



YOUR TERTIARY STUDIES HIGHER EDUCATION LOANS

TERTIARY EDUCATION COSTS MONEY – BUT THERE IS HELP

The Australian Government provides financial assistance to students through the Higher Education Loan Program (HELP) by providing income-contingent loans. This will help to remove the up-front cost barriers to gaining your tertiary education and qualification, but you will have a repayable HELP debt.

YOUR HELP OPTIONS

The Higher Education Loan Programme includes several borrowing options:

- HECS-HELP – this option is for eligible students enrolled in Commonwealth supported places (CSP). A HECS-HELP loan will cover all or part of your student contribution.
- FEE-HELP – for eligible fee-paying students enrolled at an approved higher education provider or Open Universities Australia. FEE-HELP provides you with a loan to cover up to the full amount of your tuition fees to a limit of \$100,879, or \$126,101 for dentistry, medicine or veterinary science courses. These limits are for the 2017 year and are indexed each year.
- OS-HELP – for eligible Commonwealth supported students who wish to study overseas. OS-HELP provides a cash loan to cover expenses such as accommodation and travel.

REPAYING YOUR HELP LOAN

You must begin repaying your debt when your HELP Repayment Income is above the minimum threshold for compulsory repayments.

The repayment thresholds are adjusted each financial year to reflect any changes in average weekly earnings. The minimum repayment income threshold for 2016-2017 is \$54,869 and for 2017-2018 is \$55,874.

We've included a table with all the HELP Repayment Income levels and the applicable repayment Interest rates for the 2016-2017 and 2017-2018 financial years on the back of this fact sheet.

For the 2018-2019 financial year the compulsory HELP repayment threshold will reduce to \$42,000 as part of the Higher Education Reform announced in the 2017 Federal Budget. This repayment threshold will apply to all HELP debts.

This threshold is calculated as the sum of taxable income plus any net investment loss (including net rental losses); total reportable fringe benefits amounts; reportable super contributions and exempt foreign employment income.

Extra tax is withheld by your employer each pay period to cover the compulsory repayments which are made through your income tax assessments. You should notify your employer that you have a HELP debt by completing a TFN Declaration form.

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2017/07

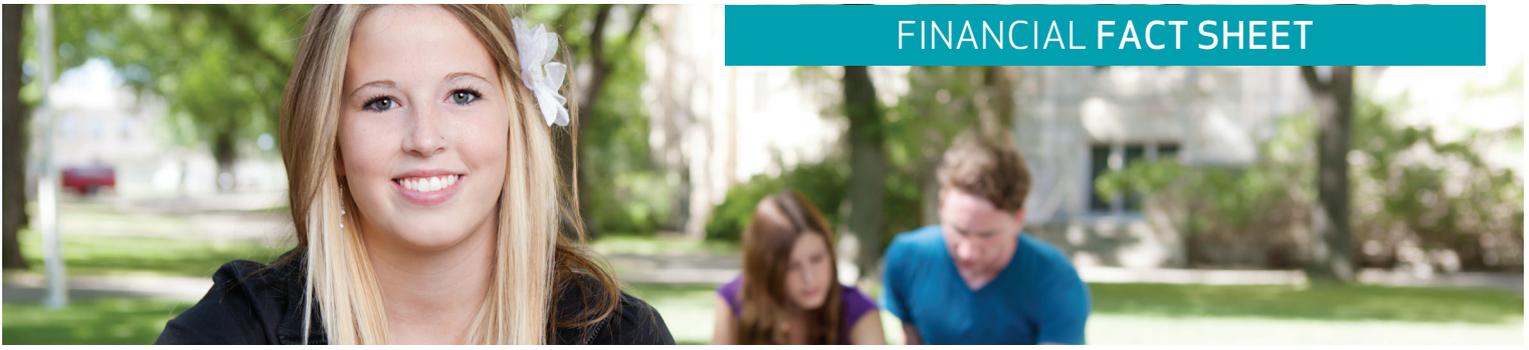
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REPAYING YOUR HELP LOAN

If you have a HELP debt and you are living overseas, you still have the same obligation to repay your loan as if you were living in Australia. Your HELP Repayment income is based on your total Australian and foreign-sourced income.

VOLUNTARY REPAYMENTS – THE ADVANTAGES

In addition to compulsory payments, you can make voluntary repayments. Voluntary repayments of \$500 or more entitle you to a bonus - your HELP account will be credited with an additional 5% of your voluntary payment amount.

There are other advantages in clearing your HELP debt by voluntary repayment in the final year, rather than through your tax assessment. In addition to the 5% bonus, when you voluntarily clear your debt prior to lodging your income tax return you will receive a credit for all additional tax withheld by your employer to cover the compulsory repayment, as no compulsory payment will be assessed.

HELP/HECS REPAYMENT THRESHOLDS

HELP Repayment Income 2017-2018	Interest Rate	HELP Repayment Income 2016-2017	Interest Rate
Below \$55,874	Nil	Below \$54,869	Nil
\$55,874 - \$62,238	4.0%	\$54,869 - \$61,119	4.0%
\$62,239 - \$68,602	4.5%	\$61,120 - \$67,368	4.5%
\$68,603 - \$72,207	5.0%	\$67,369 - \$70,909	5.0%
\$72,208 - \$77,618	5.5%	\$70,910 - \$76,222	5.5%
\$77,619 - \$84,062	6.0%	\$76,223 - \$82,550	6.0%
\$84,063 - \$88,486	6.5%	\$82,551 - \$86,894	6.5%
\$88,487 - \$97,377	7.0%	\$86,895 - \$95,626	7.0%
\$97,378 - \$103,765	7.5%	\$95,627 - \$101,899	7.5%
\$103,766 and over	8.0%	\$101,900 and over	8.0%

VOLUNTARY REPAYMENTS – AN EXAMPLE

Here's an example of a voluntary repayment from 1 January 2017:

Kate has a debt of \$4,500 and makes a \$1,500 voluntary repayment. With the 5% bonus, the value of her repayment is \$1,575 ($\$1,500 \times 1.05$) and her total debt is reduced to \$2,925 ($\$4,500 - \$1,575$). Her bonus amount is \$75 ($\$1,500 \times 5\%$).

If you make a voluntary repayment to pay off your total debt, the amount of the repayment you need to make is calculated by dividing the debt by 1.05. Round the amount of your payment down to the nearest dollar.

If you have any HELP debts that have not been reported to the Australian Tax Office at the time you make the voluntary repayment, the bonus will be reversed or adjusted once these debts are transferred to your account.

Below is an example of a voluntary repayment to clear a total debt from 1 January 2017:

Courtney's total debt is \$2,002. To pay off her debt she only needs to repay \$1,906 ($\$2,002 \div 1.05 = \$1,906$). Her bonus amount would be \$96 ($\$2,002 - \$1,906$).

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