

# HECS-HELP DEBT & ATO BILLS



## WHAT IS HECS-HELP?

HECS-HELP (Higher Education Contribution Scheme - Higher Education Loan Program) is a government loan scheme that helps eligible students pay their student fees. Instead of paying upfront, students can borrow money from the government and repay the debt once their income reaches a certain level.

## WHY MIGHT YOU RECEIVE AN ATO BILL?

**HECS-HELP Repayment Obligations** – Once you earn a certain amount of money and your income exceeds the threshold, you must repay your HECS-HELP debt. The ATO (Australian Taxation Office) calculates your repayment amount based on your taxable income.

**Insufficient PAYG Withholding** – If your employer doesn't withhold enough to cover your HECS – HELP repayments, you might receive a bill from the ATO when you lodge your tax return.

**Annual Income Changes** – If your income increases during the year and crosses the repayment threshold, you might need more tax withheld to cover the repayment, leaving you with an ATO bill.

## HOW TO MANAGE AN ATO BILL

**Review and adjust your PAYG withholding** – If you expect your income to exceed the repayment threshold, make sure your employer withholds enough money for your HECS – HELP debt. You can do this by submitting a 'wi' to your employer.

**Payment options** – The ATO provides flexible payment options. If you can't pay your HECS – HELP bill in full by the due date. You can talk to the ATO about a plan to suit your financial situation.

**Check your ATO account regularly** – Keep an eye on your ATO account to monitor your HECS – HELP debt balance and any upcoming required payments. This can help you avoid unexpected bills.

## WHAT HAPPENS IF YOU DON'T PAY YOUR ATO BILL?

**Interest on Overdue payments** – If you don't pay your HECS – HELP bill by the due date, the ATO may charge you interest on the outstanding loan amount.

**Debt Recovery** – The ATO may take further action to recover the debt, including garnishing wages or withholding tax refunds.

## CONTINUING HECS – HELP REPAYMENTS AFTER CLEARING YOUR DEBT

If you're still making HECS – HELP repayments even though you don't have a debt, it might be because your employer continues to withhold amounts from your salary because they are unaware that your debt has been repaid. To help resolve this for you, check your HECS-HELP balance with the ATO, and once confirmed, you can ask your employer to stop withholding HECS-HELP payments.

**FOR MORE INFORMATION** on HECS – HELP repayments and managing ATO bills, visit the ATO website: [www.ato.gov.au/individuals-and-families/study-and-training-support-loans/view-your-loan-account-online](http://www.ato.gov.au/individuals-and-families/study-and-training-support-loans/view-your-loan-account-online) **OR CALL** Study Assist on **13 24 90** or ATO on **13 28 61**.