

**Loans and Bursaries Program: Assessing Student  
Financial Assistance**

**A New Program for 2004-2005**

## **The Loans and Bursaries Program Is New and Improved!**

Are you enrolled in a secondary school vocational training program or pursuing postsecondary studies at the college or university level? If so, you can apply for student financial assistance under the Loans and Bursaries Program. The Québec government has recently amended the *Act respecting financial assistance for education expenses*. As a result, the Program is even more geared to your situation and needs.

### **Your financial assistance needs assessed in accordance with the school calendar**

With the new Loans and Bursaries Program, you are sure to know and receive, at the appropriate time, the financial assistance amount to which you are entitled. Furthermore, expenses taken into account in determining student financial assistance are now calculated on a monthly basis instead of a quarterly basis. This way, your needs are covered in accordance with the school calendar, and your debt load is more in keeping with the duration of your studies.

### **Better budget planning**

At the beginning of the school year, you will be informed of the total amount of financial assistance (loan and bursary) to be awarded to you by the government based on the information you reported. You will also be informed of the installment breakdown. Please note that the *Act respecting financial assistance for education expenses* also allows for the direct deposit of financial assistance into your bank account on a monthly or periodic basis. This will allow you to better plan your budget.

### **A Program geared to your situation and needs**

The new Loans and Bursaries Program is more geared than ever to your situation and needs. In addition to simplifying the award process, new program measures make education more accessible and encourage students to persevere. This will allow you to “reach for your dreams.”

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## Applying for Financial Assistance

### Do I qualify for the Loans and Bursaries Program?

- Are you a Canadian citizen or a permanent resident?
- Are you a Québec resident or 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.

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\* The rules in effect in 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, 2004.
- or**
- you are living with your child who is under age 21 as of September 30, 2004, and your child is a student with a major functional disability.
- or**
- you are at least 20 weeks pregnant.

#### 2. You are a student with a spouse and

- you are living with your child who is under age 6 as of September 30, 2004.
- or**
- you are living with your child who is under age 21 as of September 30, 2004, and your child is a student with a major functional disability.
- or**
- you are at least 20 weeks pregnant.

If both spouses are students, only one of the two can take advantage of this measure during the award year.

### **Does my sponsor or do my parents have to contribute toward the cost of my studies?**

Your parents will not be expected to contribute toward the cost of your education if:

- you are living in a civil union, are married, legally or de facto separated, divorced or widowed
- you are or have been the biological or adoptive parent of a child
- you are single and living with a de facto spouse of the opposite sex or the same sex and a child (yours or your spouse's)
- you are at least 20 weeks pregnant
- you have been studying at the university level in Québec for at least three years and earned 90 credits toward a single degree (you also fall into this category if you have been studying at the university level outside Québec for at least four years toward a single degree or if you have been studying at the university level for at least three years and hold a Diploma of College Studies [DCS])
- you have a bachelor's degree from a Québec university, an equivalent degree from an institution outside Québec, a Level I graduate diploma in music (*Diplôme d'études supérieures en musique I*) or an attestation issued upon completion of three years of training at the Conservatoire de musique et d'art dramatique du Québec
- you are pursuing full-time studies in a master's or doctoral program at an educational institution recognized for the purposes of loans and bursaries or for loans only
- you have supported yourself for at least two years, excluding any period during which you attended an educational institution as a full-time student
- you have held a paid job for at least two years, have received employment insurance or income replacement benefits (SAAQ, CSST, QPP, etc.), excluding any period during which you attended an educational institution as a full-time student, or have supported yourself while not living with your parents
- you have not studied full-time for at least seven years since the end of your compulsory education
- you are single and your parents are deceased

However, your parents will be expected to contribute toward the cost of your education if none of the above categories applies to you.

If you are a permanent resident or a naturalized Canadian, your sponsor will be expected to contribute toward the cost of your education, unless your parents resided in Canada at the beginning of the award year, in which case they will be expected to contribute.

**Does my spouse have to contribute toward the cost of my studies?**

If you are married or living in a civil union or with a de facto spouse of the opposite sex or the same sex **and live with a child** (your own or your spouse's), your spouse will be expected to contribute toward the cost of your education.

**However, your spouse will not be expected to contribute toward the cost of your education if you are legally or de facto separated, or divorced.**

**How do I apply for student financial assistance?**

We have made things simpler for you. Applying for student financial assistance is now a one-step process. Indeed, you no longer have to complete a *Declaration of Actual Situation* form.

Go to our Web site at <[www.afe.gouv.qc.ca/english](http://www.afe.gouv.qc.ca/english)> or to the financial assistance office of your educational institution to get an *Application for Financial Assistance* form. After you have completed and sent the form, you will receive your first *Financial Assistance Statement* indicating the total amount of financial assistance (loan and bursary) awarded to you by the government, based on the information you reported. It also indicates the installment breakdown. And remember, going on-line is even faster!

**How will my student financial assistance actually be paid out?**

At the beginning of your studies, or at the beginning of the school year if you are already on the Loans and Bursaries Program, the financial assistance office of your educational institution will give you a *Guarantee Certificate*.<sup>\*</sup> This document will authorize you to enter into a loan agreement with one of the financial institutions recognized for the purposes of the Program. You must then go to one of the recognized financial institutions located in Québec to enter into a loan agreement. Shortly after you hand over your *Guarantee Certificate* to your financial institution, a first installment will be deposited directly into your bank account via an electronic funds transfer.

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\* The first *Guarantee Certificate* will be issued only in August 2004. For the 2004 summer period, a single financial assistance installment will be paid by way of a loan certificate.

If you **qualify for a bursary**, monthly financial assistance will be deposited directly into your bank account as soon as your educational institution confirms your student status. Please note that the bursary now takes the form of a repayment of a portion of the assistance paid to you during the award year. Following verification of your income with the Ministère du Revenu at the end of the school year, the government will repay your financial institution the portion of the financial assistance paid out equivalent to the bursary to which you are entitled.

If you **qualify for a loan only**, the financial assistance awarded for the school year will be distributed equally among the study periods.\* The installments will be issued at the beginning of each period so as to make the beginning of the school year easier to manage.

**Note:** No installment is paid during any month for which the financial assistance assessed is under \$25. If this is the case, the amount will be added to the installment for the preceding or the following month.

### **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** determined for your level of education.

Your situation during the first month of study of the school year concerned 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.

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\* *Study period* is now used instead of *term*. For most students, a study period corresponds to a term (lasting four or five months). 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.

For longer-than-average programs, the set duration of the programs is taken into account. Six months of eligibility are added if you are eligible for a loan and bursary, and nine months are added if you are eligible for a loan only.

### **Periods of eligibility for programs of normal duration**

<b>Program</b>	<b>Set duration</b>	<b>Period of eligibility for a loan</b>	<b>Period of eligibility for a bursary</b>
Secondary school (Vocational training)	20 months	35 months	First 26 months
College (Pre-university education)	18 months	33 months	First 24 months
College (Technical training)	27 months	42 months	First 33 months
University (Bachelor's degree)	24 months	39 months	First 30 months
University (Master's degree)	16 months	31 months	First 22 months
University (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 be equal 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 your period of eligibility. 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 your level of education, your type of degree, and your program.

#### Debt limits by level of education

Level of education	Debt limit
<b>Secondary school</b> (vocational training)	\$21 000
<b>College</b>	
Pre-university education	\$15 000
Technical training	
• Subsidized programs	\$21 000
• Subsidized programs offered at a private educational institution	\$25 000
Nonsubsidized technical training	\$25 000
<b>University</b>	
Bachelor's degree	
• Programs of 24 months or less	\$25 000
• Programs of more than 24 months	\$30 000
Master's degree	
• Programs of 16 months or less	\$35 000
• Programs of more than 16 months	\$40 000
Doctoral degree	
• All programs	\$45 000
University programs outside Canada	\$60 000

Your debt limit is determined 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 the last month of recognized studies to submit an application.

## Assessing Student Financial Assistance

### How is the amount of financial assistance determined?

The amount of financial assistance is based on the number of months during which you are pursuing studies and the information you report. This is how it is determined:

$$\text{Allowable expenses (including additional assistance awarded)} - \text{Contributions} = \text{Financial assistance}$$

### How is the loan portion calculated?

The total amount of financial assistance awarded to you is paid out in the form of a loan. If you qualify for a loan and a bursary, a portion of the financial assistance awarded will correspond to the loan (this is what we call the determined portion of the loan), and the other portion will correspond to the bursary.

Certain parameters are used to calculate the determined portion of the loan to which you may be entitled based on the information you have reported. (See following table.) 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 portion (programs recognized for the purposes of loans and bursaries)

<b>Secondary school</b> (vocational training) <ul style="list-style-type: none"> <li>• Subsidized programs (public educational institutions)</li> <li>• Subsidized programs (private educational institutions)</li> <li>• Nonsubsidized programs</li> </ul>	\$200/month of study \$200/month of study + tuition and registration fees \$200/month of study + tuition and registration fees
<b>College</b> <ul style="list-style-type: none"> <li>• Subsidized programs (public educational institutions)</li> <li>• Subsidized programs (private educational institutions)</li> <li>• Nonsubsidized programs (private educational institutions)</li> </ul>	\$220/month of study \$220/month of study + tuition and registration fees \$330/month of study + tuition and registration fees
<b>University</b> <ul style="list-style-type: none"> <li>• Bachelor's degree</li> <li>• Master's and doctoral degrees</li> <li>• Bachelor's degree holder</li> </ul>	\$305/month of study \$405/month of study \$405/month of study

If your studies are recognized for the purposes of loans only, the financial assistance awarded cannot exceed \$950 per month of study.

## Studying outside Québec

If you are attending an educational institution located outside Québec and your program is recognized for the purposes of both loans and bursaries, the maximum loan amount to which you may be entitled is equivalent to the base maximum loan amount (calculated according to the number of months of study), plus the tuition fees.

### How is the bursary portion calculated?

The bursary amount corresponds to the difference between the total financial assistance awarded to you and the determined portion of the loan.

After you have received the last installment of the year and following verification of your income with the Ministère du Revenu, the government will repay your financial institution the portion of financial assistance paid out equivalent to the bursary to which you are entitled.

### What are allowable expenses?

Aide financière aux études 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 months, depending on your situation). 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.

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\* 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, in the case of a female student, are at least 20 weeks pregnant. Your expenses will be allowed for a maximum period of four months between two study periods.

### Monthly expenses

<p><b>Living expenses (including transportation costs)</b></p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> <li>• Student who is deemed enrolled and who is <b>living</b> with his or her parents</li> <li>• Student who is deemed enrolled and who is <b>not living</b> with his or her parents</li> </ul>	<p>\$325/month</p> <p>\$715/month</p> <p>Each month: \$125 + 10% of employment income Maximum: \$325/month</p> <p>Each month: \$515 + 10% of employment income Maximum: \$715/month</p>
<p><b>Living expenses for children</b></p> <ul style="list-style-type: none"> <li>• First child</li> <li>• Other children</li> </ul>	<p>\$217/month (\$2 604/year)</p> <p>\$200/month (\$2 400/year)</p>
<p><b>Childcare expenses</b></p>	<p>\$151/month of study</p>
<p><b>Additional living expenses for single parents</b></p> <ul style="list-style-type: none"> <li>• With child under age 18</li> <li>• With child age 18 or over</li> </ul>	<p>\$58/month</p> <p>\$166/month</p>
<p><b>Additional amount to offset unavailable public transit</b></p>	<p>\$83/month</p>
<p><b>Short-term practicum expenses</b> (duration of the practicum is less than that of the study period)</p>	<p>\$243/month</p> <p>Maximum: \$1 128/year</p>

### One-time expenses

<b>Tuition fees*</b>	This expense is allowed in the first month of the 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 eye glasses or contact lenses</b>	\$185/person (student or child) per 24-month period This expense is allowed in the month of purchase.
<b>Allowance for students in outlying regions</b>	\$63/month; maximum: \$504/year This expense is allowed in the first month of the 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. In the case of students who are deemed enrolled, this could be one of the 2004 summer months (transition period). See reduction and exemption 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 will be taken into account as of 2005-2006, in the first month of study.
<b>Interest payable under the Computer Loan Guarantee Program</b>	This expense is allowed in the first month of study of the school year.

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\* 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, 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. 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 next 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 bursaries (except those awarded under the Loans and Bursaries Program, those from a registered education savings plan and summer language bursaries) will be taken into account when calculating your contribution.

The following will not be taken into account when calculating your contribution: income earned as an election officer, allowances related to your participation in an Emploi-Québec manpower training measure and benefits from a strike fund.

**When do I report my income?**

You must first report your income when you submit your *Application for Financial Assistance* form, which includes a section to be completed for this purpose.

Subsequently, in October and January, you must confirm the income you will have earned between January 1 and December 31 of the calendar year ending during the current award year. To do so, you must complete the *Confirmation of Financial Resources* form. If you fail to complete and return this form, 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 current award year 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 were not a beneficiary of 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.

Your contribution is calculated as follows:

- if you were a beneficiary of the Loans and Bursaries Program the previous year:

(your **employment income** – your **exemptions**) X 50% – your **reductions** + 100% of your other income + 100% of your bursary income in excess of \$5 000 = your contribution

- if you were not a beneficiary of the Loans and Bursaries Program the previous year:

(your **employment income** – your **exemptions**) X 40% – your **reductions** + 100% of your other income + 100% of your bursary income in excess of \$5 000 = your contribution

### How your contribution is calculated

(your employment income – your exemptions)

X 50% (or 40% if you were not a beneficiary of the Program the previous year)

– your contribution reductions

+ 100% of your other income

+ 100% of your bursary income in excess of \$5 000

**Note:** If the result obtained from the calculation of your contribution is under zero, a specific amount is added to the allowable expenses.

### 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 X 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 during your first month of study, 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 is added to your basic exemption. The additional exemption may not exceed 70% of your protected income.



## Exemptions

### Basic exemption

The lesser of the 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 a maximum 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 reduction is calculated by taking into account your level of education. 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.

If you are pursuing studies that are **not full-time studies**, your reduction is calculated by taking into account your level of education. 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 X number of credits  
 College (private educational institutions): \$22 X number of course hours  
 College (public educational institutions)  
 and secondary school (vocational training): \$15 X number of course hours  
 – (2.5% of your employment income up to an amount equivalent to your protected income,  
 X [number of course hours ÷ 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 X number of credits  
 College and secondary school (vocational training): \$8 X number of course hours
- If you are working:  
 \$380 X the lesser of the following two amounts:
  - number of months taken into account when calculating the protected income – (number of credits ÷ 3) or (number of course hours ÷ 45)
  - your employment income ÷ \$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 winter 2004 period. For the fall and winter periods, he is considered to be living with his parents. In the summer of 2004, he earned \$5 000 and was not living with his parents.

**How Garry's contribution is calculated**

<b>Number of months during which no expenses are allowed:</b> 4 months (from May 2004 to August 2004 inclusive)	
<b>Evaluation of protected income:</b> 4 X \$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 (\$1 332 + \$222)</b>	<b>-\$1 554</b>
<b>Employment income minus total exemption (\$5 000 - \$1 554)</b>	<b>\$3 446</b>
<b>Contribution on employment income (50% of previous amount)</b>	<b>\$1 723</b>
<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 X \$380	\$1 520
<b>Total contribution reduction</b>	<b>- \$1 520</b>
<b>Garry's contribution</b>	<b>\$203</b>

### How is my parental or sponsor contribution calculated?

Usually, your parents' (both) or 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:

- **Family support:** \$13 885 (if your parents live together)  
\$11 755 (if your parents do not live together)
- **Dependent children:** \$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
- **Second parent with an income:** 14% of the lowest income (maximum \$2 105).

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 resulting amount is then divided by the number of children with a parental or sponsor contribution who are studying in a secondary school vocational training program or at the postsecondary level.

**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 eligible for a loan.

**How is my spouse's contribution calculated?**

The contribution expected of your spouse 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.

Your spouse's contribution is divided by the number obtained by adding one to the number of children who are pursuing studies in secondary school vocational training or at the postsecondary level or, in the case of children with a major functional disability, who are deemed to be pursuing such studies and toward the cost of which you and your spouse have to contribute.

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

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

**If I report a change in my circumstances, when will it come into effect?**

If you report a change in your marital status or your family situation or in your parents', your sponsor's or your spouse's situation, it will be taken into account the month following the date of its occurrence. If your change concerns a one-time expense, the change will be effective in the month during which the expense was incurred.

## **Repaying a Student Loan Debt**

### **When do I have to begin repaying my student loan debt?**

You are responsible for the **interest** accrued on your student loan debt as of the month following the end of your studies. Six months later, you must begin 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 (only if you expect to resume your studies the following study period). You will be responsible for the interest as of the month following your withdrawal from your studies (if you do not resume your studies) and will have to begin repaying the principal six months later.

### **I have to interrupt my studies temporarily. Do I have to begin 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.

## About the Transition Year

Please note that the award year now begins on September 1 and ends on August 31. However, for the 2004-2005 year only, the award year will begin on May 1, 2004, and end on August 31, 2005.

### Summer 2004

If you qualify for financial assistance in the summer of 2004, the financial assistance office of your educational institution will give you a *Loan Certificate* to provide for your summer needs only. If you qualify for financial assistance in the fall of 2004, the financial assistance office of your educational institution will give you a *Guarantee Certificate* at the beginning of the school year, thereby allowing your financial assistance installments to be deposited directly into your bank account.

### Additional information

For more information, you may contact the person in charge of financial assistance at your educational institution, our reception and inquiries desk, the Service de l'accueil et des renseignements, or our interactive telephone service at:

#### Service de l'accueil et des renseignements

Aide financière aux études  
1035, rue De La Chevrotière  
Québec (Québec) G1R 5A5

Québec City: (418) 643-3750  
Elsewhere in Québec: 1-877-643-3750

#### Interactive telephone service

Québec City: (418) 646-4505  
Elsewhere in Québec: 1-888-345-4505  
24 hours a day, 7 days a week

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