



Fees in Advance Prepayment Scheme

Oakham School Fees Prepayment Scheme

The School operates a scheme whereby a lump sum payment may be made by parents, grandparents or others, to cover part or all of estimated future fees. The scheme is designed to provide commercially attractive returns, thereby giving mutual benefit to participants and the School alike.

1. Basis

- 1.1. A lump sum payment to the School at or after the acceptance by the parent of an offer of a place for the child at the School will be applied against the amount due in respect of each term's fees for an agreed number of terms. The total value of these applications will be commuted at an agreed rate in order to calculate the total amount of the lump sum payable by the parent to the School under the Scheme, with such calculation carried out prior to the parents joining the Scheme.
- 1.2. Under current tax rules, this discount does not give rise to an Income Tax liability. However, each person's individual case is different and we would encourage participants in the scheme to take independent advice.

2. Timing and Amount

- 2.1. Discount is calculated from the first day of January/April/September following receipt of the prepayment (thus corresponding with the School terms – each being treated as one third of a year).
- 2.2. The greatest discount is obtained when a prepayment is made well in advance of termly prepayments commencing.
- 2.3. A quotation can be supplied to provide either:
 - 2.3.1. A fixed amount of fees for any number of terms, or
 - 2.3.2. An amount of fees increasing annually to take account of inflation.
- 2.4. Additional prepayments may be made at any time prior to or during a pupil's stay at Oakham School. The terms of the scheme and its treatment under tax and other legislation may alter from time to time and additional payments will be made under the terms existing at the time.
- 2.5. The minimum prepayment will equate to one year's fees (3 terms).
- 2.6. Those responsible for the fees and supplemental charges under the Parent Contract must meet the difference between the amount per term applied under this Scheme and the total amount due in respect of the child each term. Differences will arise where, for example, there have been increases in fees, supplemental charges and other extras, or where taxes are due on any fees or supplemental charges, for example if there is a change which results in VAT being payable on school fees and such change applies to any of the terms covered under the Scheme. Payment of an amount equal to any such difference shall be made in accordance with the terms of the Parent Contract.

3. Flexibility

- 3.1. The School's simple arrangement of applying an annual rate of interest to the capital permits flexibility as to timing and amount of termly payment should circumstances alter before or during a pupil's time at the School. Transfers can also be affected between the accounts of siblings who are pupils at the School if required.
- 3.2. No arrangement fees are charged and amendments to the termly payments can be made without penalty subsequent to the initial payment being received.

4. Inheritance Tax

- 4.1. Changing legislation and differing individual circumstances make it impossible to cover this subject and therefore we recommend that professional advice is sought. There may be situations where prepayments made by parents or persons responsible for a child's education and maintenance qualify for exemptions. Professional advice should be sought for your specific circumstances.

5. Current Rates and Quotations

- 5.1. The insert gives an illustrative example of how the Scheme works in practice, together with an application form for a quotation.
- 5.2. Please complete the accompanying application form for an individual quotation, or further information on any aspect of the Scheme, or contact:

Pupil Accounts
The Bursary
Oakham School
15 Station Road
Oakham
Rutland
LE15 6QT

Phone: +44 (0)1572 758835
pupilaccounts@oakham.rutland.sch.uk

6. Other information

- 6.1. The full terms and conditions of the FIA Scheme are set out in the Terms and conditions below. If you are considering the Scheme, we would draw your attention to the following:
- 6.2. A fees in advance deposit can only be made upon formal acceptance of a place at the School.
- 6.3. If a pupil for whom a lump sum has been paid shall not enter the School for any reason, a sum equal to the amount paid will be refunded to the person making the original prepayment
- 6.4. If a pupil for whom a prepayment under this scheme has been made dies or leaves the School before the completion of the period covered by the prepayment there will be refunded that proportion of the original payment as is represented by the number of unexpired terms relative to the total number of terms initially agreed, less any amount owing to the School. Broken terms are not taken into account. If a parent or guardian removes a pupil without a full term's notice, one term's fee will be deducted.
- 6.5. A prepayment under this Scheme does not exonerate a parent or guardian from the customary charges by way of registration and entry fees, and charges for extras. Accounts will be rendered before the beginning of each term showing sums due to the School and not covered by the prepayment, or sums due to the parent or guardian when

the payment exceeds the amount due. The parent or guardian must discharge sums due to the School before the start of the ensuing term. Any termly refund due to parents or guardians will be held on account unless immediate repayment is requested.

- 6.6. It should be noted that *this scheme will cover only the termly fees contracted for*. Should there be subsequent increase in the termly rate of fees so covered then this additional cost will be charged on the termly account.
- 6.7. The School reserves the right to discontinue this Scheme at any time or to vary the amounts and conditions of prepayment in respect of new entrants, and in respect of existing prepayment in the event of any adverse changes in the law relating to charities or the operation of schemes of this type.

February 2024

The information in this publication is correct at the time of printing. Changes may be made for educational or other reasons.

Oakham School

Fees In Advance (“FIA”) Prepayment Scheme

Terms & Conditions

Objective

The objective of the Fees in Advance Scheme (the **Scheme**) is to provide a method where the cost of your child’s education at Oakham School (the **School**) can be reduced by making an advance lump sum payment. From a contractual point of view, these supplemental terms and conditions must be signed by the parents who are already signatories to the main Parent Contract, and the individual paying the lump sum payment, if different (e.g. grandparents or any other relative).

The School will maintain its direct contractual relationship with the parents under the main Parent Contract (the terms of which will remain fully in force and effective as between the School and the parents as holders of parental responsibility) and these terms and conditions will form part of that relationship.

Basis of the Scheme

A lump sum payment to the School at or after the acceptance by the parent of an offer of a place for the child at the School will be applied against the amount due in respect of each term's fees for an agreed number of terms. The total value of these applications will be commuted at an agreed rate in order to calculate the total amount of the lump sum payable by the parent to the School under the Scheme, with such calculation carried out prior to the parents joining the Scheme.

Terms & conditions

1. These terms and conditions (the **FIA Terms and Conditions**) are supplemental to the School's standard terms and conditions that the parents agreed when accepting a place for the child

concerned (the **Parent Contract**). As between the parents and the School (excluding the payer, if different), the FIA Terms and Conditions form part of the Parent Contract and, therefore, the contractual relationship between the parents and the School. The terms and conditions of the Parent Contract shall continue to bind the parents in full.

2. Where the payer is not a parent of the child, they will be required to agree to these FIA Terms and Conditions by signing below. References in these FIA Terms and Conditions to “parents” shall be interpreted as including the payer, as applicable and as the context requires.
3. All payments made in accordance with the Scheme form part of the general funds of the School and may be used for such purposes as the School may from time-to-time determine.
4. The parents should be aware that if the School becomes unable to pay its debts, by reason of insolvency or otherwise, the parents will be unsecured creditors of the School and that the amount of any lump sum payment paid to the School under the Scheme might not be returned to the parents.
5. The parents agree to provide the School with such information as the School may request and agree that the School may carry out checks that the School considers necessary or appropriate, including through third-parties, so that the School is able, to its satisfaction, to verify the identity of the parents and the source of funds being paid into the Scheme.
6. Those responsible for the fees and supplemental charges under the Parent Contract must meet the difference between the amount per term applied under this Scheme and the total amount due in respect of the child each term. Differences will arise where, for example, there have been increases in fees, supplemental charges and other extras, or where taxes are due on any fees or supplemental charges, for example if there is a change which results in VAT being payable on school fees and such change applies to any of the terms covered under the Scheme. Payment of an amount equal to any such difference shall be made in accordance with the terms of the Parent Contract.
7. The Scheme may be used to pay in advance the whole or a portion of fees for a set number of terms during the child’s potential time at the School, from a minimum of 3 terms up to a maximum of 21 terms. The minimum amount accepted by way of payment into the Scheme will equate to one year’s fees. Unless agreed with the Finance Bursar in advance, the maximum advance lump sum payment accepted is of an amount equal to that calculated to cover the termly tuition fee for the total duration of the child’s education at the School at the time of entering the Scheme.
8. On receipt of an advance lump sum payment, the School will make a specified allocation to the fee account of the relevant child of an agreed amount for an agreed number of terms. In order to calculate the amount of the total advance lump sum payment, the School and the parents will agree in advance the amount that will be allocated against each term’s fees and the set number of terms intended to be covered by the arrangement (the **Fee Contribution**). The School will apply the discount rate set out in the **Standard Table** at the end of these FIA Terms and Conditions to the amount of the Fee Contribution. This calculation will generate the amount of the advance lump sum payment payable by the parents.
9. The Standard Table illustrates the commuted (discounted) cost to the parents of providing the equivalent of £1,000 per term for a child for up to a maximum of twenty-one terms as at 1

September 2024. This is the Standard Table currently in force. The cost of providing other equal fee payments per term of amounts over £1,000 and the resulting commutation can be calculated from this Standard Table. The School does not offer the facility to vary the termly fee payments.

10. The commutation rate used in the current Standard Table is 2% per annum and is calculated on a compound basis. The Standard Table and commutation rate will be reviewed by the School annually. Parents should confirm the applicable commutation rate and Standard Table currently in force immediately before making any single lump sum payment. The commutation rate is subject to change at the School's sole discretion and parents should be aware that if there is a delay of more than one month between confirming the commutation rate currently in force and paying the advance lump sum to the School that the commutation rate may change. If the commutation rate changes, this will affect the amount that will be allocated to each term's fees for the relevant child (the **Discount**). Once parents have joined the Scheme and full payment of the relevant lump sum amount is received by the School in freely available, cleared funds, the commutation rate at the time of such payment will apply for the duration of the arrangement secured by that payment. For the avoidance of doubt, the School will only accept payment of the advance lump sum in Pounds Sterling.
11. Following receipt by the School of a lump sum payment in freely available, cleared funds, the School will confirm in writing to the parent the amount of the lump sum payment received, the number of terms intended to be covered by the arrangement, the applicable commutation rate, and the amount to be allocated against each term's fees. In order to participate in the Scheme, the School must in all cases receive payment of the advance lump sum payment and a signed copy of these FIA Terms and Conditions before the beginning of the first term to be covered. For the purposes of the Scheme, terms will be deemed to commence as follows:
 - 11.1. Spring Term: 2 January
 - 11.2. Summer Term: 15 April
 - 11.3. Winter Term: 1 September
12. An advance lump sum payment will only be accepted in respect of those children for whom a registration fee and deposit have been received by the School and an offer of a place accepted.
13. Notwithstanding Clause 11 above, the payment of an advance lump sum payment in accordance with the Scheme does not in itself guarantee a child a place in the School, nor does it in any way alter the terms of, or requirements for, entry to the School or entitle the child to preferential treatment.
14. Subject to the terms of the Parent Contract (including in particular those terms relating to the withdrawal of a child on notice) and Clause 17 of the FIA Terms and Conditions below, if a child leaves the School for any reason prior to the commencement of the last term covered by the Scheme or does not take up their place at the School, an amount equal to the yet-to-be applied proportion of the advance lump sum payment made under the Scheme will be refunded (less any amounts owed to the School at the time of the refund, including any fees payable to the School in lieu of notice) to the parents. If necessary, the Standard Table used to calculate the applicable commutation rate when the parents joined the Scheme shall be used to calculate the amount of any such unapplied proportion.

15. Without prejudice to Clause 6, the School retains sole discretion as to how and to what extent any subsequent adjustment in the headline level of school fees is to be taken into account in determining the amount of each term's fees that is covered by the lump sum.
16. Subject only to Clause 17 below, the School will not pay any refund or sum of money owed to the parents under the Scheme to a third party. The parents agree to reimburse the School for the amount of any taxes (if any) the School is required to pay as a result of refunding any unapplied portion of the advance lump sum payment.
17. Upon no less than one term's prior written notice and subject to the School's prior approval, the parents may request that an unapplied portion of the advance lump sum payment be transferred between children who are siblings at the School. Where the parent and the payer of the advance lump sum payment are different, both must agree to the transfer in writing.
18. Queries or requests for information regarding the Scheme should be addressed to the Finance Bursar at the School.
19. In the event of any change to the School's charitable status, or to any legal or taxation arrangements which have or could reasonably be expected to have an impact on the School's running of the Scheme, or for any other substantive reason, the School reserves the right to make changes to these FIA Terms and Conditions or the general arrangements of the Scheme with a minimum notice period of three (3) months to the parents.
20. These FIA Terms and Conditions are governed by English Law and either the parents or the School must bring legal proceedings in respect of these FIA Terms and Conditions in the English Courts.

Important note

Following the comments by the Labour Party that it intends to introduce VAT on school fees if it is elected, the School has received a number of queries from parents as to whether payments made into the FIA scheme in advance of any change in law would avoid the imposition of VAT. The School cannot provide VAT or tax advice and parents should speak to their own advisers. However the advice that the School has received is that under current VAT rules no VAT would be due on such payments, though any payments made after a change in law, such as for fee increases would, of course, be subject to VAT. However neither the School, nor its advisers can predict the shape of future legislation, and whether it could retrospectively alter current VAT legislation.



Standard Table

Fees In Advance Scheme

Cost of providing £1,000 of fees per term

Commutation Rate: 2% p.a.

Number of Terms Remaining	Amount Payable	Commutation
21	£19,600	£1,400
20	£18,733	£1,267
19	£17,860	£1,140
18	£16,980	£1,020
17	£16,093	£907
16	£15,200	£800
15	£14,300	£700
14	£13,393	£607
13	£12,480	£520
12	£11,560	£440
11	£10,633	£367
10	£9,700	£300
9	£8,760	£240
8	£7,813	£187
7	£6,860	£140
6	£5,900	£100
5	£4,933	£67
4	£3,960	£40
3	£2,980	£20
2	£1,993	£7
1	£1,000	£0

Oakham School

Application for Prepayment of Fees Quotation

I wish the School to provide a quotation* for the prepayment of fees.

Parent/guardian name:

Address:

.....

.....

Full name of pupil

Pupil's date of birth:

Proposed date of pre-payment of fees* :

Termly amount per term to be covered by prepayment: £.....

Number of terms to be covered by prepayment:

OR if prepayment of a specific cash sum is proposed, please state amount : £

Signed:

Name:

[please print]

* Proposed date of pre-payment of fees – *This is the date you anticipate payment will be made by, as this may effect the discount available.*

Please return to Pupil Accounts:
The Bursary, Oakham School, 15 Station Road, Oakham Rutland LE15 6QT

pupilaccounts@oakham.rutland.sch.uk