

Payment of School Fees by Lump Sum in Advance (Composition Fees Scheme – Contract rules)

The School's Committee has approved arrangements for the payment of school fees by lump sum in advance (composition fees). The reduction in cost of fees offered under the scheme is often considered more attractive by parents than other investment schemes where tax is charged on interest.

The scheme operates as follows:-

The parent or guardian of a pupil who has been entered for the school or who is likely to be at school for at least two more years may pay a single lump sum to secure a fixed monthly fee. Additional lump sum payments can be made to top up earlier payments at any time.

If the normal termly fee payable during the pupil's actual time at the school is greater than the secured fee, the balance must be paid in accordance with the usual rules (i.e. by the start of the term for which the fee is required). If the normal termly fee is less than the secured fee, a credit will usually be carried forward.

Please note that the composition fee is a system of providing an amount for school fees but does not guarantee that the fees are fully paid. For instance, the termly fees will increase due to inflation.

If a lump sum is paid, but the child does not for some reason enter the school, the following options are available at the discretion of the school:-

A refund in full discharge of the lump sum can be made (to include interest just below the BOI base rate, less 1% administration costs) if the pupil has failed to gain admission to the school, otherwise without interest.

For the avoidance of doubt, the school will calculate interest from the date the lump sum was received to the date the refund cheque from the school is written, less any fees paid during this period.

If a pupil dies or leaves the school before the whole of the lump sum has been exhausted, an amount in proportion to the unexpired period will be refunded, with interest in the case of death (calculated as above) otherwise at the discretion of the committee.

If a parent or guardian requests the return of the remaining balance of the composition fee deposit then the school will ensure that the repayment does not benefit either party in terms of the contract.

A refund in the form of a cheque will be issued which will take into account the original deposit, any payments made to fund fees, interest received allocated to the contract and the levy of a 1% administration charge on the original deposit.

Lump sums are only available for the payment of fees and not to cover incidental expenses, which would normally fall to parents or guardians.

Payments made under this scheme are not liable for Inheritance Tax (IHT) if made by a parent or other person responsible for the care of the child. Payments by others are potentially liable for IHT, but may be subject to exemptions, which vary with the individual.

If through the award of a Scholarship or Bursary, or for any other reason, the termly amount provided is considerably in excess of what is needed, a proportionate part of the amount paid equal to the excess termly over-provision will be refunded.

The School Committee reserves the right to withdraw the scale attached without notice or to amend current contracts in the light of substantial changes in fiscal legislation or other external factors.

For details and a quotation, please contact:

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