



# Schedule 8 – Statement of formulas for calculating study and training support loans components

This schedule applies to payments made from 1 July 2026 to 30 June 2027.

## Using this schedule

This withholding schedule is made by the Commissioner of Taxation in accordance with sections 15-25 and 15-30 of Schedule 1 to the *Taxation Administration Act 1953* (TAA). It applies to withholding payments covered by Subdivisions 12-B (except sections 12-50 and 12-55), 12-C (except sections 12-85 and 12-90) and 12-D of Schedule 1 to the TAA.

The coefficients in this schedule should be used together with *Schedule 1 – Statement of formulas for calculating amounts to be withheld* (NAT 1004).

Use this schedule if you develop your own payroll or accounting software package. Formulas and coefficients are used for calculating weekly withholding amounts for payees who have a:

- Higher Education Loan Program (HELP) debt
- VET Student Loan (VSL) debt
- Financial Supplement (FS) debt
- Student Start-up Loan (SSL) debt (includes ABSTUDY SSL debts)
- Australian Apprenticeship Support Loan (AASL) debt (formerly Trade Support Loan debt).

You can also use the tax withheld calculator to help you work out the correct amount of tax to withhold from payments to most payees.

To access the calculator visit our website [ato.gov.au/taxwithheldcalculator](https://ato.gov.au/taxwithheldcalculator)

## Using a formula

The withholding amounts for payees who have a study and training support loans debt can be expressed in a mathematical form.

If you have developed your own payroll or accounting software package, use the formulas and component rates outlined below on page 2.

From 2025–26 onwards, the system for student loan repayments has changed to a marginal repayment system. For more information on the marginal repayment system, refer to *Study and training loans – what's new* (QC 59241).

This has resulted in changes to the formula to calculate the study and training support loans (STSL) component amount. The formulas comprise linear equations of the form  $y = ax - b$ , where:

- **y** is the weekly study and training support loans component
- **x** is the weekly earnings rounded down to whole dollars plus 99 cents
- **a** and **b** are the values of the coefficients for each set of formulas for each range of weekly earnings, (or, in the case of fortnightly, monthly, or quarterly earnings, the weekly equivalent of these amounts) as shown in the tables on page 2.

## Study and training support loans component rates

### Tax-free threshold claimed or foreign resident

Weekly earnings (x)	a	b
Less than \$1,337	0.00	0.0000
Less than \$2,494	0.15	200.5615
Less than \$3,577	0.17	250.4527
\$3,577 & over	0.10	0.0000

### No tax-free threshold claimed

Weekly earnings (x)	a	b
Less than \$987	0.00	0.0000
Less than \$2,144	0.15	148.0615
Less than \$2,727	0.17	190.9527
\$2,727 & over	0.10	0.0000

## Calculating fortnightly, monthly or quarterly withholding amounts

First calculate the weekly equivalent of fortnightly, monthly or quarterly earnings. If you pay:

- **fortnightly** – divide the sum of the fortnightly earnings and the amount of any allowances subject to withholding by 2. Ignore any cents in the result and then add 99 cents
- **monthly** – obtain the sum of the monthly earnings and the amount of any allowances subject to withholding (if the result is an amount ending in 33 cents, add one cent). Multiply this amount by 3 and then divide by 13. Ignore any cents in the result and then add 99 cents
- **quarterly** – divide the sum of the quarterly earnings and the amount of any allowances subject to withholding by 13. Ignore any cents in the result and then add 99 cents.

Then calculate fortnightly, monthly or quarterly withholding amounts as follows:

- **fortnightly** – determine the rounded weekly withholding amount applicable to the weekly equivalent of earnings before any adjustment for tax offsets. Multiply this amount by 2
- **monthly** – determine the rounded weekly withholding amount applicable to the weekly equivalent of earnings before any adjustment for tax offsets. Multiply this amount by 13, divide the product by 3 and round the result to the nearest dollar
- **quarterly** – determine the rounded weekly withholding amount applicable to the weekly equivalent of earnings before any adjustment for tax offsets. Multiply this amount by 13.

## When to work out the study and training support loans component

You will need to calculate the study and training support loans component when your payee has given you a *Tax file number declaration* (NAT 3092) or *Withholding declaration* (NAT 3093) and has:

- answered **yes** to the question on whether they have a
  - Higher Education Loan Program (HELP) debt
  - VET Student Loan (VSL) debt
  - Financial Supplement (FS) debt
  - Student Start-up Loan (SSL) debt (including ABSTUDY SSL debts) or
  - Australian Apprenticeship Support Loan (AASL) debt (formerly Trade Support Loan debt).
- not completed a *Medicare levy variation declaration* (NAT 0929) claiming a reduction or exemption in the Medicare levy for having a spouse or dependants and low family income
- claimed the tax-free threshold or is a foreign resident with earnings of one of the following
  - \$1,337 or more if paid weekly
  - \$2,674 or more if paid fortnightly
  - \$5,793.67 or more if paid monthly
  - \$17,381 or more if paid quarterly.

If your payee has not claimed the tax-free threshold, the study and training support loans component is calculated on earnings of:

- \$987 or more if paid weekly
- \$1,974 or more if paid fortnightly
- \$4,277 or more if paid monthly
- \$12,831 or more if paid quarterly.

You must withhold the study and training support loans component from all your payee's earnings, including taxable allowances, bonuses and commissions.

### Example 1: weekly earnings

A payee has claimed the tax-free threshold and has weekly earnings of \$2,608.36.

$$x = 2,608.99$$

Weekly withholding amount (y)

$$= ax - b$$

$$= (0.1700 \times 2,608.99) - 250.4527$$

$$= 193.0756 \text{ or } \$193.00 \text{ (rounded to the nearest dollar)}$$

$$\text{Weekly STSL component} = \$193$$

### Example 2: fortnightly earnings

A payee has claimed the tax-free threshold and has fortnightly earnings of \$4,409.75.

Convert to weekly equivalent

$$= 4,409.75 \div 2$$

$$= 2,204.88 \text{ or } \$2,204 \text{ (ignore cents)}$$

$$x = 2,204.99$$

Weekly withholding amount (y)

$$= ax - b$$

$$= (0.1500 \times 2,204.99) - 200.5615$$

$$= 130.1870 \text{ or } \$130.00 \text{ (rounded to the nearest dollar)}$$

Convert back to fortnightly

$$= 260.00 \text{ (} 130.00 \times 2 \text{)}$$

$$\text{Fortnightly STSL component} = \$260$$

### Example 3: monthly earnings

A payee has not claimed the tax-free threshold and has monthly earnings of \$10,627.88.

Convert to weekly equivalent

$$= 10,627.88 \times 3 \div 13$$

$$= 2,452.59 \text{ or } \$2,452 \text{ (ignore cents)}$$

$$x = 2,452.99$$

Weekly withholding amount (y)

$$= ax - b$$

$$= (0.1700 \times 2,452.99) - 190.9527$$

$$= 226.0556 \text{ or } \$226.00 \text{ (rounded to the nearest dollar)}$$

Convert back to monthly

$$= 979.33 \text{ (} 226.00 \times 13 \div 3 \text{)}$$

$$\text{Monthly STSL component} = \$979 \text{ (rounded to the nearest dollar)}$$

Do not withhold any amount for study and training support loans debts from lump sum termination payments.

### Coefficients to work out the weekly amounts to withhold

Your payee's total withholding, including the study and training support loans component, can be calculated using the formula and coefficients stated below.

#### Using a formula

The formulas comprise linear equations of the form  $y = ax - b$ , where:

- **y** is the weekly withholding amount expressed in dollars
- **x** is the number of whole dollars in the weekly earnings plus 99 cents
- **a** and **b** are the values of the coefficients for each set of formulas for each range of weekly earnings (or, in the case of fortnightly, monthly or quarterly earnings, the weekly equivalent of these amounts).

If 2 payees are taxed using a particular scale (for example, scale 2) but only one of them has a study and training support loans debt, you will need to set up 2 separate scales in your payroll system. One scale will need to incorporate the study and training support loans component and one will not – for example, name one 'scale 2' and the other 'scale 22'.

The study and training support loans component **does not** apply if the payee has not provided a tax file number (TFN).

For scales without the study and training support loans component, refer to *Schedule 1 – Statement of formulas for calculating amounts to be withheld* (NAT 1004).

### Where tax-free threshold NOT claimed in Tax file number declaration – scale 1

#### With study and training support loans debt

Weekly earnings (x)	a	b
Less than \$188	0.1500	0.1500
Less than \$371	0.2084	11.0185
Less than \$515	0.1790	0.1066
Less than \$932	0.3227	74.1674
Less than \$987	0.3200	71.6508
Less than \$2,144	0.4700	219.7124
Less than \$2,246	0.4900	262.6035
Less than \$2,727	0.5600	419.8343
Less than \$3,303	0.4900	228.8816
\$3,303 & over	0.5700	493.1893

**Where payee has claimed the tax free threshold  
in Tax file number declaration with or without  
leave loading – scale 2**

**With study and training support loans debt**

<b>Weekly earnings (x)</b>	<b>a</b>	<b>b</b>
Less than \$362	0.0000	0.0000
Less than \$538	0.1500	54.3462
Less than \$673	0.2500	108.2135
Less than \$721	0.1700	54.3473
Less than \$865	0.1790	60.8377
Less than \$1,282	0.3227	185.1935
Less than \$1,337	0.3200	181.7319
Less than \$2,494	0.4700	382.2935
Less than \$2,596	0.4900	432.1846
Less than \$3,577	0.5600	613.9154
Less than \$3,653	0.4900	363.4627
\$3,653 & over	0.5700	655.7704

**Foreign residents – scale 3**

**With study and training support loans debt**

<b>Weekly earnings (x)</b>	<b>a</b>	<b>b</b>
Less than \$1,337	0.3000	0.3000
Less than \$2,494	0.4500	200.5615
Less than \$2,596	0.4700	250.4527
Less than \$3,577	0.5400	432.1835
Less than \$3,653	0.4700	181.7308
\$3,653 & over	0.5500	474.0385

**Where payee claimed FULL exemption from Medicare levy in Medicare levy variation declaration – scale 5**

With study and training support loans debt

Weekly earnings (x)	a	b
Less than \$362	0.0000	0.0000
Less than \$721	0.1500	54.3462
Less than \$865	0.1590	60.8365
Less than \$1,282	0.3027	185.1923
Less than \$1,337	0.3000	181.7308
Less than \$2,494	0.4500	382.2923
Less than \$2,596	0.4700	432.1835
Less than \$3,577	0.5400	613.9142
Less than \$3,653	0.4700	363.4615
\$3,653 & over	0.5500	655.7692

**Where payee claimed HALF exemption from Medicare levy in Medicare levy variation declaration – scale 6**

With study and training support loans debt

Weekly earnings (x)	a	b
Less than \$362	0.0000	0.0000
Less than \$721	0.1500	54.3462
Less than \$865	0.1590	60.8365
Less than \$908	0.3027	185.1923
Less than \$1,135	0.3527	230.6135
Less than \$1,282	0.3127	185.1923
Less than \$1,337	0.3100	181.7308
Less than \$2,494	0.4600	382.2923
Less than \$2,596	0.4800	432.1835
Less than \$3,577	0.5500	613.9142
Less than \$3,653	0.4800	363.4615
\$3,653 & over	0.5600	655.7692

## Rounding of withholding amounts

Withholding amounts calculated as a result of applying the formulas are rounded to the nearest dollar. Values ending in 50 cents are rounded up to the next dollar. Do this rounding directly – that is, do not make a preliminary rounding to the nearest cent.

## Software

Payroll or accounting software written in accordance with the formulas in this schedule should be tested for accuracy against the sample data provided at [ato.gov.au/taxtables](https://ato.gov.au/taxtables). The results obtained when using the coefficients in this schedule may differ slightly from the amounts shown in the PAYG tax tables. The differences result from the rounding of components. Withholding calculated using either method is accepted.

## PAYG withholding publications

You can access all PAYG withholding tax tables and other PAYG withholding publications at:

- [ato.gov.au/taxtables](https://ato.gov.au/taxtables)
- [ato.gov.au/paygw](https://ato.gov.au/paygw)

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