

VET FEE-HELP

Frequently Asked Questions for Students

December 2010

What does VET FEE-HELP cover?

VET FEE-HELP provides a loan for VET tuition fees only. Your VET provider will set the VET tuition fee for your unit(s) of study. VET FEE-HELP does not cover accommodation and general living expenses. Your VET provider publishes the tuition fees and census dates for all of its units of study on its website.

For more information see Chapter 3 of the VET FEE-HELP Information booklet.

Why will the Government loan me this money?

The underlying principle of the Higher Education Loan Program is that it removes the major financial barrier to entry to higher education allowing students to defer the majority of costs of further study (their tuition fees) through a loan that is offered on favourable terms compared to commercial loan arrangements.

How do I apply?

If you are eligible for VET FEE-HELP assistance and would like to obtain a VET FEE-HELP loan, you should obtain a *Request for VET FEE-HELP assistance* form and VET FEE-HELP information booklet from your VET provider.

You must read the Information booklet before completing and signing the form and returning it to the appropriate officer of your VET provider on or before the census date (or the earlier date set by your VET provider) for the first unit of study for which you wish to obtain VET FEE-HELP assistance. If you have not submitted a completed *Request for VET FEE-HELP assistance* form on or before the census date for the unit, you will not be entitled to VET FEE-HELP assistance for that unit and the Australian Government will not pay your tuition fee for that unit.

When completing the form, you must tick all relevant boxes and sign the Declaration. You should contact your VET provider if you are unsure how to complete the form.

For more information see Chapter 4 of the VET FEE-HELP information booklet. The latest booklet can be downloaded from the useful publications page at www.deewr.gov.au/vetfeehelp or a copy can be obtained from your VET provider.

Will the forms eventually be available at the Australian Post office or Embassy's overseas?

No. Request for VET FEE-HELP assistance forms are only available from VET providers.

What are some of the important things my VET provider should be telling me when talking about VET FEE-HELP?

VET providers should advise students that they may be eligible to defer their fees by accessing VET FEE-HELP. Providers should ensure that students are aware that VET FEE-HELP assistance is student loan, and they are incurring a debt to the Australian Government. Students must read the VET FEE-HELP Information booklet before signing their Request for VET FEE-HELP assistance form. Students must be aware of their census date (or an administrative date if set earlier), and that they will not be entitled to VET FEE-HELP if they have not submitted their form on or before that date and if they do not withdraw their form on or before the census date they will incur their debt. VET providers must ensure that they inform students of the correct withdrawal procedures and how they apply to have their FEE-HELP balance re-credited and debt removed in special circumstances.

What are the citizenship or residency requirements?

To be eligible for VET FEE-HELP assistance for a unit of study, you must be either:

- an Australian citizen;
- OR
- the holder of a permanent humanitarian visa who will be resident in Australia for the duration of the unit of study in which you are seeking VET FEE-HELP assistance.

Holders of permanent visas and New Zealand citizens are **NOT** eligible for VET FEE-HELP assistance.

If you are unsure of your citizenship or visa status you can contact the Department of Immigration and Citizenship on 13 18 81 or visit their website at www.immi.gov.au.

For more information see Chapter 2 of the VET FEE-HELP Information booklet.

I am applying for Australian citizenship, when can I get VET FEE-HELP assistance?

If you meet all other eligibility requirements, and you obtain Australian citizenship, you may access VET FEE-HELP assistance for those units with a census date on or after the date on which you obtained Australian citizenship by receiving your Evidence of Australian Citizenship from the Department of Immigration and Citizenship. This could include units you are currently enrolled in providing that the census dates for those units have not yet passed.

You should allow sufficient time for your application for Australian citizenship to be considered, if you are intending to become an Australian citizen, before you enrol in a course of study. If you are enrolled in a unit and the census date passes before you obtain Australian citizenship you will not be able to access VET FEE-HELP assistance for that unit.

For more information see Chapter 2 of the VET FEE-HELP Information booklet.

Can I get VET FEE-HELP if I study part-time?

Yes. Eligible full-time and part-time students can access VET FEE-HELP.

I am already studying. Can I still access VET FEE-HELP?

Yes. You can if the following conditions are met:

- You are an eligible student; and
- your RTO is an approved VET provider for the course you are studying; and
- the census date of the unit of study has not passed.

If you are not sure of the census date for your unit of study, you should contact your VET provider.

I am a mature age student can I still access VET FEE-HELP?

Yes. Age is not an eligibility requirement for VET FEE-HELP assistance.

Can I access VET FEE-HELP for two courses at the same time?

You can obtain VET FEE-HELP assistance for more than one course of study provided that you have sufficient FEE-HELP balance and are otherwise eligible. You must submit a separate *Request for VET FEE-HELP assistance* form for each course, even if both courses are with the same VET provider.

For more information see chapter 4 of the VET FEE-HELP Information booklet.

What is my census date?

The census date of a unit of study (which forms part of an eligible course of study) is the last day a student can submit their *Request for VET FEE-HELP assistance* form to defer their tuition fees through VET FEE-HELP. In accordance with the *Higher Education Support Act 2003* (HESA), census dates cannot be set any earlier than 20% of the way through the period in which a unit is undertaken (this period includes any examination/assessment periods). You can not extend your census date. Your VET provider publishes the tuition fees and census dates for all its units of study on its website.

For more information see Chapter 4 of the VET FEE-HELP Information booklet.

What is an administrative date?

VET providers sometimes set an earlier administrative date (than the census date) for the submission of the *Request for VET FEE-HELP assistance* form and the payment of any up-front tuition fees.

If you do not meet this earlier administrative date, your VET provider may charge you a late fee for that unit of study.

It is YOUR responsibility to check whether your VET provider has set the census date, or an earlier administrative date, as the deadline for submitting the *Request for VET FEE-HELP assistance* form and the payment of tuition fees.

An administrative date does not affect the census date; you will not incur a VET FEE-HELP debt until after the census date.

For more information see Chapter 4 of the VET FEE-HELP Information booklet.

What is a FEE-HELP limit?

In 2010, the FEE-HELP limit is \$85,062, except for medicine, dentistry and veterinary science courses (that lead to initial registration as practitioners in those fields) where the limit is \$106,328. The FEE-HELP limit is indexed on 1 January each year.

The FEE-HELP limit is the total amount available to you under both FEE-HELP and VET FEE-HELP. The FEE-HELP limit for a particular year is published by DEEWR on the VET FEE-HELP website and in the VET FEE-HELP and FEE-HELP information booklets for students for that year.

Any time a student accesses VET FEE-HELP and/or FEE-HELP to pay their tuition fees, the amount they may borrow in future is reduced. Once a student has borrowed an amount equal to the FEE-HELP limit (as indexed at that time), they will not be able to receive VET FEE-HELP or FEE-HELP assistance to pay their tuition fees. Repayments do not reset the maximum that can be borrowed.

For more information see Chapter 2 of the VET FEE-HELP Information booklet

Are there any loan charges?

There is no application fee for requesting VET FEE-HELP assistance. A loan fee of 20% applies to all full fee-paying students undertaking VET FEE-HELP loans. The loan fee does not count towards your FEE-HELP balance. There is no interest charged on your VET FEE-HELP debt. However, your debt is indexed annually by the Australian Tax Office to maintain its real value. Any indexation amount does not increase your FEE-HELP balance.

For more information see Chapter 3 of the VET FEE-HELP information booklet.

I am receiving Centrelink benefits. Does this affect the amount of VET FEE-HELP assistance I can access?

No. Centrelink benefits do not affect your eligibility or the amount of VET FEE-HELP assistance you can access.

When and how do I repay my debt?

You start repaying your VET FEE-HELP debt when your repayment income is above the minimum repayment threshold for compulsory repayment. The repayment thresholds are adjusted each year to reflect any changes in average weekly earnings. The minimum repayment income threshold for the 2009–10 income year is \$43,150 and \$44,911 for the 2010-11 income year.

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

- your taxable income;
- reportable fringe benefits (as reported on the payment summary);
- total net investment loss (which includes net rental losses);
- reportable super contributions; and
- any exempt foreign employment income amounts.

If you have an accumulated HELP debt and earn more than the minimum repayment threshold, you will have a compulsory repayment included as part of your income tax assessment. You must advise your payer or payers (if you have more than one source of income) if you have an accumulated HELP debt. Your payer/s must withhold an additional amount from payments made to you, to cover your compulsory repayment. For more information on repaying your HELP debts, including the latest Repaying Your Help Debt guide, visit the Australian Tax Office website: www.ato.gov.au.

For more information see Chapter 6 of the VET FEE-HELP information booklet.

How do I find out what my debt is?

There are two ways to find out what your FEE-HELP debt is:

1. Login to *myUniAssist* on the [Going to Uni](#) website. You will need your Commonwealth Higher Education Student Support Number (CHESSN) which is allocated by your provider when you first access Commonwealth Assistance.
2. Contact the Australian Tax Office on 13 28 61 to get the balance of your HELP account or to order an information statement.

It is important to keep a record of all Commonwealth Assistance Notices (CANs) which are sent to you by your provider. You need to be aware of the total amount of tuition fees that have been paid on your behalf using VET FEE-HELP (and FEE-HELP if applicable). Your FEE-HELP balance is the amount of the FEE-HELP limit less the amount of any VET FEE-HELP loan you have requested for tuition fees which the Australian Government has paid to your provider on your behalf using VET FEE-HELP (and FEE-HELP if you have accessed this for higher education study).

For more information see chapter 6 of the VET FEE-HELP Information booklet.

How can I check if my VET FEE-HELP debt is correct?

Within 28 days following the census date for your unit of study, your provider will send you a Commonwealth Assistance Notice (CAN) for that unit. The CAN will provide you with information on your VET FEE-HELP debt for that unit, including any loan fee you may have incurred for that unit. The CAN may cover more than one unit.

Your CAN will enable you to check if the calculation of your VET FEE-HELP debt for the unit(s) covered by the notice is correct.

If you believe your CAN is incorrect, you should give the appropriate officer of your provider a written request asking for the CAN to be corrected. You should identify the matters in the CAN that you believe are not correct and specify why you believe they are incorrect. You must submit your request within 14 days of the date of your CAN (or such longer period as your provider allows).

For more information see chapter 4 of the VET FEE-HELP Information booklet.

What is a HELP debt?

An accumulated HELP debt is a consolidated debt that can include debts incurred under the following income contingent loan schemes:

- VET FEE-HELP
- FEE-HELP
- HECS-HELP
- OS-HELP

VET FEE-HELP, FEE-HELP, HECS-HELP and OS-HELP - what's the difference?

VET FEE-HELP assistance can only be offered to eligible full fee-paying students from an approved VET provider for certain VET accredited diploma, advanced diploma, graduate certificate and graduate diploma courses. VET FEE-HELP is an extension of the higher education FEE-HELP arrangements.

FEE-HELP assistance can be offered to eligible fee-paying students from a higher education provider for an accredited higher education course. Irrespective of whether a student receives a loan under VET FEE-HELP or FEE-HELP, the same FEE-HELP loan limit applies.

HECS-HELP is only available to eligible students in a Commonwealth supported place studying a higher education qualification. HECS-HELP does not contribute to a student's FEE-HELP limit.

OS-HELP loans assist eligible students, based in Australia, in a Commonwealth supported place, who have completed the first year of their course of study at their higher education provider, to undertake some of their study overseas. OS-HELP loans do not contribute to a student's FEE-HELP limit.

I have a HECS debt. Does this affect the amount of VET FEE-HELP assistance I can access?

No. Although HECS-HELP is part of an accumulated HELP debt it does not affect your VET FEE-HELP debt (or your eligibility for VET FEE-HELP assistance) and does not affect your FEE-HELP limit.

HECS-HELP is only available to students in a Commonwealth supported place studying a higher education qualification. If you currently access HECS-HELP, and wish to access VET FEE-HELP assistance you will need to apply for VET FEE-HELP through a VET provider.

I have a FEE-HELP debt. Do I still need to apply for VET FEE-HELP?

If you are currently accessing FEE-HELP, or have in the past, you will still need to apply for VET FEE-HELP assistance with an approved VET provider. However, you should be aware that over a student's lifetime, whether receiving a loan under VET FEE-HELP for VET studies or FEE-HELP for higher education studies, the same FEE-HELP loan limit applies. In 2010, the FEE-HELP loan limit is \$85,062 for most courses and \$106,328 for medicine, dentistry and veterinary science courses that lead to registration as practitioners in those fields

I have a FEE-HELP debt. Does this affect the amount of VET FEE-HELP assistance I can access?

Yes. The FEE-HELP limit is the amount of VET FEE-HELP or FEE-HELP you are able to borrow. As you use VET FEE-HELP or FEE-HELP to pay tuition fees, the amount you may borrow in future is reduced. Once you borrow an amount equal to the FEE-HELP limit (the indexed amount at that time), you will not be able to receive VET FEE-HELP (or FEE-HELP) to pay tuition fees. This applies even if you have partially or fully repaid your VET FEE-HELP (or FEE-HELP) loan.

If you have a FEE-HELP debt you would have been issued with a Commonwealth Assistance Notice (CAN). You should refer to your CAN for the most up-to-date information when working out your FEE-HELP balance. You can also access the *myUniAssist* website for a summary of your personal details regarding HELP assistance through the Going to Uni entry point.

I already have a qualification can I still get a VET FEE-HELP loan?

Yes. Previous qualifications or your study results do not affect your eligibility for VET FEE-HELP; however you are not entitled to VET FEE-HELP assistance for units in excess of what you need to do to be awarded your qualification.

For more information see chapter 2 of the VET FEE-HELP Information booklet.

What happens if I fail a unit?

If you fail a unit, you still have to pay the debt for that unit. It does not matter whether or not you attended any classes.

For more information see Chapter 5 of the VET FEE-HELP Information booklet.]

What happens to my debt if I die?

A trustee or executor needs to lodge all outstanding income tax returns on behalf of a deceased person, up to the date of the person's death. Any compulsory repayment included on an income tax notice of assessment relating to the period before the person's death must be paid from the estate, but the remainder of the debt is cancelled. Neither the deceased person's family nor the trustee is required to pay the remainder of the accumulated HELP debt.

For more information see chapter 6 of the VET FEE-HELP Information booklet.

Are there any penalties that apply if I do not pay enough by tax time?

Students start repaying their accumulated HELP debt when their repayment income is above the minimum repayment threshold for compulsory repayment. The ATO calculates an individual's compulsory repayment for that year and includes it on their income tax notice of assessment.

Students must advise their payer if they have an accumulated HELP debt on a *Tax File Number (TFN) declaration or Withholding declaration*. Payers then must withhold additional amounts from a student's pay once they earn \$863 or more per week in the 2010-11 income year. The additional amounts withheld by a student's payer are to cover any compulsory repayment that may be calculated on their notice of assessment for the year. These amounts are not credited to their account during the year, but form part of the 'total tax withheld' shown on their annual *PAYG payment summary* and on their income tax notice of assessment at PAYG withholding credits. The compulsory repayment will not be calculated until a student's income tax return for that year is processed, and will be calculated using the repayment income threshold and repayment rates for that financial year. If they have had not had enough

withheld during the year, the amount to be repaid will appear on their income tax notice of assessment.

More information can be found on the ATO website about repaying HELP debts and the additional amounts withheld by a student's payer:

<http://www.ato.gov.au/individuals/content.asp?doc=/content/00199610.htm&page=21&H21=&pc=001/002/008/013/001&mnu=43386&mfp=001/002&st=&cy=1>

Chapter six of the VET FEE-HELP Information booklet outlines the repayment of HELP loans.

How exactly does the 10% discount work for voluntary payments?

The bonus is 10% of the payment made, not 10% of the outstanding debt. The VET FEE-HELP loan fee is 20%, please see below scenario:

Jane has a \$1,200 debt (\$1000 VET tuition fees and \$200 loan fee)

Jane makes two separate voluntary repayment of \$500 with the 10% bonus; the value of each repayment is \$550 (500×1.10)

Jane has made 2 voluntary repayments equalling \$1,000 and received a \$100 bonus (still only 10%) and has \$100 debt remaining.

Chapter 6 of the VET FEE-HELP Information booklet outlines at 6.10 voluntary repayments and the bonus of 10%.

Is there a discount if I pay my debt off early?

No. If students make a voluntary repayment of \$500 or more (at anytime), they will receive a bonus of 10%.

What happens if I accumulate a FEE-HELP debt but from that point never earn over the threshold?

If a student never earns over the minimum repayment threshold for compulsory repayment, the debt is never required to be paid

Is there any way I can claim the course expenses if it is work related and I have used VET FEE-HELP to pay for it?

The VET FEE-HELP Information booklet outlines that students may be entitled to a tax deduction for their tuition fees (including the tuition fees that the Australian Government pays on their behalf through VET FEE-HELP), if there is a direct connection between their education and their work activities at the time the expense was incurred. Students can phone the ATO on 13 28 61 for further advice or visit www.ato.gov.au/studyandclaim. The loan fee, the compulsory repayment and any voluntary repayment of a student's VET FEE-HELP debt is not tax deductible.

For more information see chapter 3.7 of the VET FEE-HELP Information booklet

How do I withdraw my request for VET FEE-HELP assistance?

If you have requested a VET FEE-HELP loan, but change your mind about studying, or no longer want to defer your tuition fees through VET FEE-HELP, on or before the end of the census date, you must either:

- pay your tuition fees up-front and in full (if you wish to continue your enrolment in that unit(s)); or
- cancel your *Request for VET FEE-HELP Assistance* form and pay your tuition fees up-front and in full; or
- withdraw your enrolment in that unit(s) of study or you will incur a VET FEE-HELP debt for that unit(s) of study.

You are able to cancel your *Request for VET FEE-HELP assistance* form at any time.

You must do this in writing to your VET FEE-HELP provider. It is important to remember that if you have not correctly withdrawn from a unit(s) of study on or before its census date and you have lodged your *Request for VET FEE-HELP assistance* form that covers the unit(s), you will incur a debt with the Australian Government. That debt cannot be transferred or deferred to another unit of study.

For more information see Chapters 4 and 5 of the VET FEE-HELP Information booklet.

What happens if I withdraw after the census date?

If you have not paid your tuition fees and you have requested VET FEE-HELP assistance, and you withdraw after the census date, you will have a debt to the Australian Government that you are legally required to repay.

If after the census date, special circumstances occur and you are unable to continue your studies, you can apply to your provider to have your FEE-HELP balance re-credited and your VET FEE-HELP debt removed for that unit(s). You should note that there are time limits for applying to have your FEE-HELP balance re-credited due to special circumstances.

For more information see chapter 5 of the VET FEE-HELP Information booklet.

What happens when the financial year income thresholds are updated but the VET FEE-HELP information booklet is calendar year?

Every 1 July, the new financial year income thresholds are released – the calendar year booklet thresholds may not contain the next financial year thresholds but still contain correct information. The new income thresholds are always available via the deewr website or the ATO website or by calling our call centre.

Where can I find more information?

For more information on VET FEE-HELP, contact your VET provider or call the VET FEE-HELP enquiry line on 13 38 73. For general information on VET FEE-HELP, visit the VET FEE-HELP website: www.deewr.gov.au/vetfeehelp and download the student factsheet and *VET FEE-HELP Information* booklet.