



HESLGB

HIGHER EDUCATION STUDENTS' LOANS AND GRANTS BOARD (HESLGB)

EMPLOYERS GUIDE TO STUDENT LOAN RECOVERY PROCESS

+265 999 970 030 +265 992 349 160 +265 880 029 393 +265 885 908 596

loans.recovery@heslgb.com

 **PAY BACK YOUR STUDENTS' LOAN**

www.heslgb.mw

HESLGB; supporting needy and deserving students access higher education in Malawi.

About the guide

This HESLGB guide provides general information about the recovery of Student Loans and explains your responsibilities as an employer in making deductions and remitting the same to HESLGB. This booklet does NOT therefore in any way modify or replace the HESLGB Act No. 2 of 2015. Information herein is subject to change from time to time as need arises.

About us

Higher Education Students Loans and Grants Board (HESLGB) was established in 2015 by the Government of Malawi through an Act of Parliament to administer loans to needy Malawian students pursuing Higher education. In addition to this, the Board is empowered to recover all outstanding loans from former beneficiaries of the Students Loan Scheme and to establish a Revolving Fund from which finances can be drawn to support other needy Malawian students pursuing higher education.

Categories of student loans

HESLGB offers loans to Malawian needy and deserving students who are pursuing undergraduate degrees or advanced diplomas. HESLGB provides these loans in the following categories;

1. **Tuition fees loan**
2. **Upkeep loan**

Students apply for either one category or a combination of any of the categories.

When are the loans due?

All the loans are due for repayment two years after successful or unsuccessful completion of studies. This means that, two years after graduation or after being withdrawn from college; all loan beneficiaries must commence repayment of their loan directly to HESLGB or make arrangements with their employers on the mode of loan repayments.

Obligations of employers

As stipulated by section 29 of the HESLGB Act, all employers of any former student loan beneficiaries have the legal duties to:

- ❖ Demand every employee to declare whether they have a student loan (right at the time they are being recruited);
- ❖ Notify the HESLGB within thirty (30) days of the employment of a graduate employee who is a former students' loan beneficiary;
- ❖ Ensure that the employee arranges with the employer for the monthly deduction and remittance of repayment installments to HESLGB;

- ❖ Ensure that monthly deductions are made from the salary of a former loan beneficiary and remitted to HESLGB within fifteen (15) days, after the end of each month.
- ❖ Inform HESLGB, in writing, when so required by HESLGB, of the position, rank, or salary and changes if any, of an employee who is a former students' loan beneficiary.

It is therefore legally binding for employers to periodically submit the list of their graduate employees, indicating the universities or colleges where the graduate employees studied, the years of their studies, if female and married, their maiden names at the time they were in college and their students' registration numbers (if remembered) to the Loans Board.

What the employer should expect from HESLGB

Upon receipt of such information, HESLGB will provide loan balances for those graduate employees found to have accessed students' loans when they were in college. Such information will be sent to the employers so as to make decisions and arrangements for recovery of the loans from the graduate employees.

Remittance of monthly deductions

Employers can make a once off payment on behalf of their graduate employees and proceed to make internal deductions at source or employers can arrange with their employees (in case of large portfolio of students' loans) to be making monthly deductions for a specified and agreed timeframe with HESLGB.

However, employers must abide by section 30 subsection 2 of the HESLGB Act which stipulates that *“all employers should pay, in the prescribed manner, every deduction made from a loan beneficiary's salary to the Board within fifteen (15) days, after the end of each month”*. This means that all employers must remit the monthly deductions to HESLGB by 15th of each month.

It should be noted that HESLGB Secretariat or HESLGB members of staff do not handle any cash as such all deductions from employees must be deposited into the following bank accounts:

- **FDH Account number:** 1380000022625, Account Name: Student Loans Collection Account, held at Capital City Service Center.
- **National Bank Account number:** 1002261808, Account Name: Higher Education Loans Recovery Account, held at Capital City Service Center.
- **NBS Bank Account number:** 21942219, Account Name: HESLGB Recovery, held at Capital City Service Center.
- **Standard Bank Account number:** 9100007591389, Account Name: Higher Education Loans Recovery, held at Capital City Service Center.
- **First Capital Bank Account number:** 0004707000714 , Account Name: HESLGB Recovery, held at Capital City Service Center.

Upon making the deposit, the employer must send proof of the payment to HESLGB through the following email: loans.recoveries@heslgb.com for HESLGB to issue a receipt and update the loan status of the employees.

Penalties for noncompliant employers!

If any employer fails to comply with the provisions of the HESLGB Act, the Board may by order impose a penalty. For instance, if employers fail, without reasonable cause, to notify the HESLGB that they have in their employment, a student loan beneficiary after being made aware of such a fact, commit an offence and shall, on conviction, be liable to a fine of One Million Kwacha (K 1,000,000) for each individual student loan beneficiary in their employment.

The following are some additional, but not limited to , scenarios that warrant penalties;

- ❖ Where an employer fails to deduct any loan repayment from an employee as instructed by HESLGB;
- ❖ Where an employer deducts any loan repayment from an employee and does not pay such deductions to HESLGB and;
- ❖ Where an employer fails to remit deductions to HESLGB within 15 days after the end of each month.

Appendix I: *Information about employees | send to HESLGB for purposes of identifying student loan beneficiaries*

DETAILS OF EMPLOYER				
Name of Employer				
Postal Address				
Telephone Number				
Contact Person				
Email Address				
DETAILS OF EMPLOYEES				
No.	Names	Maiden name	College/University	Years attended
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				

Appendix II: Remittance form | To be submitted with every payment made to HESLGB

Monthly Remittance Schedule

- * Deadline for remittance is 15th of the following month, late remittance will attract a penalty.
- * No payments shall be accepted without remittance schedule

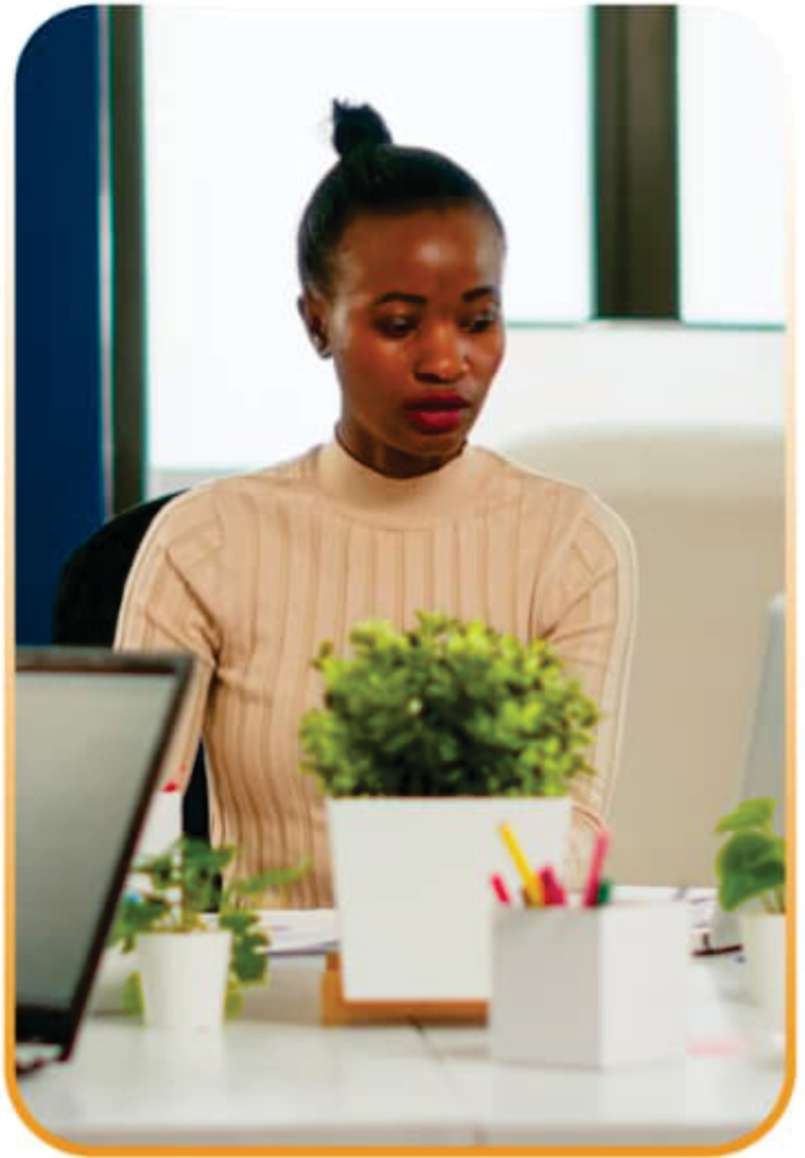
DETAILS OF EMPLOYER			
Postal Address			
Email Address			
Telephone Number			
DETAILS OF PAYMENT			
Payroll month			
Reference Number			
Date of payment			
HESLGB receiving Account			
DETAILS OF EMPLOYEES			
No.	Names	Employee No.	Amount
1			
2			
3			



HESLGB

EMPLOYERS' OBLIGATIONS

Employers have a legal responsibility to **identify** former student loan beneficiaries, **notify** HESLGB, **facilitate** monthly salary deductions, and remit repayments to HESLGB by the 15th of every month. Employers must also provide updated employee information **when required**.



+265 999 970 030 +265 992 349 160 +265 880 029 393 +265 885 908 596

loans.recovery@heslgb.com

● PAY BACK YOUR STUDENTS' LOAN

www.heslgb.mw

HESLGB; supporting needy and deserving students access higher education in Malawi.



HESLGB

DUE DATE FOR REMITTANCES OF DEDUCTED STUDENTS LOAN PROCEEDS TO HESLGB

Employers have a duty to facilitate monthly salary deductions and remit to HESLGB by the 15th of every month.

For loan inquiry contact:

Email: loans.recovery@heslgb.com

Call: +265 999 970 030

Call & Whatsapp: +265 992 349 160 / +265 880 029 393 / +265 885 908 596



+265 999 970 030



+265 992 349 160 +265 880 029 393 +265 885 908 596



loans.recovery@heslgb.com



PAY BACK YOUR STUDENTS' LOAN

www.heslgb.mw

HESLGB; supporting needy and deserving students access higher education in Malawi.