$2 200 exemption for students with major functional disabilities, from the income taken into account. A progressive contribution rate (i.e. the same one as that used to calculate the parental contribution) is then applied to the resulting amount.

The final result is divided by the sum of one plus the number of children who are studying and for whom you and your spouse must make a parental contribution.

Your spouse will not be expected to contribute toward the cost of your studies if he or she was receiving financial assistance under the Loans and Bursaries Program the previous award year or if he or she is currently receiving financial assistance under the Program.

Your contribution, as well as your parental, sponsor and spousal contribution, are calculated on the basis of the number of months during which you are a student. As a result, the expected contributions could be reduced if you are a student for less than eight months during the award year.



# Method Used for Assessing Student Financial Assistance

Depending on your situation, the calculation of your financial assistance can involve a one-, two- or three-stage assessment. This method is aimed at increasing your chances of obtaining financial assistance.

## ONE-STAGE ASSESSMENT: DETERMINING YOUR FINANCIAL ASSISTANCE NEEDS AND BURSARY AMOUNT, IF APPLICABLE

This stage involves the assessment of your financial needs in accordance with the information you reported in your application for financial assistance.

If your financial needs exceed the loan amount that may be granted for the award year, you are entitled to a loan for that amount and a bursary (the latter amount being equal to the difference between your financial needs and the loan amount granted).

No further calculations are required if your financial needs are equal to or greater than the loan amount that may be granted for the award year. Otherwise, another set of calculations is necessary.

### Example

Here is an example of an assessment for a student with a parental contribution who is **not living with his or her parents**, and who attends university for 8 months (from September through April).

<b>Allowable expenses</b>	\$8 500
<b>Student contribution (according to income reported)</b>	\$1 000
<b>Parental contribution (according to income reported)</b>	\$1 000
<b>Loan that may be granted for the award year</b>	8 months × \$305 = \$2 440

### FINANCIAL ASSISTANCE ASSESSMENT

Allowable expenses	— (according to income reported)	— (according to income reported)	=	Financial needs assessed
\$8 500	\$1 000	\$1 000		\$6 500
<b>Financial needs assessed</b>		<b>Loan</b>		<b>Bursary</b>
\$6 500		\$2 440		\$4 060



## TWO-STAGE ASSESSMENT: DETERMINING YOUR FINANCIAL NEEDS WITHOUT TAKING INTO ACCOUNT YOUR EMPLOYMENT INCOME

A second stage is necessary when your financial needs assessed at the first stage are less than the loan amount that may be granted for the award year. This second stage involves assessing your financial needs without taking into account your employment income or your income considered employment income when determining your contribution.

At this stage, financial assistance is limited to the loan that may be granted for the award year. It will be equivalent to the lesser of the following two amounts: your financial needs assessed or the loan that may be granted. No further calculations are required if your financial needs are in excess of the first portion of the loan (\$1 000 for a secondary school vocational training or college student and \$2 400 for a university student). Otherwise, another set of calculations is necessary.

### Example

Here is an example of an assessment for a student with a parental contribution who is **not living with his or her parents**, and who attends college for 9 months (from September through May).

<b>Allowable expenses</b>	\$6 900
<b>Student contribution (according to income reported)</b>	\$1 000
<b>Parental contribution (according to income reported)</b>	\$4 000
<b>Loan that may be granted for the award year</b>	9 months × \$220 = \$1 980
<b>First portion of the loan</b>	\$1 000

### FINANCIAL ASSISTANCE ASSESSMENT

#### Stage 1

<b>Allowable expenses</b>	—	<b>Student contribution</b> (according to income reported)	—	<b>Parental contribution</b> (according to income reported)	=	<b>Financial needs assessed</b>
\$6 900		\$1 000		\$4 000		\$1 900

Since the financial needs are less than the loan amount that may be granted for the award year, another set of calculations is necessary, which does not take into account the employment income or the income considered employment income when determining the student contribution.

#### Stage 2

<b>Allowable expenses</b>	—	<b>Student contribution</b> (according to income reported)	—	<b>Parental contribution</b> (according to income reported)	=	<b>Financial needs assessed</b>
\$6 900		\$0		\$4 000		\$2 900
<b>Financial needs assessed</b>				<b>Loan</b>	<b>Bursary</b>	
\$2 900				\$1 980		\$0

Since the financial needs are now in excess of the first portion of the loan, no further calculations are required. The financial assistance to which the student is entitled is \$1 980 since it is limited to the loan amount that may be granted for the award year.

### THREE-STAGE ASSESSMENT: DETERMINING YOUR FINANCIAL NEEDS WITHOUT TAKING INTO ACCOUNT YOUR PARENTAL OR SPOUSAL CONTRIBUTION

A third stage is required when the financial needs assessed at the second stage are equal to or less than the first portion of the loan. This third stage involves assessing your financial needs without taking into account your employment income, your income considered employment income, or your parental or spousal contribution when determining your contribution.

In this case, the financial assistance is limited to the amount of the first portion of the loan. It will be equivalent to the lesser of the following two amounts: your financial needs assessed or the first portion of the loan.

#### Example

Here is an example of an assessment for a student with a parental contribution who is **not living with his or her parents**, and who attends college for 9 months (from September through May).

<b>Allowable expenses</b>		\$8 500
<b>Student contribution (according to income reported)</b>		\$1 000
<b>Parental contribution (according to income reported)</b>		\$6 500
<b>Loan amount that may be granted for the award year</b>	9 months × \$220 =	\$1 980
<b>First portion of the loan</b>		\$1000

#### FINANCIAL ASSISTANCE ASSESSMENT

##### Stage 1

Allowable expenses	— (according to income reported)	Student contribution	— (according to income reported)	Parental contribution	=	Financial needs assessed
\$6 900		\$1 000		\$6 500		– 600

Since the financial needs are less than the loan amount that may be granted for the award year, another set of calculations is necessary, which does not take into account the employment income or income considered employment income when determining the student contribution.

##### Stage 2

Allowable expenses	— (according to income reported)	Student contribution	— (according to income reported)	Parental contribution	=	Financial needs assessed
\$6 900		\$0		\$6 500		\$400

Since the financial needs are now less than the first portion of the loan, another set of calculations is necessary, which does not take into account the parental contribution.

##### Stage 3

Allowable expenses	— (according to income reported)	Student contribution	— (according to income reported)	Parental contribution	=	Financial needs assessed
\$6 900		\$0		\$0		\$6 900
<b>Financial needs assessed</b>				<b>Loan</b>		<b>Bursary</b>
\$6 900				\$1 000		\$0

The financial assistance to which the student is entitled is \$1 000 since, in this case, it is limited to the amount of the first portion of the loan.

## LOAN GRADUATION

In some cases, the parental or spousal contribution exceeds the combined total of the allowable expenses and the first portion of the loan. The loan that may be granted for the award year is then reduced by this excess amount. This is known as a loan graduation. The financial assistance awarded will be equivalent to the lesser of the following two amounts: the amount thus obtained or the amount of the first portion of the loan. However, the financial assistance will be equal to the financial needs if they are less than the previously set limit.

The following is an example of an assessment for a student with a parental contribution who is **not living with his or her parents**, and who attends university for 8 months (from September through April).

<b>Allowable expenses</b>	\$5 000
<b>Student contribution (according to income reported)</b>	\$1 000
<b>Parental contribution (according to income reported)</b>	\$9 000
<b>Loan amount that may be granted for the award year</b>	8 months × \$305 = \$2 440
<b>First portion of the loan</b>	\$2 400

## CALCULATING THE AMOUNT BY WHICH THE PARENTAL CONTRIBUTION EXCEEDS THE COMBINED TOTAL OF THE ALLOWABLE EXPENSES AND THE FIRST PORTION OF THE LOAN

<b>Parental contribution</b>	—	<b>Allowable expenses</b>	—	<b>First portion of the loan</b>	=	<b>Excess amount</b>
\$9 000		\$5 000		\$2 400		\$1 600

## CALCULATING THE REDUCED LOAN AMOUNT

<b>Loan that may be granted for the award year</b>	—	<b>Excess amount</b>	=	<b>Reduced loan amount</b>
\$2 440		\$1 600		\$840

## FINANCIAL ASSISTANCE ASSESSMENT

<b>Allowable expenses</b>	—	<b>Student contribution</b> (according to income reported)	—	<b>Parental contribution</b> (according to income reported)	=	<b>Financial needs assessed</b>
\$5 000		\$1 000		\$9 000		— \$5 000

Since the financial needs assessed are less than the loan amount that may be granted for the award year, another set of calculations is necessary (i.e. stages 2 and 3). In this case, because the financial needs are less than the first portion of the loan, the financial assistance will be assessed without taking into account the student or parental contribution. In the end, the student will be granted a loan of \$840, which is equivalent to the reduced loan amount.

# Repaying a Student Loan Debt

## WHEN DO I HAVE TO START REPAYING MY STUDENT LOAN DEBT?

You become responsible for the **interest** accrued on your student loan debt as of the month following the completion of your studies. Six months later, you must start repaying the **principal**.

If you are deemed enrolled for a study period, the interest will be paid by the government. The same is true if you withdraw from courses or from your studies (provided you expect to resume your studies the following study period). You will become responsible for the interest as of the month following your withdrawal from your studies (i.e. if you do not resume them) and will have to begin repaying the principal six months later.

## I HAVE TO INTERRUPT MY STUDIES TEMPORARILY. DO I HAVE TO START REPAYING MY STUDENT LOAN DEBT?

If you have to interrupt your studies temporarily, you will not need to repay your student loan debt for 8 months in the case of an incapacity to study for at least one month, a birth or an adoption; for 12 months if you are at least 20 weeks pregnant; or for 4 months if you have been elected an executive officer of a provincial student association.



### **Additional Information**

For more information, you may contact the person in charge of financial assistance at your educational institution or one of the following services:

#### **Our reception and inquiries desk:**

Service de l'accueil et des renseignements

Aide financière aux études

1035, rue De La Chevrotière

Québec (Québec) G1R 5A5

(418) 643-3750

1-877-643-3750 (toll-free in Canada and the United States)

#### **Our interactive telephone service**

(418) 646-4505

1-888-345-4505 (toll-free in Canada and the United States)

24 hours a day, 7 days a week

## **[www.afe.gouv.qc.ca/english](http://www.afe.gouv.qc.ca/english)**

© Gouvernement du Québec

Ministère de l'Éducation, du Loisir et du Sport 06-00110

ISBN 2-550-47096-6 (Printed)

ISBN 2-550-47097-4 (On-line)

ISSN 1718-9527 (Printed)

ISSN 1718-9535 (On-line)

Legal deposit: Bibliothèque et Archives nationales du Québec, 2006

Legal deposit: Library and Archives Canada, 2006