

# Benefits of salary packaging with your student HELP debt.

## How you could save when you salary package with a student HELP debt:

- ✓ Increase the value of your take home pay – meaning more in your pocket
- ✓ Pay your debt off with a portion of your tax savings
- ✓ Reduce the time taken to pay off your debt

### > How does this work?

Here is an example based on Jane who earns \$70,000 a year and has a student HELP debt.

By salary packaging \$9,010 towards living expenses, Jane reduces her taxable income and **increases her take home pay by \$775**. In this example, the student HELP repayment amount that Jane is required to pay becomes \$1,012, which is an increase of \$941 a year.

	Without salary packaging	With salary packaging
Gross salary	\$70,000	\$7,000
Pre-tax living expenses (e.g. rent/mortgage), salary packaged	\$0	(\$9,010)
Share of Savings	\$0	(\$1,716)
Tax paid (incl. Medicare) <sup>1</sup>	\$12,920	\$9,487
Student HELP debt repayment <sup>1</sup>	\$71	\$1,012
Living expenses (e.g. rent/mortgage)	(\$9,010)	\$0
Take home pay	\$47,999	\$48,774
<b>Difference in take home pay</b>	<b>\$0</b>	<b>\$775</b>

## How to get started:

### Step 1.

Talk to your local Smartsalary expert

### Step 2.

Visit our website to apply: [smartsalary.com.au/nswhealth](https://smartsalary.com.au/nswhealth)

### Step 3.

Provide ATO 'Withholding Declaration – Upwards Variation' Form to your payroll team

> Talk to us today to find out more.  
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## Frequently Asked Questions

### ? What government debts are counted as student HELP loans and are impacted by salary packaging?

There are a number of loans available from the Australian Government to help you complete further training and study. These include the Higher Education Loan Program (HELP – formally known as HECS), Student Start-up Loan and ABSTUDY Student Startup Loan scheme, Trade Support Loans program and the Student Financial Supplement Scheme. For more information, visit: <https://www.ato.gov.au/Individuals/Study-and-training-support-loans/Types-of-loans>.

### ? What is the difference between compulsory and voluntary repayments?

Compulsory repayments are made through the taxation system. You are required to start repaying your education debt when your repayment income is above the minimum threshold, even if you are still studying. This compulsory repayment amount increases as your repayment income increases.

Voluntary repayments are additional payments that you can make in addition to the compulsory repayments. You can make voluntary repayments at any time to reduce the balance of your debt.

### ? Why does salary packaging affect your student HELP debt?

Depending on your individual circumstances, salary packaging could increase your repayment amount for the financial year and still save you tax. Your salary packaging amount is grossed up and added to your salary as a Reportable Fringe Benefit Amount (RFBA), which is used by the Australian Taxation Office when assessing your student HELP debt compulsory repayment obligations.

### ? Will I receive a tax bill if I salary package?

Even without salary packaging, there is no guarantee you won't receive a bill at the end of the tax year. However, you can reduce your chances of a shortfall when it comes time to submit your tax return by, managing the amount your payroll department is taking out of your pay for your student HELP debt.

### ? How is it beneficial to me if my loan repayment increases?

When you salary package with a student HELP debt, you can use your tax savings to pay off increased student HELP debt contributions. This means you can pay this debt off faster.

### ? Do I have to make my extra student HELP debt repayments fortnightly?

No. However, you can choose to make your extra student HELP debt contributions fortnightly through your payroll team or as a lump sum at the end of the tax year to the Australian Taxation Office. The total amount paid will be the same. If you would like to pay fortnightly, then you will need to submit a 'Payroll Deduction' form via SARA.

### ? How do I increase my fortnightly loan repayments?

Once you have set up your salary packaging account, you need to complete a 'Payroll Deduction' form. You will find this on your staff intranet SARA, under payroll deductions and request or update a payroll deduction to make changes to your student HELP debt fortnightly repayments.

### ? How much can I earn before I need to make loan repayments?

If your total income, including any Reportable Fringe Benefit Amount, is greater than \$69,528 for the current financial year (FY 2026/27), then you will be required to make a student HELP debt repayment.



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This is general information only. Before entering into any salary packaging or novated leasing arrangement, you should consider your objectives, financial situation and needs, and obtain appropriate legal, financial, or other professional advice based upon your own particular circumstances. NSW Health strongly recommends that you obtain independent financial advice prior to entering into, or changing the terms of, a salary packaging arrangement. All benefits available to employees for salary packaging are subject to Share of Savings. The 50% rate of share of savings has been applied for all saving examples and quotes. Your final tax sharing percentage will be confirmed by your employer's Salary Packaging Administrator. Share of savings will be automatically applied to your salary packaging arrangement.

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## Frequently Asked Questions

### ? What salary packaging benefits impact student HELP debts?

Salary packaging living expenses within the \$9,010 cap and/or your Meal and Entertainment costs will likely change your HELP repayments. Non-reportable benefits such as novated leases packaged outside the cap (excluding EVs) or laptops, airline lounge memberships, self-education, etc. are unlikely to change your repayments.

### ? What is my total income (or repayment income) made up of?

Total income (or repayment income) is used by Australian Taxation Office to determine the amount of HELP repayments you are required to pay. It is made up of the following amounts, all of which are obtained from your annual income tax return:

- Your taxable income; plus
- Any amount your taxable income was reduced by a net investment loss; plus
- Your total Reportable Fringe Benefits Amount (RFBA) shown on your annual income statement; plus
- Your reportable employer superannuation contributions shown on your annual income statement; plus
- Any exempt foreign employment income amounts included in your tax return

Voluntary HELP debt repayments are not part of the repayment income amount.

### ? What are the student HELP rates for this financial year?

You can find the current rates on the Australian Taxation Office website.



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NSW Health strongly recommends that you obtain independent financial advice prior to entering into, or changing the terms of, a salary packaging arrangement. All benefits available to employees for salary packaging are subject to Share of Savings. The 50% rate of share of savings has been applied for all saving examples and quotes. Your final tax sharing percentage will be confirmed by your employer's Salary Packaging Administrator. Share of savings will be automatically applied to your salary packaging arrangement.