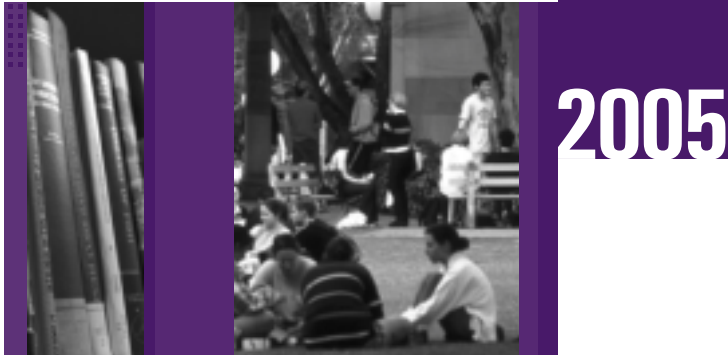




Australian Government
Department of Education,
Science and Training

OS-HELP

statement of terms and conditions



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OS-HELP



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1. Definitions

Unless the contrary intention appears, terms used in this statement of terms and conditions have the same meaning as in the *Higher Education Support Act 2003 (HESA)*.

In this statement of terms and conditions, unless identified otherwise:

- 1.1 “EFTSL” means equivalent full-time student load as defined in section 73-10 of the Act;
- 1.2 “OS-HELP loan amount” means the amount indicated in part 1 of the form, which is determined by your provider in accordance with your provider’s OS-HELP policy, the Act and the OS-HELP Guidelines;
- 1.3 “Tax Office” means the Australian Taxation Office;
- 1.4 “the Act” means the *Higher Education Support Act 2003*, unless indicated otherwise;
- 1.5 “the form” means the correctly and fully completed, signed and correctly lodged *OS-HELP debt confirmation* form;
- 1.6 “the six month period” means the six month period indicated in part 5 of the form;
- 1.7 “this Statement” means this *OS-HELP statement of terms and conditions*;
- 1.8 “you” means the person who receives an OS-HELP loan; and
- 1.9 “your provider” means the higher education provider that has selected you for receipt of an OS-HELP loan.

This Statement is based on provisions in the *Higher Education Support Act 2003* (the Act), the *Higher Education Support (Transitional Provisions and Consequential Amendments) Act 2003* (TCA Act)



(both available at <http://scaleplus.law.gov.au>), and the OS-HELP Guidelines (available at www.dest.gov.au). This Statement, the Act, the TCA Act and the OS-HELP Guidelines may be amended from time to time. If there is any inconsistency between the provisions of this Statement and the provisions of the Act, the TCA Act or the Guidelines, the provisions of the Act, the TCA Act and/or the Guidelines will prevail.

2. Loan conditions

To receive an OS-HELP loan in relation to the six month period, you must:

- 2.1 be an Australian citizen or a holder of a permanent humanitarian visa;
- 2.2 have not received an OS-HELP loan on more than one other occasion;
- 2.3 be enrolled in an undergraduate course of study;
- 2.4 have already completed units of study to the value of one EFTSL in Australia that count towards the course of study referred to in section 2.3 and in relation to which you were either:
 - (a) a Commonwealth supported student; or
 - (b) a contributing student as defined under section 34 of the *Higher Education Funding Act 1988*; or
 - (c) an exempt student receiving a merit-based equity scholarship under section 35(7) of the *Higher Education Funding Act 1988*;
- 2.5 be enrolled in full-time study with an overseas higher education institution or the overseas campus of an Australian higher education provider, and be outside Australia while



undertaking that study, which must commence on or after 1 January 2005;

- 2.6** have your study outside Australia count towards the course requirements for the course of study referred to in section 2.3;
- 2.7** have, on return from study overseas, units to the value of at least one EFTSL to complete the requirements of the course of study referred to in section 2.3;
- 2.8** meet the Tax File Number requirements, which are to either:
 - (a) notify your provider of your Tax File Number and for your provider to be satisfied that this number is a valid number; or
 - (b) give to your provider a certificate from the Commissioner of Taxation stating that you have applied for a Tax File Number (and you must notify your provider of your Tax File Number within 21 days of it being issued);
- 2.9** complete and lodge an *OS-HELP debt confirmation* form with your provider;
- 2.10** have been selected by your provider for receipt of an OS-HELP loan in relation to the six month period; and
- 2.11** have not received any other OS-HELP loan for a period that overlaps or coincides with the six month period.

3. Loan amount

- 3.1** The OS-HELP loan amount is determined by your provider in accordance with your provider's OS-HELP policy, the Act and the OS-HELP Guidelines.



- 3.2** In 2005, the OS-HELP loan amount for the six month period must not exceed \$5,000.

4. Loan fee

- 4.1** OS-HELP loans attract a 20% loan fee. The OS-HELP debt incurred by you will be 120% of the OS-HELP loan amount that you receive. For example, if you receive an OS-HELP loan of \$5,000, your OS-HELP debt will be \$6,000.

5. Debt management

- 5.1** Your OS-HELP debt is taken to be incurred on the day that the OS-HELP loan amount is paid to you.
- 5.2** You will be required to repay your OS-HELP debt (see section 6) even if you do not complete your studies or, due to unforeseen circumstances, you do not undertake or complete the overseas study that was approved by your provider. Your OS-HELP debt will not be remitted under any circumstances.
- 5.3** Your OS-HELP debt is reported to the Tax Office and will become a part of your accumulated HELP debt on 1 June 2006.
- 5.4** Your accumulated HELP debt will be established on 1 June 2006 and will include any unpaid debts and loan fees that you may have incurred under the following schemes:
- (a) Higher Education Contribution Scheme (HECS);



- (b) Postgraduate Education Loan Scheme (PELS);
 - (c) Open Learning Deferred Payment Loan Scheme (OLDPS);
 - (d) Bridging for Overseas Trained Professionals Loan Scheme (BOTPLS);
 - (e) Higher Education Loan Programme, which includes HECS-HELP, FEE-HELP, and OS-HELP.
- 5.5** That portion of your accumulated HELP debt that has remained unpaid for eleven months or more will be indexed annually on 1 June by changes in the All Groups Consumer Price Index (CPI).
- 5.6** Your accumulated HELP debt is reduced by any compulsory or voluntary repayments that you make (see section 6).
- 5.7** In June each year, the Tax Office will send you a *HELP Information Statement* if there has been activity on your HELP account, such as a new debt has been added to your account, or a compulsory or voluntary repayment has been made in the previous 15 months. If there has been no activity on your account, other than the indexation adjustment, you may not receive a statement.
- 5.8** The Tax Office sends your *HELP Information Statement* to the latest postal address shown on its records. You must notify the Tax Office if your postal address changes.
- 5.9** The Tax Office can tell you the balance of your HELP account, or provide you with a statement, if you phone the Tax Office on 13 28 61.



6. Repayment of HELP loans

Compulsory repayments

- 6.1** When your HELP repayment income is above the minimum threshold for any particular year, the Tax Office will calculate your compulsory repayment for that year and include it in your income tax notice of assessment.
- 6.2** Your HELP repayment income is made up of the following amounts from your income tax return for the income year:
- (a) taxable income; plus
 - (b) any net rental loss; plus
 - (c) any total reportable fringe benefits amounts; plus
 - (d) any exempt foreign employment income amount.
- 6.3** If you have a spouse or dependants and you are entitled to a reduction of the Medicare Levy or you do not have to pay Medicare Levy due to low family income (*under section 8 of the Medicare Levy Act 1986*), you will be exempt from making a compulsory HELP repayment for that year (see section 6.9).
- 6.4** Your compulsory HELP repayment is a percentage of your HELP repayment income for the income year. The income thresholds and HELP repayment rates for income earned during the 2005-06 income year are:



HELP repayment income in the range:	Percentage rate applied to HELP repayment income:
Below \$36,185	Nil
\$36,185 to \$40,306	4%
\$40,307 to \$44,427	4.5%
\$44,428 to \$46,762	5%
\$46,763 to \$50,266	5.5%
\$50,267 to \$54,439	6%
\$54,440 to \$57,304	6.5%
\$57,305 to \$63,062	7%
\$63,063 to \$67,199	7.5%
\$67,200 and above	8%

6.5 The HELP repayment income thresholds are adjusted each year from 2006-07 to reflect any change in average weekly earnings.

6.6 Compulsory repayments reduce your HELP debt on the day your income tax notice of assessment is issued.

Pay as you go (PAYG) withholding

6.6 If you are a payee under PAYG withholding, you must advise your payer if you have an accumulated HELP debt on a *Tax File Number (TFN) declaration or Withholding declaration*.



- 6.6.1 Your payer will then withhold additional amounts from your pay once you earn \$690 or more per week in the 2005-06 income year.
- 6.6.2 The additional amounts withheld are an estimate of the amounts required to cover your anticipated compulsory repayment for the year.
- 6.6.3 Your compulsory repayment will be calculated when your income tax return for that year is processed.
- 6.6.4 If you had excess amounts withheld during the year, and you have no other outstanding debts, the Tax Office will refund the excess to you.
- 6.7 If you receive payments from more than one payer, you must advise each of your payers that you have an accumulated HELP debt.
 - 6.7.1 In 2005-06, your payer is not obliged to withhold additional amounts from your pay until you earn \$690 or more per week from your job.
 - 6.7.2 If your payments from all jobs add up to more than the HELP repayment threshold for the income year, a compulsory repayment will be raised on your next income tax notice of assessment.
 - 6.7.3 If you want your payers to withhold additional amounts to cover your anticipated compulsory repayment, you should complete the Upwards variation agreement section of the *Withholding declaration* and give it to your payer. If



you do not do this, you may have to make a lump sum payment when you receive your income tax notice of assessment.

- 6.8** If you have a holiday or temporary job and you earn \$690 or more per week in the 2005-06 income year but your HELP repayment income for the income year will remain below the minimum HELP threshold, there is no need to have additional amounts withheld for HELP. If you do not want your payer to withhold additional amounts for HELP, phone the Tax Office on 1300 360 221 for a *PAYG income tax withholding variation application*.
- 6.9** If you are entitled to an exemption from making a compulsory HELP repayment because you are entitled to a reduction of Medicare Levy or you do not have to pay the Medicare Levy due to low family income, you can provide your payer with a completed *Medicare Levy Variation Declaration*, available from the Tax Office. Your payer will then stop withholding additional amounts for HELP for that year.

Pay as you go (PAYG) instalments

- 6.10** PAYG instalments is a system for providing for your tax liability on your investment and business income for the income year. If you pay PAYG instalments, then the Tax Office will notify you of an instalment rate and an instalment amount, which takes into account any accumulated HELP debt. For more information about PAYG instalments, phone the Tax Office on 13 28 61.



Objecting to a compulsory repayment

- 6.11** If you think the compulsory repayment shown on your income tax notice of assessment is wrong, check the details from your notice with those in your tax return. If, after checking these details, you still think there is a problem, then you should phone the Tax Office on 13 28 61.
- 6.12** If, after speaking to the Tax Office, you still believe your compulsory HELP repayment is incorrect, you may request an amendment or lodge an objection with the Deputy Commissioner of Taxation. Information on how to request an amendment or lodge an objection, including statutory time limits, is available from the Tax Office on 13 28 61.

Deferring compulsory HELP repayments

- 6.13** If you believe that making your compulsory HELP repayment would cause you serious hardship, or there are other special reasons why you believe that you should not have to make a compulsory repayment, you may apply to the Deputy Commissioner of Taxation, in writing, to have that amount deferred.
 - 6.13.1** There are time limits for applying to defer a compulsory repayment. If you intend to apply to defer your compulsory repayment, you will need to complete the form, *Application to Defer*, available from the Tax Office on 1300 650 225.
 - 6.13.2** The Deputy Commissioner of Taxation will advise you, in writing, whether your application is successful or not.



6.13.3 If you are not satisfied with the decision, you may apply to have the decision reviewed within 28 days of receiving notice of it.

6.13.4 If you are still not satisfied with the reconsidered decision, you may apply to the Administrative Appeals Tribunal for review within 28 days of receiving the revised decision.

Voluntary repayments

6.14 You may make voluntary HELP repayments to the Tax Office at any time and for any amount to immediately reduce your HELP debt.

6.15 There are several ways to make your voluntary repayment, including by BPAY, direct credit, mail or in person at an Australia Post outlet. If you need a receipt you should pay by BPAY or at Australia Post.

6.16 Voluntary repayments are in addition to compulsory repayments.

6.16.1 A compulsory HELP repayment will still be raised in your income tax notice of assessment if, after making your voluntary repayment, you still have an accumulated HELP debt and your HELP repayment income is above the minimum compulsory repayment threshold.

6.17 For more information about making a voluntary repayment, phone the Tax Office on 13 28 61.

Voluntary repayment bonus

6.18 If you make a voluntary repayment of \$500 or more, you will receive a bonus of 10% of the repayment you make.



6.19 If you wish to pay off your total debt, the amount of your repayment is your total debt divided by 1.10. If your total debt is less than \$500 and you pay off the total amount, you will still receive the 10% bonus.

Tax deductibility

6.20 HELP repayments made by you, or someone other than your payer, are not tax deductible. If your payer makes repayments towards your debt, they may be able to claim a tax deduction. However, your payer will be liable for Fringe Benefits Tax on the repayments.

Cancellation of your HELP debt if you die

6.21 If you die, your trustee or executor should lodge all outstanding tax returns up to the date of death. Any compulsory repayment included on an income tax notice of assessment relating to the period prior to the date of death must be paid from your estate, but the remainder of your HELP debt is cancelled. Neither your family nor the trustee is required to pay the remainder of your accumulated HELP debt.

Bankruptcy

6.22 Accumulated HELP debts are not provable under the *Bankruptcy Act 1966* and you will have to pay them as if you had not been declared bankrupt.



7. Contacts

Your provider

For enquiries about applying for OS-HELP and OS-HELP payments, contact your provider's student exchange or study abroad office.

Department of Education, Science and Training (DEST)

For general OS-HELP enquiries, contact DEST:

- Visit the *Going to Uni* website at: **www.goingtouni.gov.au**; or
- Telephone: **1800 020 108**.

Tax Office

For information on what happens once you have a HELP debt, including how HELP repayments are calculated and how indexation works:

- Visit the Tax Office website at: **www.ato.gov.au**;
- Read the publication, *Repaying your HELP debt*, available from June 2005 on the Tax Office website at: **www.ato.gov.au** or phone **1300 720 092** to order a copy;
- Email: **hecs@ato.gov.au**;
- Obtain a fact sheet by fax: **13 28 60**;
- Telephone the Personal Tax Infoline for general tax information: **13 28 61**; or
- Telephone the Higher Education Loan Accounts (HELA) Unit for specific queries on your HELP account: **1300 650 225**.



Written correspondence (except for voluntary repayments) should be sent to:

HELA Unit
Australian Taxation Office
PO Box 9888
VIRGINIA BC QLD 4014

If you have a Tax File Number, please have it ready before you phone the Tax Office.

Administrative Appeals Tribunal (AAT)

The AAT provides independent review on the merits of a wide range of administrative decisions made by the Australian Government. For information on applying for a review, contact the AAT via:

- The Tribunal's website at: **www.aat.gov.au**; or
- Telephone: **1300 366 700**.

A collage of three black and white photographs. The left photo shows two men in suits, one in the foreground and one slightly behind. The middle photo shows a close-up of a hand holding a white coffee cup with a dark sleeve. The right photo shows a woman and a man smiling together. The collage is set against a purple background with a grid pattern on the right side.

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