



YOUR KNOWLEDGE

INSIDE

Making HELP and student loan repayments fairer, Important changes to HELP and student loan repayments 1

 What is changing? 1

 Why is this changing? 2

 Who will benefit and how? 2

Could your staff celebration attract FBT? 3

Scam advice 4

Employment law update: Special ... 6

Note: The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained.

Publication date: January 2025

Making HELP and student loan repayments fairer, Important changes to HELP and student loan repayments

On 2 November 2024 the Australian Government announced changes to repayments for the Higher Education Loan Program (HELP) and other student loan schemes. Around one million Australians will benefit from the changes to make the HELP and student loan repayment system fairer.

What is changing?

The Government recently announced changes to repayments for the Higher Education Loan Program ('HELP') and other student loan schemes. It states that it is making the HELP and student loan repayment system 'even fairer' by changing the repayment system and increasing the amount people can earn before they are required to start repaying their loan.

The minimum repayment threshold will change from \$54,435 in the 2024/25 to \$67,000 in 2025/26.

The Government will also introduce a system where HELP repayments are calculated only on the income above *Continued over...*

The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained. We are here to help, contact us today:

Continued from page 1...

the new \$67,000 threshold rather than repayments being based on total annual income.

"This new repayment system means that people will only have to make student loan repayments when they can afford to do so. People will also make smaller repayments in the early years of their loan."

Subject to the passage of legislation, this will take effect from 1 July 2025.

The Government also recently announced that it will reduce every Australian's HELP or student loan debt by 20%. "Following the passage of legislation, the (ATO) will apply the one-off 20% reduction to an individual's HELP or student loan account balance, before indexation is applied on 1 June 2025.

Why is this changing?

The Government has been working to make the HELP and student loan repayment system better and fairer.

It recognises that there are some things in the way that people pay back their student loans that need fixing, especially at a time when so many Australians are doing it tough.

It particularly responds to calls from the independent review panel – the Australian Universities Accord – that recommended in its Final Report (February 2024) that HELP repayment arrangements should be reformed.

Recommendation 16b stated “reducing the financial burden of repayment on lower-income earners and limiting disincentives to work additional hours by moving to a system of HELP repayment based on marginal rates”.

By making these adjustments to repayment rates and thresholds, the Government will be ensuring that more people have more money in their take home pay now by ‘smoothing out’ the time and pace in which they repay their debt.

Importantly, people on lower incomes will benefit the most from these changes.

Who will benefit and how?

Anyone with one of the following student loans will benefit from these measures:

- any of the HELP loans, including HECS-HELP, FEE-HELP, STARTUP-HELP, SA-HELP, OS-HELP
- VET Student Loans
- Australian Apprenticeship Support Loans
- Student Start-up Loan
- Student Financial Supplement Scheme

Use the [estimator](#) to see how much your compulsory repayment for 2025 could be reduced by.

On 3 November 2024 the Australian Government further announced it will reduce every Australian's HELP or student loan debt by 20%.

Details of this announcement are available at the [20% reduction of student loan debt](#) page.

Could your staff celebration attract FBT?

Consider the fringe benefits tax (FBT) implications or you may end up with an unexpected FBT liability.

You may be planning to celebrate an event with your paid employees.

Before you hire a restaurant or book an event, make sure you work out if the benefits you provide your employees are considered entertainment related, and therefore subject to FBT.

This will depend on:

- the amount you spend on each employee
- when and where your celebration is held
- who attends – is it just employees or are partners, clients or suppliers also invited?
- the value and type of gifts you provide.

If you do provide entertainment-related fringe benefits, keep records detailing all of this information so you can calculate their taxable value.

It's important to get on top of how FBT works before you provide perks and extras. Otherwise, you may end up with an unexpected FBT liability.

An addendum to this is the recent announcement by the opposition leader , Peter Dutton

A Dutton Coalition Government will cut red tape for small businesses by introducing a capped tax deduction of \$20,000 for business-related meal and entertainment expenses.

Small businesses with a turnover of up to \$10 million will be eligible and alcohol will be excluded from the policy.

The measure will run for an initial two years and be exempt from Fringe Benefits Tax.

Leader of the Opposition Peter Dutton said there were dual benefits to this policy.

“This is a win for the small business spending the money on their staff or clients, and a win for the hospitality venues who will see an increased spend in their businesses. It will help businesses recover from a horrible period under three years of Labor,” Mr Dutton said.

“Cafes, restaurants, clubs and pubs are the lifeblood of so many local economies around the country.

“Hospitality is a huge part of the economy and yet like so many businesses at the moment, they are hurting under Labor. Skyrocketing electricity, gas and insurance prices. A local coffee shop creates important local jobs, but they are also spending money buying supplies from other local businesses.

Shadow Treasurer Angus Taylor said the new deduction would apply to meal and entertainment expenses that have a connection with business activity and income, including dining and entertainment provided to clients, vendors, and employees.



Scam advice

Be wary of emails, phone calls and text messages claiming to be from the ATO.

If you think a phone call, SMS, voicemail, email or interaction on social media claiming to be from the ATO isn't genuine, don't engage with it. You should either:

- phone us on 1800 008 540
- go to [Verify or report a scam](#) to see how to spot and report a scam.

We're receiving reports of a new email scam attempting to steal personal identifying information by return email.

Scammers pretending to be from the 'Australian Taxation Office' or 'myGov' are emailing and falsely telling people their taxable income has been recalculated and they are due to receive compensation.

To claim the amount, they are asked to reply to the email with personal identifying information such as payslips, TFN, driver's licence and Medicare details.

Scammers use this information in a variety of ways to:

- commit refund fraud in your name
- access your myGov account to steal your tax refund
- steal your superannuation
- sell your identity to organised crime groups on the dark web or via other means.

Be aware, the sender's email address looks legitimate. The following image is an example of the format this scam can take.

From: myGov - Australian Taxation Office <noreply@ato.mygov.au>

Date: 11 November 2024 at 11:58:20pm AWST

Subject: Your refund tax are now available for reviewing. (Ref : 000000-000069-9

Reply-To: verifications@review-ato-office-au.com



SCAM

COMMUNICATION OF INCIDENCE IN THE 2021-2023 INCOME STATEMENTS.

In relation to the resolution issued by this Provincial Directorate of the Australian Taxation Office, your taxable income has been retroactively recalculated (Model 100. Personal income tax. Annual declaration).

This resolution informs that you are entitled to receive compensation in the amount of \$784.97 AUD.

You must request disbursement in your favor within 10 business days via email at verifications@review-ato-office-au.com.

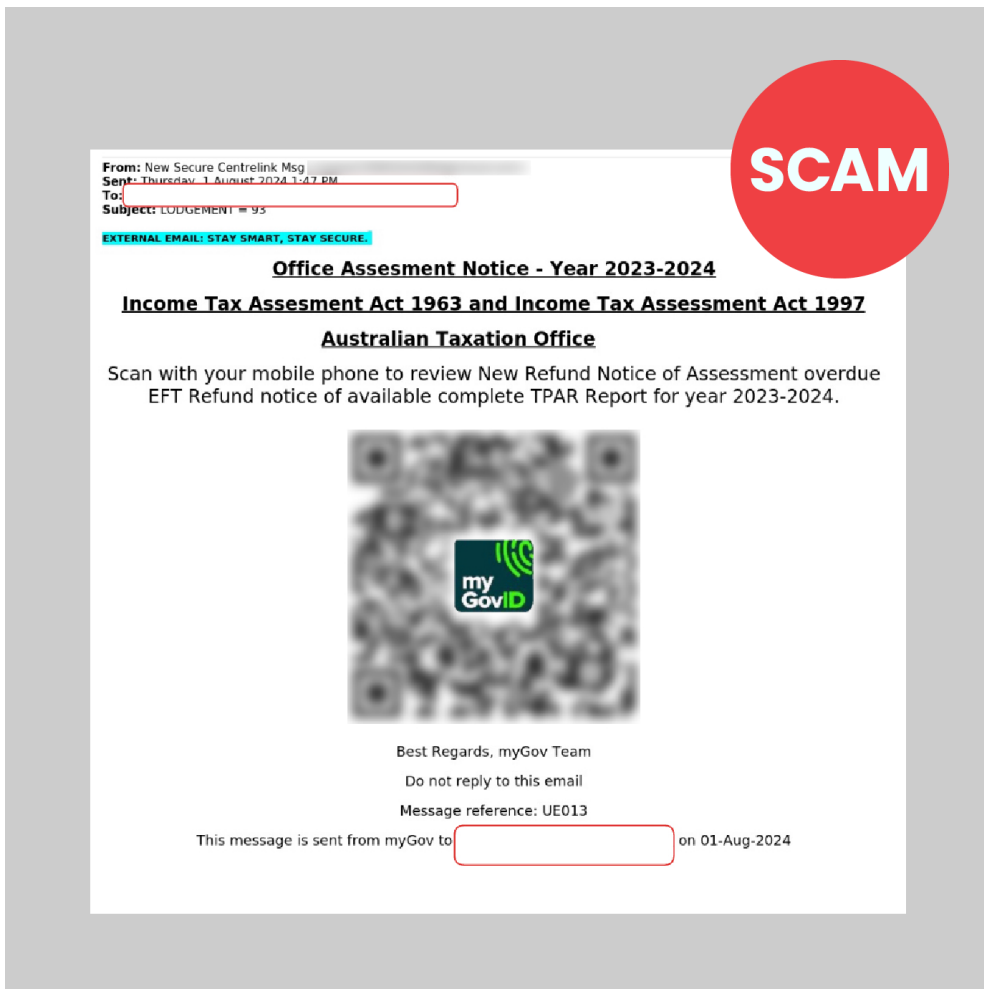
Please include ALL of the following with your request:

- Your Payslip
- Copy of your Driver Licence - Front and Back - (High Quality photo)
- Copy of your Medicare Card

Optional - Please also confirm the following item:

- Your Tax File Number (TFN)

This resolution has been reached in accordance with the provisions of article 21.3 of the Fair Work Legislation Amendment Bill 2022. After the 10 days claim period, the filing of proceedings will take place.



If you receive an email like this, do not reply with any of your personal information.

To help protect yourself we remind you:

- We will never send an unsolicited message asking you to return personal identifying information through SMS or Email.
- Know your tax affairs – legitimate email communication from us can be located in ATO online services. You can check this by logging into your myGov account. You can also contact your tax agent or the ATO.
- If someone claiming to be from the ATO contacts you and advises that you have a debt or are owed a refund or asks for your myGov sign in credentials, bank or personal details such as your TFN, it is likely they are a scammer.
- Don't click on links, open attachments or download any files from suspicious emails or SMS; we will never send an unsolicited SMS that contains a hyperlink.
- We are on Facebook, Instagram, X and LinkedIn, but we will never use these social media platforms to discuss your personal information or documentation, or ask you to make payments.

We are seeing ATO impersonation scams relating to the recent name change of myGovID to myID, which occurred on 13 November 2024.

myID is a new name and a new look – but it is used the same way as myGovID. The community does not need to take any action, as the change has already been implemented. You don't need to set up a new myID or reconfirm your details as part of this change. If you are asked to do this, it's a scam. We have communicated this change through activities (including email) to myID users. Scammers are trying to trick the community into thinking they need to reconfirm their details via a link. The link directs users to a fraudulent myGov sign in page designed to steal personal information, including myGov sign in credentials. These details can be used later in identity theft or other fraudulent activity such as refund fraud.

Employment law update: Special



Immunity from ‘wage theft’ prosecution: Small Business Wage Compliance Code released.

The federal government recently released the eagerly awaited Voluntary Small Business Wage Compliance Code (Underpayment Code). It has been proposed to provide small business employers with protection from criminal wage theft prosecutions which became available under the Albanese government’s so called ‘closing loopholes’ reforms.

Unfortunately, the Underpayment Code is not so much a black and white ‘code.’ It lists numerous things employers can, and where the government will determine (really, in its discretion), whether the Underpayment Code has been complied with. The ‘not-so-codified-code’.

Liability limited by a scheme approved under Professional Standards Legislation “

- END -

The material and contents provided in this publication are informative in nature only. It is not intended to be advice and you should not act specifically on the basis of this information alone. If expert assistance is required, professional advice should be obtained. We are here to help, contact us today: