

Understanding your HECS-HELP debt

Client information sheet

What is HECS-HELP?

HECS-HELP has two components – it is both a loan and a student discount.

For example, if you are an eligible student, the Australian Government (through the HECS-HELP scheme) will pay your course fees for you.

The Australian government pays the amount of the loan directly to your education institution.

Loan repayments are then made through the Australian taxation system when your income reaches a certain threshold (currently \$45,881 for the 2019-20 financial year). It is possible to make voluntary repayments at any time regardless of income.

A HECS-HELP debt is incurred immediately following the elected 'census' date for any University course you have nominated to receive HELP assistance for.

Am I eligible for HECS-HELP?

To qualify for HECS-HELP, you must:

- be studying in a Commonwealth supported place;
- be an Australian citizen; or
- be a New Zealand Special Category Visa holder who meets the long-term residency requirements; or
- be a permanent humanitarian visa holder;
- be enrolled in each unit at your university by the census date;
- meet the relevant HECS-HELP residency requirements; and
- submit a valid Request for Commonwealth support and HECS-HELP form by the census date (or earlier administrative date) to your university.

When do I need to start repaying my HECS-HELP loan?

Repaying your HECS-HELP debt commences once your Help Repayment Income (HRI) is above the minimum repayment threshold for compulsory repayment. That is, once your taxable income reaches a certain level.

The HRI thresholds are adjusted each year.

The minimum HRI threshold to make a loan repayment for 2019-20 is \$45,881. Where income exceeds this threshold, a compulsory repayment of at least 1% of your income is raised in your income tax assessment. The percentage increases as your income increases.

Rates for 2019-20 are as follows:

2019-2020 Repayment Threshold Repayment % Rate	
Below \$45,881	Nil
\$45,881 - \$52,973	1.0%
\$52,974 - \$56,151	2.0%
\$56,152 - \$59,521	2.5%
\$59,522 - \$63,092	3.0%
\$63,093 - \$66,877	3.5%
\$66,878 - \$70,890	4.0%
\$70,891 - \$75,144	4.5%
\$75,145 - \$79,652	5.0%
\$79,653 - \$84,432	5.5%
\$84,433 - \$89,498	6.0%
\$89,499 - \$94,868	6.5%
\$94,869 - \$100,560	7.0%
\$100,561 - \$106,593	7.5%
\$106,594 - \$112,989	8.0%
\$112,990 - \$119,769	8.5%
\$119,770 - \$126,955	9.0%
\$126,956 - \$134,572	9.5%
\$134,573 and above	10.0%

What is HELP Repayment Income (HRI)?

Your repayment income is different to your taxable income. It is calculated as:

- your taxable income for an income year, plus
- your total net investment losses, plus
- any total reportable fringe benefit amounts shown on your PAYG payment summary; plus
- reportable super contributions; and
- any exempt foreign employment income from the current income year

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How to check your HECS-HELP debt balance

There are two main ways to check your HECS-HELP debt balance:

1. Contact the ATO on 13 28 61, and provide them with your TFN. With this they are able to verify your personal details and tell you your HECS-HELP balance or
2. View your HECS-HELP balance online via the myGov site. You will need to link your account to the ATO so they have all the details. From here, you view your balance online.

How to repay you HECS-HELP debt through the taxation system

Compulsory repayments

When commencing a new job make sure you indicate to your employer that you have a HECS-HELP debt. This is done by ticking a box on the TAX DECLARATION FORM you will complete before starting work.

Your employer will withhold additional tax from each pay to cover your estimated HECS-HELP debt liability based on your annual HRI. The additional tax withheld by your employer should cover this repayment.

Note: Your employer only withholds the additional tax based on the income THEY pay to you. They won't take into account other income - from second or previous jobs or investment for instance - so you may have to make a top-up payment once you lodge your tax return.

Voluntary repayments

You are able to make voluntary repayments to your debt at any time to the ATO by BPAY and credit card. Visit the ATO or your nearest H&R Block office for more information about how to make repayments and the best time to do so.

Tax tips for repaying your HELP debt

Keeping receipts and claiming deductions for everything you're entitled to can reduce your HRI and minimise your compulsory annual repayment amount. It is important to keep all work related receipts and to take advice on what you can claim in order to maximise your refund. [Read our ultimate guide to tax deductions.](#)

If you are working more than one job, each employer will only withhold additional tax to cover your HECS-HELP debt based on the income that they pay you. If your combined income from multiple employers is over the minimum repayment threshold, you will still be liable to make a repayment towards your HECS-HELP debt when you lodge your tax return.

This information sheet is intended as a guide for H&R Block clients. All actual detail and circumstances differ, please discuss your situation with an H&R Block Tax Consultant. Use one of our Tax saver envelopes to keep all your receipts and documents for the year. Remember – if you are not sure if you can claim an expense, keep the receipt and we will ensure that we claim all allowable deductions and rebates for you whilst preparing your tax return. H&R Block is Australia's largest network of tax accountants with over 470 offices. Every year we help thousands of Australians achieve a better taxation result. For your nearest office call 13 23 25.