Study and training support loans

Explains income contingent loans for undertaking higher education, trade apprenticeships and other training programs.

How study and training support loans work

A brief overview of how study and training support loans work, including a video.

Types of loans

You can find a number of loans available from the Australian Government to help you complete further training and study.

View your loan account online

How to log on to ATO online services to view your loan account information, such as your payment reference number (PRN).

When you must repay your loan

You must start repaying your loan when your repayment income exceeds the minimum repayment threshold.

Tell your employer about your study or training loan

How to tell your employer about your study or training support loan, and why it's important.

Compulsory repayments

How and when compulsory repayments of your study and training support loan are made through the income tax system.

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Deferring repayments

You may apply to defer your compulsory repayment or overseas levy if you are in serious hardship or for other reasons.

Study and training loans – what's new

Content related to any new legislation for study and training loans.

QC 27090

How study and training support loans work

A brief overview of how study and training support loans work, including a video.

Last updated 8 April 2024

The government provides financial assistance (in the form of loans) to people undertaking higher education, trade apprenticeships and other training programs. We have responsibility for the collection of these loans through the tax system.

These are income contingent loans and when your income exceeds the repayment threshold, you will have to start repaying your loan. Compulsory repayments are made through the tax system. You may also make voluntary repayments to reduce your balance faster. The debt will be indexed annually to keep up with changes in the cost of living. Your loan may grow over time if no compulsory or voluntary repayments are made.

Watch

Authorised by the Australian Government, Canberra.

QC 72394

Types of loans

You can find a number of loans available from the Australian Government to help you complete further training and study.

Last updated 25 November 2024

HELP

The Higher Education Loan Program (HELP) assists eligible students with their student contribution or tuition fees from a university or other higher education provider.

There are different types of HELP loans available, depending on the student's circumstances.

For more information see Study Assist.

VSL

The VET Student Loans (VSL) program offers protection for students and focuses on courses that address industry needs, creating better opportunities for employment.

VSL offers income contingent loan support to eligible students studying certain diploma level and above vocational education and training qualifications. Use the VSL Eligibility Tool as a guide to help check your eligibility for a VET Student Loan.

For more information, see Department of Employment and Workplace Relations, for:

- Information for VET Student Loans Students
- VET Student Loans Information Booklet

VET FEE-HELP (VFH)

The former VET FEE-HELP (VFH) scheme operated between 2008 and 2016, with some VFH students continuing to access the scheme until 2018.

Between 1 January 2019 and 31 December 2023, people with VFH loans could apply to have their loans re-credited under the VET FEE-HELP Student Redress Measures, in circumstances where their training provider engaged in 'inappropriate conduct.' These measures have now closed.

To understand more about VFH, see Department of Employment and Workplace Relations, for Information for former VET FEE-HELP students.

SFSS

The Student Financial Supplement Scheme (SFSS) was a voluntary loan scheme to help tertiary students cover their expenses while they studied.

This scheme closed on 31 December 2003. However, all existing SFSS loans continue to be collected through the tax system.

For more information see Department of Social Services: SFSS.

SSL and ABSTUDY SSL

The Student Start-up Loan (SSL) and ABSTUDY Student Start-up Loan (ABSTUDY SSL) schemes started on 1 January 2016 and replaced the Student Start-up Scholarship payment.

This is a voluntary loan available to eligible students in higher education who receive:

- Youth Allowance
- Austudy

- ABSTUDY Living Allowance.

The Services Australia administers the payments.

For more information see Services Australia – Student Start-up Loan.

AASL

Generally, under the Australian Apprenticeship Support Loan (AASL) – previously known as Trade Support Loan (TSL) – program, eligible Australian apprentices are offered loans over a 4-year period. An Australian Apprentice may attract payments at the fourth-year rate for any additional years of their apprenticeship (past the fourth year) until they complete their apprenticeship or reach the lifetime limit.

A 20% discount will be granted where an Australian Apprentice successfully completes their apprenticeship. The discount applies to the amount borrowed and does not include any indexation that has been applied or repayments that have been made.

AASL payments are administered by the Apprentice Connect Australia Provider and the Department of Employment and Workplace Relations.

For more information see Australian Apprenticeships.

QC 44853

View your loan account online

How to log on to ATO online services to view your loan account information, such as your payment reference number (PRN).

Last updated 7 August 2025

On this page

> 20% loan debt reduction
>
> Indexation

Going online

We manage any loans you have deferred for payment through the tax system. Your account contains a record of your loan (or loans) including:

- indexation amounts
- voluntary repayments and compulsory repayments
- overseas levy amounts.

It's easy to keep track of your study or training loan using ATO online services or the ATO app. You can view your loan account and other information, such as your payment reference number (PRN) and voluntary repayment options.

To access our online services for individuals, you need to create a myGov account and link it to the ATO. Using a Digital ID, such as myID, is the most secure way to access ATO online services and the ATO app.

If you already have a myGov account linked to the ATO, you can log in at any time.

Find the balance of your loan accounts

To locate the balance of your loan accounts using ATO online services:

1. Log in to **ATO online services**.
2. Select **Tax**.
3. Select **Accounts**.
4. Select **Loan accounts**.

To locate the balance of your loan accounts using the ATO app:

1. Sign in to the **ATO app**.
2. Select **Accounts** from the home screen.

You can make voluntary repayments at any time to reduce the balance of your loan.

Sign in to myGov and update details

Can't see your loan information?

As your loan information is transferred to us from other government agencies, **there may be a delay** between when you acquire the loan and when it is reflected in your loan balance.

At any time during the year, you can contact us to request a statement.

20% loan debt reduction

The 20% reduction of all study and training support loan debt that existed on 1 June 2025 is now law. We'll start processing reductions once our systems are set up to deliver these changes. You don't need to do anything for the reduction to be applied.

For more information, see Study and training loans - what's new.

Indexation

The indexation rate for study and training loans is based on the consumer price index (CPI) or wage price index (WPI) – whichever is lower.

Your loan may grow over time if you don't make any compulsory or voluntary repayments.

There is no interest charged on loan accounts. However, when your loan is more than 11 months old, the balance is subject to indexation. The indexation figure is calculated each year and applied on 1 June each year.

Indexation maintains the ‘value’ of the education so that no matter how long it takes to repay, a student would repay an amount that is more like the cost of education today. The indexation figure is calculated each year.

Indexation rate calculation change

We have processed all recredits and refunds for the 2023 and 2024 indexation rate changes.

If you received an indexation recredit, your account will display:

- **Processed date** field – a date in December or January
- **Effective date** field of 1 June 2023 or 1 June 2024, or both
- **Transaction** description 'Amendment to indexation'
- **Credit** column – the difference between the indexation amount first applied and the new indexation amount calculated with the reduced rate.

If you received a refund, you'll also see a:

- transaction to transfer the credit to your income tax account – this will show as a **debit** in the loan account
- **credit** on your income tax account ready to refund to your nominated bank account
- debit transaction in your income tax account when the refund issues.

The time it takes to appear in your bank account will depend on your financial institution's processing timeframes.

To view your income tax account in myGov, select **Tax**, **Accounts**, and **Tax accounts**.

If you have a non-pursuit waiver, you'll also see:

- **Transaction description** – Correction sundry – indexation adjustment
- a debit amount which will reverse the difference because you already had the indexation waived.

The original transaction for the indexation applied to the account on 1 June of the relevant year will not change. It will still show as 7.1% for 2023 and 4.7% for 2024.

For more information, see Study and training loans – what's new.

QC 44857

When you must repay your loan

You must start repaying your loan when your repayment income exceeds the minimum repayment threshold.

Last updated 9 October 2024

On this page

Repaying your loan

You must start making compulsory repayments against your study or training support loan when your repayment income exceeds the minimum repayment threshold. This is even if you are still studying or undertaking an apprenticeship.

The repayment thresholds are adjusted each year to reflect any changes in average weekly earnings.

Compulsory repayments are made through your tax return. You can also make voluntary repayments at any time to reduce your loan balance.

Find out more about overseas obligations when repaying loans.

For more information see:

- Voluntary repayments, for information about the best time to make voluntary repayments
- Indexation, for information on indexation on loans
- Study and training loan repayment thresholds and rates
- StudyAssist website

Your repayment income

Your repayment income is calculated using the following amounts from your tax return and payment summaries:

- taxable income – not including any assessable First Home Super Saver (FHSS) released amounts
- any reportable fringe benefits (regardless of the exempt status of your employer)
- total net investment loss (which includes net rental losses)
- reportable super contributions
- any exempt foreign employment income amounts.

Example: repayment income for an income year

Christina has a taxable income of $50,420. In her tax return she claims:

- total net investment loss of $1,250
- total reportable fringe benefits of $4,560
- exempt foreign employment income of $2,580
- reportable super contributions of $15,000.

Christina's repayment income is $73,810 ($50,420 + $1,250 + $4,560 + $2,580 + $15,000).

For more information see:

- Compulsory repayments
- Income you must declare

Going overseas

If you have moved overseas and have a Higher Education Loan Program (HELP), VET Student Loan (VSL) or Australian Apprenticeship Support Loan (AASL) – previously known as Trade Support Loan (TSL) – you will have the same repayment obligations as those who live in

Australia. This applies even if you already live or intend to move overseas for a total of more than 6 months in any 12 month period.

You will need to update your contact details using our online services through myGov. You will also be required to advise us of your worldwide income if your income exceeds 25% of the minimum repayment threshold for the income year and make a compulsory repayment. This also applies when you pay an overseas levy towards your loan if you earn over the minimum repayment threshold.

If you have a Student Financial Supplement Scheme (SFSS), Student Start-up Loan (SSL) or ABSTUDY Student Start-up Loan (ABSTUDY SSL) loan and go overseas, we will continue to maintain your loan account. Your loan will not be waived and the amount outstanding will continue to be indexed each year until you have paid off your loan. Your loan may grow over time if no compulsory or voluntary repayments are made.

You can still make voluntary repayments when you are overseas.

For more information see:

- Overseas obligations when repaying loans
- Voluntary repayments

Deceased estate

A trustee or executor needs to lodge all outstanding tax returns on behalf of a deceased person, up to the date of the person's death.

Any compulsory repayment included on a notice of assessment or overseas levy included on a notice of overseas levy that relates to the period before the person's death must be paid from the estate. The remainder of the loan is cancelled. Neither the deceased person's family, nor the trustee, is required to pay the rest of the loan.

Bankruptcy

Loan accounts are not provable under the *Bankruptcy Act 1966*. This means you will have to pay those loans as if you had not been declared bankrupt.

QC 44858

Tell your employer about your study or training loan

How to tell your employer about your study or training support loan, and why it's important.

Published 18 February 2025

On this page

Why it's important

To help avoid an unexpected bill at tax time, tell your employer you have a study loan. In the same way your employer withholds tax throughout the year to cover your end of year tax liability, they can also withhold extra amounts to cover your study or training support loan compulsory repayment. This amount is calculated when you lodge your tax return.

Your employer will determine how much extra to withhold based on the income you earn with them. If you receive income from other sources, your employer's withholding may not cover the total compulsory repayment amount. For more information, see multiple income sources.

If you don't tell your employer

If you don't tell your employer about your study or training support loan, they won't know to withhold extra amounts for your compulsory repayment. This will likely result in you getting a tax bill when you lodge your tax return. You'll need to pay your tax bill in full and on time to avoid general interest charge being applied.

Understanding compulsory repayments

You need to start making compulsory repayments when your repayment income is more than the minimum repayment threshold. This applies even if you're still studying or in an apprenticeship.

Your compulsory repayment amount is calculated as a percentage of your repayment income. This means the more income you earn, the higher your compulsory repayment will be.

Your compulsory repayment amount is calculated when you lodge your tax return. Any voluntary repayments made towards your loan will not reduce the compulsory repayment amount.

Work out your compulsory repayment

To estimate your compulsory repayment, use our Study and training support loans repayment calculator.

For current and historical thresholds and rates, see Study and training loan repayment thresholds and rates.

Withholding amounts for your compulsory repayment

When you tell your employer you have a study or training support loan, they will start withholding extra amounts from your income if your annual income is expected to be over the minimum repayment threshold.

The additional amounts withheld are not applied to your loan balance until:

- you lodge your tax return, and
- a compulsory repayment has been calculated based on your repayment income.

This means the amount withheld by your employer won't reduce your loan after each pay cycle. The compulsory repayment amount will reduce your loan as a lump sum once your tax return is processed.

The withholding amount for your loan compulsory repayment may not be listed separately on your payslip. It will be included in the total pay-as-you-go (PAYG) withholding amount.

If too much is withheld during the year, and you don't have any outstanding tax or other government debts, you will receive a refund of the overpaid amounts at tax time.

How to tell your employer

To tell your employer about your study or training support loan:

- when starting a new job, complete a Tax file number declaration (NAT 3092) and answer 'Yes' at Question 10, or
- if you're already working, and you're not sure if your employer knows you have a loan, complete a Withholding declaration (NAT 3093) and answer 'Yes' at Question 6.

Give the completed form to your employer so they can work out how much extra to withhold. If you have more than one employer, provide a completed form to each employer.

When you pay off your loan in full, complete a new *Withholding Declaration* (NAT 3093) to inform your employer that you no longer need extra amounts withheld.

Multiple income sources

If you earn business or investment income, you may be registered for pay as you go (PAYG) instalments. This is where you make regular payments throughout the year towards your tax liability. If you are making PAYG instalments, we take your study or training support loan into account when calculating your instalment amount and rate.

If you earn income from multiple sources, you may need to adjust how much is withheld during the year. This is because your employer doesn't know how much you earn outside of your employment with them. Therefore, the amount they withhold may not be enough to cover your total compulsory repayment amount.

You can adjust your withholding amounts by:

- asking your employer to increase the amount of tax they withhold from your pay, or

- voluntarily registering for PAYG instalments and varying the instalment amount to suit your personal circumstances.

Stay informed and proactive about your loan repayments to avoid financial surprises and manage your loan effectively. For more information, see Study and training support loans.

Authorised by the Australia Government, Canberra.

QC 103827

Compulsory repayments

How and when compulsory repayments of your study and training support loan are made through the income tax system.

Last updated 7 August 2025

On this page

How compulsory repayments work

Compulsory repayments of your study and training support loan are made through the income tax system.

You don't have to provide loan information in your tax return. If you have a loan when you lodge your tax return and your repayment income is above the minimum repayment threshold, we will work out your compulsory repayment and include it on your notice of assessment. This will occur even if your tax return is for an income year before you started studying.

Your compulsory repayment rate increases as your income increases. The more you earn, the higher your repayment. Your compulsory repayment is based on your income alone – not the income of your parents or spouse.

You won't have to make a compulsory repayment if you have a spouse or dependants and if (due to low family income) you:

- are entitled to a reduction of the Medicare levy
- don't have to pay the Medicare levy.

If you don't have to make a compulsory repayment, you may ask your employer not to withhold additional amounts from your pay by completing the *Medicare levy variation declaration* form (NAT 0929).

You can also make additional voluntary repayments.

Ask a question or read answers to questions at our online community:

ATO community

For more information see:

- Study and training loan repayment thresholds and rates
- Medicare levy variation declaration
- Study and training loan repayment calculator

Compulsory repayment changes

Change to compulsory repayments are now law. From the 2025–26 income year, you only need to make a compulsory repayment when your repayment income exceeds $67,000. Your compulsory repayment will only be calculated on the portion of your income that exceeds $67,000.

For more information, see Study and training loans – what's new.

Advising your employer

You must advise your employer if you have a study or training support loan. Under the pay as you go (PAYG) withholding system, your employer will withhold an additional amount from your salary and wage income to cover your compulsory repayment.

Advise your employer by ticking the relevant box on one of the following forms that applies to your situation:

- If you're starting a new job, complete a *Tax file number declaration* (NAT 3092) and include your loan type when asked to do so.
- If you're already working and being paid, complete a *Withholding declaration* (NAT 3093) and include your loan type when asked to do so.
- When you pay off your loan in full, complete a new *Withholding declaration* (NAT 3093) to advise you no longer have an outstanding loan. Update your loan type when asked to do so.

These forms are usually given to you by your employer.

Employer deductions showing on your account

When your employer withholds additional amounts to cover your anticipated compulsory repayment, these amounts are remitted to the ATO as part of the employer's PAYG withholding obligations.

The additional tax withheld is not applied to your loan account until:

- you have lodged your tax return, and
- a compulsory repayment has been calculated based on your repayment income.

Your loan balance doesn't reduce after each pay cycle; it is only applied as a lump sum after your income tax return is lodged.

For more information see:

- Types of loans
- Tax file number declaration (NAT 3092)
- Withholding declaration (NAT 3093)
- Tax in Australia: what you need to know
- Tax tables

If you earn business or investment income

Pay as you go (PAYG) instalments is a system where you make regular payments towards your expected tax liability if you earn business or investment income. You pay your tax in instalments throughout the year rather than when you lodge your tax return.

If you are making PAYG instalments, we take your loan into account when working out your PAYG instalment amount and rate.

You can vary your instalment amount or rate to allow for your personal circumstances, see How to vary your PAYG instalments.

QC 44859

Voluntary repayments

You can make voluntary repayments at any time to help reduce your study or training loan balance.

Last updated 28 May 2025

On this page

Making repayments

You can make voluntary repayments at any time to reduce the balance of your study or training loan.

You may still have to make a compulsory repayment or pay an overseas levy if, after making your voluntary repayment:

- you still have an outstanding loan

- your repayment income is above the minimum repayment threshold.

Voluntary repayments are in addition to compulsory repayments or the overseas levy and are not refundable.

Best time to make a voluntary repayment

If you plan to pay off your total loan balance with a voluntary repayment, it's best to make your repayment before you lodge your tax return or worldwide income.

If you lodge your tax return or worldwide income before your voluntary repayment is credited to your account, a compulsory repayment or overseas levy may be included on your notice of assessment.

Note: Subject to the passage of legislation, we will apply a 20% reduction to study and training support loans that exist on 1 June 2025. You may want to consider this change before deciding when to make a voluntary repayment. More information is available on the Department of Education website.

If you intend to make a voluntary repayment before indexation is applied, **it is important to allow for payment processing timeframes**.

Payments made electronically or at Australia Post can take up to 4 business days from the day you make the payment, to be received by us and to appear on your ATO account.

If you mail a cheque or money order to us, you will need to take into account postal service delivery. Once we receive your payment, it may take a further 4 business days to be allocated to your ATO account.

Indexation will apply if the payment is not received and processed in time. Refer to Indexation to see its impact on the loan.

Note: Don't make voluntary repayments to us before you have incurred a loan.

For more information, see Study and training loan indexation rates.

How to make a voluntary repayment

We offer a range of payment options both in Australia and overseas. Our preferred payment methods are:

- BPAY® (registered to BPAY Pty Ltd ABN 69 079 137 518)
- credit card.

If you pay using BPAY, credit card or direct credit, you will need your payment reference number (PRN).

For more information, see:

- myGov
- How to pay
- Contact us

Salary packaging

Some people use salary packaging arrangements with their employers to pay off their loans faster by making voluntary repayments.

If you make such an arrangement, you must:

- make your voluntary repayments by BPAY, credit card or direct credit
- stop making repayments as soon as you have paid off your loan.

Voluntary repayments made through salary packaging are in addition to compulsory repayments. If your income is above the minimum repayment threshold for an income year, you will still need to make a compulsory repayment. This will be included in your notice of assessment.

Entering into a salary sacrifice arrangement may result in your payer providing a fringe benefit to you. You should seek financial advice before entering into this arrangement.

For more information, see Salary sacrificing for employees.

Tax deductibility

Any voluntary repayments made by you, or by someone else other than your employer, are not tax deductible. If your employer makes voluntary repayments on your behalf, they may be able to claim a tax deduction. Your employer may also be liable for fringe benefits tax (FBT) on the repayments.

QC 44860

Overseas obligations when repaying loans

Provide an overseas travel notification and report your worldwide income if you have a study or training support loan.

Last updated 12 March 2025

On this page

Repaying loans from overseas

If you plan to live and work overseas and have a study or training support loan, you are required to:

- update your contact details and submit an *overseas travel notification* within 7 days of leaving Australia – this is if you have an intention to (or already) reside overseas for 183 days or more in any 12 months
- lodge your worldwide income or a non-lodgment advice.

This applies to people with the following types of loans:

- Higher Education Loan Program (HELP – previously known as HECS)
- VET Student Loan (VSL)
- Australian Apprenticeship Support Loan (AASL) – previously known as Trade Support Loan (TSL)

You can report your worldwide income online by using ATO online services through myGov, or through an Australian registered tax agent.

The deadline for you to report for the Australian income year (1 July to 30 June) is **31 October**. It's important you lodge on time, even if you can't pay straight away, as you'll avoid a penalty for lodging late.

You can use an Australian registered tax agent to lodge on your behalf. They can lodge after the usual 31 October deadline. The due date will depend on your personal circumstance. You should contact your tax agent for advice.

After you have reported your worldwide income, you will receive a notice confirming:

- how much you owe or will be refunded
- the due date for payment.

Your study or training loan will continue to be indexed each year until it is paid. Your loan may grow over time if no compulsory or voluntary repayments are made. You can make additional voluntary payments from overseas at any time to reduce the balance. These will not reduce any compulsory repayment or overseas levy obligations you may have. For further information on indexation and processing times for payments see indexation and voluntary repayments.

Accessing ATO online services through myGov

If you're an Australian living overseas, you can manage your tax and super obligations while overseas with a myGov account linked to the ATO.

To access ATO online services you can sign in to myGov using:

- myID set up to a Standard identity strength

- codes created by the myGov Code Generator app – you will need to download the app and update your sign-in option before you travel
- SMS codes, if you have access to your Australian mobile phone number.

Completing an overseas travel notification

You need to notify us, within 7 days of leaving Australia, if you intend to move or already reside overseas for 183 days or more in any 12 month period.

To notify us, complete an *overseas travel notification* and update your contact details, including your mobile, international residential, postal and email addresses.

You can submit your *overseas travel notification* through ATO online services via myGov or through an Australian registered tax agent. If you notify us online, you only need to update your details on ATO online services, not on your myGov account.

Once you have logged in to ATO online services, follow these menu options to complete your *overseas travel notification*.

- **Tax>Manage>Overseas travel notifications**

To complete your *overseas travel notification,* you need:

- your Australian or foreign passport
- your travel information, including
  - the country you are planning to reside in while overseas
  - your expected or actual departure date from Australia
  - your expected or actual date of return to Australia.

You must continue to update your contact details as long as you reside overseas, either through our online services or an Australian registered tax agent.

You will only need to lodge a subsequent *overseas travel notification* if you come back to Australia, or your residency changes and you meet the requirements to notify again.

You do not need to complete another notification if you are only returning to Australia for a short period (for example, a holiday).

Sign in to myGov

Reporting your worldwide income

Your worldwide income is your repayment income and your non-resident foreign sourced income. Your non-resident foreign sourced income is any income you earned from sources outside of Australia while you were a non-resident.

The next steps in reporting your worldwide income will depend on your residency status. You will first need to work out if you are an:

- Australian resident
- Non-resident

Note: If you have a study or training loan, you will have an ongoing obligation to report your worldwide income, or lodge a non-lodgment advice.

Australian resident

If you reside outside Australia for less than 183 days in any 12-month period, the information in the following table applies to you.

If you have a HELP, AASL or VSL loan and are an Australian resident for tax purposes for the full year

Your worldwide income	What you need to do
If you earn worldwide income, including repayment income and foreign sourced income in the income year.	Do you also need to lodge a tax return? Check Do I need to lodge a tax return? If you do not need to lodge a tax return, you may need to lodge a non-lodgment advice form. To complete the non-lodgment advice form, lodge through ATO online services **Tax>Lodgments>Non-lodgment**

	advice or through an Australian registered tax agent.

Non-resident

If you reside outside Australia for 183 days or more in any 12-month period, the information in the following table applies to you.

If you have a HELP, AASL or VSL loan and are a non-resident (full or part year)

Your worldwide income	What you need to do
If your worldwide income for the 2024–25 year is at or below $13,608 (AUD). This is 25% of the minimum repayment threshold.	You need to lodge a non-lodgment advice form. Do you also need to lodge a tax return? Check [Work out if you need to lodge a tax return?] To complete the non-lodgment advice form, lodge through ATO online services **Tax>Lodgments>Non-lodgment advice** or through an Australian registered tax agent.
If your worldwide income for the 2024–25 year is above $13,608 (AUD).	You need to report your worldwide income. Do you also need to lodge a tax return? Check [Work out if you need to lodge a tax return?] To report your worldwide income, you can lodge through ATO online services **Tax>Lodgments>Report worldwide income** or through an Australian registered tax agent.

Note: When declaring your foreign sourced income earned as a non-resident you will have the option of choosing between one of three assessment methods.

How to report your worldwide income

If you're a non-resident for tax purposes, you can report your worldwide income through either:

- myTax within ATO online services
- an Australian registered tax agent.

If your worldwide income (converted into Australian dollars) exceeds the minimum repayment thresholds, you will be required to make a repayment of your study or training loan liability. Repayments may be in the form of a compulsory repayment or an overseas levy depending on how your worldwide income is made up.

Our Study and training loan repayment calculator will help you determine the amount of compulsory repayment.

Note: You can access myTax within ATO online services by logging in to your myGov account. Once you've accessed ATO online services, follow these menu items options: **Tax>Lodgments>Report worldwide income**.

When reporting your income, you will be asked to confirm if your contact and financial details are up to date – myTax only accepts Australian financial institution details. If you don't have an Australian account, you may bypass this step. The bypass is triggered when you have a study or training loan, and an international residential address recorded.

Example: how repayments are calculated

This example explains how a compulsory repayment and overseas levy may be raised on your reported worldwide income.

In the relevant Australian income year, Emily earns Australian-sourced repayment income as well as non-resident foreign-sourced income. These 2 amounts form her total worldwide income.

The total repayment obligation on Emily’s worldwide income is her worldwide income × the applicable repayment rate.

As Emily has earned over the minimum repayment rate in Australia, the compulsory repayment component of Emily’s repayment is determined as follows:

- repayment income × the applicable repayment rate = compulsory repayment.

The overseas levy raised on Emily’s worldwide income is calculated as follows:

- total repayment obligation – compulsory repayment = Emily’s overseas levy.

Example: how an overseas levy may be raised

This example explains how an overseas levy may be raised on your reported worldwide income.

In the relevant Australian income year, Emily earns only non-resident foreign-sourced income. This amount will form her total worldwide income.

The total repayment obligation on Emily's worldwide income is her worldwide income × the applicable repayment rate.

As Emily has earned over the minimum repayment rate in Australian, an overseas levy is raised based on Emily's worldwide income which is calculated as follows:

total repayment obligation = Emily’s overseas levy.

Information you need to report

To assist in determining your worldwide income, you may need to refer to notices or statements you have received in your country of residence, or country you earned worldwide income. These may include, but are not limited to:

- tax assessment or summary from a foreign tax authority (for example, those issued from HMRC, IRS, National Tax Agency)
- payment summaries or income statements, or payment slips from employers

- bank statements
- notices showing amount of government benefits received
- dividend and interest certificates
- rental income statements
- receipts to claim deductions for expenses incurred in earning non-resident foreign sourced income, for example, work-related expenses you incurred while performing your job as an employee.

Converting your currency

You must convert all foreign income, deductions and foreign tax paid into Australian dollars before you include this in your tax return. The rate of conversion will be the average exchange rate for the Australian income year.

Our foreign income conversion calculator will help you convert your foreign currency. If you require a foreign exchange rate for a currency that is not listed within the conversion calculator, you may use any reasonable externally sourced exchange rate for that currency, for example from a bank. The rate of conversion must be the average exchange rate for the Australian income year.

Completing a non-lodgment advice

If you did not earn more than 25% of the minimum repayment threshold for the income year you will need to submit a non-lodgment advice.

Note: You can access myTax within ATO online services by logging in to your myGov account. Once you've accessed ATO online services, follow these menu items options: **Tax>Lodgments>Non-lodgment advice**.

A non-lodgment advice is a document lodged instead of a tax return. This document tells us that you will not be lodging a return as you:

- are not above 25% of the minimum repayment threshold
- have made a determination that you have no requirement to report your worldwide income which includes lodging an individual tax return.

Note: If you had previously submitted a non-lodgment advice and your situation has changed, you are still able to report your worldwide income. You can lodge using our online services through myGov or through an Australian registered tax agent.

Example: non-lodgment advice

Harriet has a HELP loan from her undergraduate studies. She moves to the UK to undertake her postgraduate degree. In the UK, she studies full-time and works casually as a tutor.

For the relevant income year, Harriet earns the equivalent of $10,500 AUD. This is below the 25% minimum repayment threshold.

Harriet has made the determination that she does not need to lodge an Australian individual tax return. She will lodge a non-lodgment advice using our online services through myGov or through an Australian registered tax agent.

Assessment methods

When you declare your worldwide income to us, you may choose one of the following 3 income assessment methods to calculate your non-resident foreign sourced income:

- Simple self-assessment method
- Overseas assessed method
- Comprehensive tax-based assessment method

You can only choose one method to assess your foreign income for the income year. However, you may choose another assessment method in a later year.

Simple self-assessment method

The simple self-assessment method requires you to provide your gross amount of non-resident foreign income for the income year and state the occupation from which you derived most of your foreign-sourced income. A standard deduction will automatically be applied to reduce your foreign income based on your occupation.

Depending on your personal circumstances, you may wish to use a different assessment method to determine the non-resident foreign-sourced income component of your worldwide income. For example, if you have deductions that would be allowable under Australian tax laws.

Example: simple self-assessment method

Anita has been living in New Zealand for 2 years, working as an occupational therapist. To calculate her non-resident foreign-sourced income, Anita chooses the simple self-assessment method.

Anita declares her total gross foreign income for the income year and reports her occupation.

As part of the simple self-assessment method, a standard deduction is then automatically subtracted from her gross foreign income. This works out her net non-resident foreign-sourced income, which is used to calculate her overseas levy.

Overseas assessed method

The overseas assessed method allows you to enter the foreign income amount you were assessed for, on your most recent income assessment from your foreign country of residence. The assessment must cover a 12-month period, even if you did not earn income for the whole 12 months.

There are limitations to using this method. You can't use this method if:

- you did not receive a tax assessment from a foreign tax authority
- you received a tax assessment that does not cover a 12-month period
- the period of the assessment does not overlap the relevant Australian income year (1 July to 30 June)
- you received multiple assessments for the income year from tax authorities of different foreign countries
- you have previously used that income assessment to calculate your foreign income.

Example: overseas assessed method

Lee is living overseas and working as a lawyer. In working out his non-resident foreign-sourced income for the Australian income year, Lee chooses the overseas assessed method.

Lee has an overseas tax assessment for the period 1 April to 31 March (this overlaps the relevant Australian income year). Lee has not received any other income assessments from other countries. He has not previously used his income assessment to calculate his foreign-sourced income.

When using the overseas assessed method, Lee reports the foreign income amount he was assessed for as shown on his foreign income assessment. He then converts this to Australian dollars to calculate his non-resident foreign-sourced income.

Comprehensive tax-based assessment method

The comprehensive tax-based assessment method will require you to declare your gross foreign income and enter allowable deductions, similar to how you would complete an Australian tax return.

You must provide the gross amount (pre-tax amount) of your foreign income. You must do this even if tax was taken out in the country where you earned the income.

Example: comprehensive tax-based assessment method

Nadia is a small business owner in Canada. When working out her foreign-sourced income for the Australian income year, Nadia chooses the comprehensive tax-based assessment method.

Nadia determines her gross foreign income from her salary and business income. She then works out her allowable deductions related to her employment. Nadia subtracts her allowable deductions from her gross foreign income to work out her non-resident foreign-sourced income.

For more information, see Overseas Debtors Repayment Guidelines 2017.

Contacting us from overseas

For more information, you can phone us from overseas on **+61 2 6216 1111** between 8 am and 5 pm (AEDT) Monday to Friday. We will need to establish your proof of identity before we can discuss details of your account.

Ensure you have the right proof of identity documents with you before you contact us, including your Australian passport or Australian birth certificate.

You must repay your HELP (previously known as HECS), AASL (previously known as TSL) and VSL if you live overseas and are not an Australian resident for tax purposes.

QC 47358

Deferring repayments

You may apply to defer your compulsory repayment or overseas levy if you are in serious hardship or for other reasons.

Last updated 9 October 2024

On this page

What deferring means

If you have a loan with the ATO (which includes a compulsory repayment or overseas levy) and you can't pay on time, you may apply to defer or amend your compulsory repayment or overseas levy.

This means we will either:

- not raise a repayment (defer)
- reduce the amount of repayment required toward your loan (amend).

When to apply to defer

You may apply to defer or amend your compulsory repayment or overseas levy if:

- making your repayment would cause you serious hardship
- there are other special reasons, for example
  - natural disasters affecting you
  - death or serious illness
  - other serious or difficult circumstances.

If you apply to defer or amend your repayment under serious hardship, we will ask you for a detailed statement of your household income and expenditure to justify your claim.

We may also ask you to provide further details of income and expenditure and evidence, such as a copy of your most recent payslip.

If you have special circumstances and need to apply to defer or amend your repayment, complete a *Defer or amend your compulsory repayment or overseas levy* form (NAT 2471).

For more information see Tax support for individuals.

How to apply for deferral

To apply for a deferral see Defer or amend your compulsory repayment or overseas levy.

Next step

- Contact us – Individuals enquiries

QC 44862

Study and training loans – what's new

Content related to any new legislation for study and training loans.

Last updated 7 August 2025

On this page

Compulsory repayment changes

The following changes to compulsory repayments are now law and take effect from 1 July 2025.

- The minimum repayment income needed to make a compulsory repayment has increased to $67,000 (from $54,435 in 2024–25).
- Compulsory repayments have moved to a marginal repayment system and are only calculated on the income above $67,000 (instead of the total repayment income).
- Rates for the 2025–26 income year will be:
  - 15 cents for every dollar of your repayment income that exceeds $67,000 up to $125,000
  - $8700 plus 17 cents for every dollar of your repayment income that exceeds $125,000 up to $179,285
  - 10% of your total repayment income if it is $179,286 or more.

If your repayment income is $179,286 or more, your compulsory repayment will continue to be 10% of your total repayment income. This is to ensure you are not worse off because of the shift to marginal rates.

These rates and thresholds will be indexed each year in line with the Consumer Price Index (CPI).

What do these changes mean for study loan holders?

Depending on your income:

- most people will make a smaller compulsory repayment towards their loan debt from their 2026 tax return onwards
- some people will no longer need to make a compulsory repayment as their repayment income is $67,000 or less
- people earning $179,286 or more will be no worse off.

You can get an estimate of your new compulsory repayment on the Department of Education's Reduction and repayment estimator.

The tax you pay throughout the year can include an amount towards your compulsory repayment. As a result of these changes, you may pay less tax throughout the year.

If you're an employee:

- you may have less tax withheld from your pay towards a compulsory repayment after the changes have been made
- we are working to update the tax tables your employer uses with the new changes
- any additional amounts already withheld may be refunded to you when you lodge your 2026 tax return – if you have no outstanding tax or other government debts.

Example: compulsory repayment change

Grace has a HELP debt and will have a repayment income of $80,000 in 2025–26 from one employer.

Before the changes to repayments, Grace’s compulsory repayment would have been $2,800 (or 3.5% of her total $80,000 repayment income).

After the law change, Grace pays 15% of her 2025–26 repayment income that exceeds $67,000 (the minimum repayment income for that year). This means her compulsory repayment is $1,950 (15% of $13,000).

Grace told her employer about her study loan. Grace's employer is now using the updated tax tables after the law change and is withholding less tax from Grace's pay.

Grace is paid fortnightly, so she will get around $32 extra each pay, that is: ($2,800 - $1,950) divided by 26 pays in the financial year.

If you pay your tax in instalments:

- these changes will not be applied until 1 July 2026
- you'll receive any extra tax you paid in the 2025–26 income year in your 2026 tax assessment – if you have no outstanding tax or other government debts
- you may want to vary your 2025–26 instalments to accommodate a lower compulsory repayment - see How to vary your PAYG instalments.

Don't forget – you can still make voluntary repayments at any time to reduce your debt.

20% loan reduction

The 20% reduction to all study and training support loans that existed on 1 June 2025, is now law.

- The reduction will be backdated to your loan as at 1 June 2025, before indexation was applied.
- Indexation will be re-calculated on the reduced loan amount, and any excess indexation credited back to your loan.

We will start processing reductions once our systems are set up to deliver these changes. You don't need to do anything for the reduction to be applied. We will notify you when we have applied the 20% reduction to your loan account.

The 20% reduction will be rolled-out in stages, and we expect most reductions will be applied before the end of the calendar year. Some complex cases may not be completed until early 2026. We'll provide more information about these stages soon.

You should lodge your 2025 tax return as normal. There is no benefit in delaying lodgement as the reduction is based on your loan balance as at 1 June 2025.

To get an idea of what your 20% reduction will be, see the HELP debt reduction and repayment estimator on the Department of Education website. This estimator can be used for other types of loans as well.

For more information on how to view or manage your study and training loan balance, visit View your loan account online.

Refunds

Where your study loan is in credit after the reduction, you may receive a refund for the excess amount to your nominated bank account – if you have no outstanding tax or other government debts.

To avoid any delays if you're expecting a refund after the 20% reduction, check your bank details are up to date with us or your registered tax agent. If you used a tax agent to lodge your most recent tax return, it's likely their bank details will still be on your account. You can view or update your current nominated bank account using ATO online services or the ATO app.

Refunds will be processed separately to the reduction, so there will be a delay between seeing a credit on your loan account and a refund issuing.

Indexation rate calculation change

The indexation rate for study and training loans is now based on the Consumer Price Index (CPI) or Wage Price Index (WPI) – whichever is lower.

This change was backdated to indexation applied from 1 June 2023 for all study or training support loan accounts. Indexation rates for 2023 and 2024 changed to:

- 3.2% for 1 June 2023 (reduced from 7.1%)
- 4% for 1 June 2024 (reduced from 4.7%).

We have processed recredits for 2023 and 2024 indexation rate changes as well as any relevant refunds where study loans were in credit after the adjustment. You can view your loan account online.

If some or all your indexation was waived in 2023 or 2024, you would have only received a recredit on the indexation that was not waived. We applied the full indexation recredit to your account, and then applied a separate transaction to correct the amount.

Trade Support Loan name change

From 1 January 2024, a Trade Support Loan (TSL) is known as an Australian Apprenticeship Support Loan (AASL).

The name change was included in the Trade Support Loans Amendment Act 2023 that amends the Australian Apprenticeship Support Loans Act 2014. It received Royal Assent in August 2023. This brought changes to the existing TSL program (which was introduced in 2014).

The TSL program provided income-contingent loans to eligible apprentices to help with everyday costs while completing their apprenticeships. The AASL program expands access to these loans to a broader range of apprentices and trainees, including non-trade occupations. A new Australian Apprenticeship Priority List replaces the TSL Priority List.

Early childhood, aged care and disability are examples of sectors that may benefit from this expansion.

For more information, see Department of Employment and Workplace Relations - Australian Apprenticeship Support Loans.

QC 59241

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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