



**Australian Government**  
**Department of Education,  
Science and Training**

# OS-HELP

statement of terms and conditions



# 2008

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# OS-HELP

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## 1. Definitions

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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*.

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 OS-HELP Guidelines and the Act;
- 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 OS-HELP Guidelines, the *Higher Education Support Act 2003* (the Act), the *Higher Education*

*Support (Transitional Provisions and Consequential Amendments) Act 2003* (the TCA Act) (all available at [www.comlaw.gov.au](http://www.comlaw.gov.au)). This statement, the OS-HELP Guidelines, the Act and the TCA Act may be amended from time to time. If there is any inconsistency between the provisions of this statement and the provisions of the OS-HELP Guidelines, the Act, or the TCA Act, the provisions of the Guidelines, the Act and/or the TCA Act will prevail.

## **2. Loan conditions**

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- 2.1 To receive an OS-HELP loan in relation to the six month period, you must:
  - 2.1.1 be an Australian citizen or a holder of a permanent humanitarian visa; and
  - 2.1.2 have not received an OS-HELP loan on more than one other occasion; and
  - 2.1.3 be enrolled in an undergraduate course of study; and
  - 2.1.4 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 2.1.3 and in relation to which you were a Commonwealth supported student; and
  - 2.1.5 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; and
  - 2.1.6 have your study outside Australia count towards the course requirements for the course of study referred to in section 2.1.3; and

- 2.1.7 have, on return from study overseas, units to the value of at least 0.5 EFTSL to complete the requirements of the course of study referred to in section 2.1.3; and
  - 2.1.8 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 tax file 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 then notifying your provider of your tax file number within 21 days of it being issued); and
  - 2.1.9 complete and lodge an *OS-HELP debt confirmation* form with your provider; and
  - 2.1.10 have been selected by your provider for receipt of an OS-HELP loan in relation to the six month period; and
  - 2.1.11 have not received any other OS-HELP loan for a period that overlaps or coincides with the six month period; and
  - 2.1.12 have not completed the overseas study before making the application for an OS-HELP loan.
- 2.2 A person may be outside Australia when they apply for an OS-HELP loan.

### 3. Loan amount

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- 3.1 The OS-HELP loan amount is determined by your provider in accordance with your provider's OS-HELP policy, the OS-HELP Guidelines and the Act.
- 3.2 In 2008, the OS-HELP loan amount for the six month period must not exceed \$5,299.

### 4. Loan fee

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- 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 \$3,000, your OS-HELP debt will be \$3,600.

### 5. Debt management

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- 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.

- 5.4 Your accumulated HELP debt 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 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 11 months or more will be indexed annually on 1 June in line with changes in the cost of living (as measured by the Consumer Price Index).
- 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 an *Information Statement* if there has been activity on your HELP account in the previous 15 months. Activity includes: a new debt has been added to your account, a notice of assessment has been issued, or a compulsory or voluntary repayment has been made. 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 *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 (see **section 7**).

## **6. Repayment of HELP loans**

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### ***Compulsory repayments***

- 6.1 If your HELP repayment income is above the minimum HELP repayment threshold for any particular income year, the Tax Office will calculate your compulsory repayment for that income year and include it on your notice of assessment.
- 6.2 Your HELP repayment income is made up of the following amounts obtained from your income tax return:
- (a) your taxable income; plus
  - (b) any amount your taxable income was reduced by a net rental loss; plus
  - (c) any total reportable fringe benefits amounts; plus
  - (d) any exempt foreign employment income amounts included in your tax return.
- 6.3 If you have a spouse or dependants and if, due to low family income, you are entitled to a reduction of the Medicare levy or you do not have to pay the Medicare levy, you will not have to make a compulsory repayment for that year.
- 6.4 Your compulsory repayment is a percentage of your HELP repayment income for the income year. The HELP repayment rates for income earned during the 2007–08 income year are:

HELP repayment income in the range	Percentage rate applied to HELP repayment income
Below \$39,825	Nil
\$39,825 to \$44,360	4.0%
\$44,361 to \$48,896	4.5%
\$48,897 to \$51,466	5.0%
\$51,467 to \$55,322	5.5%
\$55,323 to \$59,915	6.0%
\$59,916 to \$63,068	6.5%
\$63,069 to \$69,405	7.0%
\$69,406 to \$73,959	7.5%
\$73,960 and above	8.0%

6.5 The HELP repayment thresholds are adjusted each year to reflect any change in average weekly earnings.

6.6 Your compulsory repayment is credited to your HELP account on the day your notice of assessment is issued.

### ***Pay as you go (PAYG) withholding***

6.7 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*.

6.7.1 Your payer will then withhold additional amounts from your pay once you earn \$765 or more per week in the 2007–08 income year.

- 6.7.2 The additional amounts withheld are an estimate of the amounts required to cover any compulsory repayment that may be included on your notice of assessment.
  - 6.7.3 Your compulsory repayment will be calculated when your tax return for that income year is processed.
  - 6.7.4 If you had too much withheld during the income year, and you have no other outstanding debts, the Tax Office will refund the excess to you.
- 6.8 If you receive payments from more than one payer, you must advise each of your payers that you have an accumulated HELP debt.
- 6.8.1 In 2007–08, your payer is not obliged to withhold additional amounts from your pay until you earn \$765 or more per week from your job.
  - 6.8.2 If your payments from different jobs total more than the minimum HELP repayment threshold for the income year, a compulsory repayment may be included on your notice of assessment for the year.
  - 6.8.3 If you want your payers to withhold additional amounts to cover any compulsory repayment, complete the ‘Upwards variation agreement’ in the *Withholding declaration* and give it to each of the payers concerned. If you do not do this, you may have to make a lump sum payment when you receive your notice of assessment.

- 6.9 If you have a holiday or part time job and you earn \$765 or more per week in the 2007–08 income year, but your HELP repayment income for the income year will remain below the minimum HELP repayment threshold, you can apply to the Tax Office to get your payer to stop withholding additional amounts for your HELP debt. You will need to complete and send the Tax Office a *2008 PAYG income tax withholding variation (ITWV) application*. You should only apply to vary your amount withheld if you are sure that your HELP repayment income for the year will be below the minimum HELP repayment threshold. For more information on how to vary your PAYG withholding amounts contact the Tax Office (see **section 7**).
- 6.10 If, due to low family income, you are entitled to a reduction of the Medicare levy or you do not have to pay the Medicare levy, you can provide your payer with a completed *Medicare levy variation declaration*. Your payer will then stop withholding additional amounts for HELP for that year. For more information contact the Tax Office (see **section 7**).

### ***Pay as you go (PAYG) instalments***

- 6.11 PAYG instalments is a system where you make payments towards your expected tax liability on your investment and business income for the income year. If you pay PAYG instalments, 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 contact the Tax Office (see **section 7**).

## ***Objecting to a compulsory repayment***

- 6.12 If you think the compulsory repayment shown on your income tax notice of assessment is wrong, check the details on your notice of assessment against those in your tax return. You can phone the Tax Office if you still think there is a problem.
- 6.13 If, after speaking to the Tax Office, you still believe your compulsory repayment is incorrect, you may request an amendment or lodge an objection with the Deputy Commissioner of Taxation within the appropriate time limits. For more information on how to lodge an objection contact the Tax Office (see **section 7**).

## ***Deferring compulsory repayments***

- 6.14 If you believe that making your compulsory repayment would cause you serious hardship, or there are other special reasons why you believe that you should not make a compulsory repayment, you may apply to the Tax Office to have that amount deferred.
- 6.14.1 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, *Deferring your compulsory HELP, HECS or Financial Supplement repayment* available from the Tax Office (see **section 7**).
- 6.14.2 The Tax Office will advise you in writing whether your application is successful or not.

- 6.14.3 If you are not satisfied with the decision, you may apply to have the decision reviewed within 28 days after the day on which you received notice of the decision.
- 6.14.4 If you are still not satisfied with the reconsidered decision, you may apply to the Administrative Appeals Tribunal for a review within 28 days of receiving the revised decision. For more information contact the Administrative Appeals Tribunal (see **section 7**).

### ***Voluntary repayments***

- 6.15 You may make voluntary repayments to the Tax Office at any time and for any amount to immediately reduce your HELP debt.
- 6.16 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.
- 6.17 Voluntary repayments are in addition to compulsory repayments.
  - 6.17.1 A compulsory repayment will still be included in your 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 HELP repayment threshold.
- 6.18 For more information on making a voluntary repayment contact the Tax Office (see **section 7**).

## ***Voluntary repayment bonus***

- 6.19 If you make a voluntary repayment of \$500 or more, you will receive a bonus of 10% on the repayment you make.
- 6.20 If your total debt (including any amounts that have not yet been added to your HELP account) is less than \$500 and you pay off the total amount, you will still receive the 10% bonus. The amount of your repayment is your total debt divided by 1.10.

## ***Tax deductibility***

- 6.21 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***

- 6.22 If you die, your trustee or executor should lodge all outstanding income tax returns up to the date of death. Any compulsory repayment included on a 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***

- 6.23 HELP debts and 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

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### *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
- Call the Student Enquiry Line on **1800 020 108**

TTY Freecall 1800 554 609

International callers +61 3 8341 3615

### *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**;
- Get the booklet, *Repaying your HELP debt in 2007-08*, by calling **1300 720 092**;
- Call the Personal Tax Infoline for general tax information on **13 28 61**; or
- Call the Higher Education Loan Accounts Unit for specific queries on your account on **1300 650 225**.

If you have a tax file number, have it ready before you call the Tax Office.

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

Australian Taxation Office  
PO Box 9888  
VIRGINIA BC QLD 4014

### ***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:

- The Tribunal's website at: **[www.aat.gov.au](http://www.aat.gov.au)**; or
- Telephone: **1300 366 700**.



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