# HELP Loan Quiz

*The HELP Loan Quiz will highlight some of those key points you need to be aware of while you study.*

## How HELP loans work

### 1. How is a HELP loan different to other forms of credit like a bank loan?

A My HELP debt will never increase

B You must repay your HELP loan once your income reaches a certain amount

C You don't have to repay a HELP loan, it is paid for by the government

**Answer: 'B'** - You must repay your HELP loan once your income reaches a certain amount.

***Further information***

A HELP loan is an 'income contingent loan' – which means The Australian Taxation Office, or ATO, will calculate your repayments based on your income. When you start working, you will need to declare that you have a HELP debt. Repayments are deducted from your pay by your employer once you reach the 'income threshold' which is the amount you need to earn before you must repay your HELP debt.

*See Study Assist's Paying Back Your Loan, and MoneySmart's Paying off your uni debt for more information.*

A HELP loan is 'indexed', meaning your HELP debt increases to keep up with changes in the cost of living each year.

The Australian Taxation Office, or ATO, will calculate your repayments based on your income. When you start working, you will need to declare that you have a HELP debt. Repayments are deducted from your pay once you reach the 'income threshold' which is the amount you need to earn before you have to repay your HELP debt.

*See Study Assist's Loan indexation, and MoneySmart's Paying off your uni debt for more information.*

If you have an existing HELP debt you can view your loan account online via the ATO website.

You are responsible for repaying the debt, not the government. When you start working, you will need to declare that you have a HELP debt and repayments are deducted from your pay by your employer once you reach the 'minimum repayment threshold' (this is also sometimes called the 'compulsory repayment threshold').

You may also be required to repay your debt if you defer your study or move overseas to work.

*See the ATO's Overseas Repayments for more information, including how to keep up to date while living abroad.*

**Go to Question 2 on next page.**

## Implications for the Future

**2. It is important to understand your level of debt, especially when there is a change in your circumstances. You should consider your HELP debt when you are:**

A Buying a car or taking out a home loan

B Getting a pay rise at work

C Working overseas

**Answer**: '**A**' and '**B**' and '**C**' – all are correct.

***Further information***

If you apply for a bank loan or any other forms of credit, you need to declare that you have a HELP debt. Your HELP debt should be part of any budgeting you do especially if you are thinking about taking out another loan.

*Use MoneySmart's Budget planner to work out where your money is going, and whether your income covers your expenses.*

The rate you pay back your loan depends on how much you earn and varies from 1-10% of your income. The Australian Taxation Office, or ATO, will calculate your repayments based on your income and as your pay increases, the amount you need to repay will also increase.

*See Study Assist's Loan repayment for more information.*

People working overseas who have a HELP debt have the same repayments obligations as if they were living in Australia. Their repayment is based on their world-wide income.

*See Study Assist's What if I move overseas? page for more information.*

*See the ATO's Overseas Repayments for more information, including how to keep up to date while living abroad.*

**Go to Question 3 on next page.**

## Choices and considering different costs

### 3. There are a lot of courses to choose from and they are often priced quite differently. What should you think about before enrolling in a course?

A Choose a course that your friends are doing, or choose something at the last minute

B Choose a course because it is shorter and cheaper than others available

C Shop around and make sure you compare costs, what is offered in the course and what kinds of qualifications you will get when you finish

**Answer: 'C'** - Shop around and make sure you compare costs, what is offered in the course and what kinds of qualifications you will get when you finish.

***Further information***

Before choosing a course and signing up, make sure you do your homework and shop around. Compare costs, read reviews and consider what accreditation, diploma or degree you will have on completion.

Before choosing and enrolling in a course, make sure you do your homework and shop around. Don't fall for the hard sell. Just because a course can be completed in a shorter amount of time, it doesn't mean it represents better value.

Compare costs, read reviews and consider what accreditation, diploma or degree you will have on completion.

*See Study Assist's Compare courses and providers and the Beyond School Study Guide for more information.*

**Go to Question 4 on next page.**

## Where to go for more information

### 4. A good way to get more information on the costs of study and HELP loans is:

A Ask your friends and family for advice

B Get in touch with a government organisation or Study Assistance expert

C Wait until you start studying and work it out as you go

**Answer: 'A'** and **'B'** - Ask your friends and family for advice, **AND**, get in touch with a government organisation or Study Assistance expert.

***Further information***

It is never a bad idea to ask friends and family for advice and it is a good place to start. Once you have a better idea about what you want to do, it is also a good idea to do your own research online or get in touch with a government organisation that can you give you advice.

There is a lot of information online from government organisations who can provide tips and information on the cost of study and HELP loans

Before you start study or access a HELP loan it is important to know what kinds of costs you need to consider and your obligations around repaying your HELP debt.

*Visit the Study Assist website and MoneySmart's Studying costs money for more information.*

***You are complete!***