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Voluntary repayments

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

You may still have to make a compulsory repayment. This is if after making your voluntary repayment:

- you still have a debt
- your repayment income is above the minimum compulsory repayment threshold.

Voluntary repayments are in addition to compulsory repayments and are not refundable.

From 1 January 2017 the voluntary repayment bonus no longer applies.

See also:

- [Bonuses, benefits and discounts \(/individuals/study-and-training-support-loans/bonuses.-benefits-and-discounts/\)](#)
- [StudyAssist: Changes to the HECS-HELP discount and voluntary repayment bonus \(<http://studyassist.gov.au/sites/studyassist/news/pages/changes-to-hecs-help-discounts-and-voluntary-repayment-bonus/>\)](#)

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.

If you lodge your tax return before your voluntary repayment is credited to your account, a compulsory repayment may be included on your notice of assessment. You may also benefit if you make a voluntary repayment before indexation is applied on 1 June.

If you intend to make a voluntary repayment before indexation is applied, it is important to allow enough time for the payment to be received and processed by us before 1 June.

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

See also:

- [HELP, SSL, ABSTUDY SSL, TSL and Financial Supplement indexation rates \(/Rates/HELP.-SSL.-ABSTUDY-SSL.-TSL-and-Financial-Supplement-indexation-rates/\)](#)

How to make a voluntary repayment

We offer a range of payment options both in Australia and overseas. Our preferred payment methods are BPAY®¹ and credit card.

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

From 1 January 2017 the voluntary repayment bonus no longer applies.

See also:

- [myGov \(https://my.gov.au/LoginServices/main/login?execution=e1s1\)](https://my.gov.au/LoginServices/main/login?execution=e1s1)
- [How to pay \(/General/Paying-the-ATO/How-to-pay/\)](#)
- [Phone us – Individuals enquiries \(/About-ATO/About-us/Contact-us/Phone-us/\)](#)

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.

See also:

- [Salary sacrifice arrangements for employees \(/General/Fringe-benefits-tax-\(FBT\)/In-detail/Employees/Salary-sacrifice-arrangements-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.

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Last modified: 15 Jun 2017

QC 44860

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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