



Take full advantage

PACK FACT

HELP REPAYMENTS AND SALARY PACKAGING

If you have a HELP debt and you Salary Package then the amount of HELP you have to repay each year will be affected.

When you Salary Package, the benefit you receive will be reported on your Payment Summary (formerly called your Group Certificate).

The items you include in your Salary Package will appear in your Reportable Fringe Benefits (RFB). Your RFB is made up of the actual amount of benefit you received, plus the Fringe Benefits Tax that would have been payable on that benefit. For an explanation of RFB including how it is calculated on your payment summary please refer to "**PACK FACT Reportable Fringe Benefits on your Payment Summary**".

HELP Repayment Income:

The Australian Taxation Office (ATO) considers the following as HELP repayment income:

- Your taxable income for an income year; *PLUS*
- Any amount your taxable income has been reduced by a net rental loss; *PLUS*
- Your **total** reportable fringe benefits amounts shown on your Payment Summary.

You need to advise your Pay Office to calculate your HELP on your total estimated income, including your RFB. To do so, you should complete an ATO form called **Withholding Declaration Upwards Variation** and supply it to your Employer. This can be obtained from the ATO website.

Example: You have a HELP debt. Your salary before Salary Packaging is \$40,900. You Salary Package \$16,050 to your mortgage.

On your Payment Summary your taxable income will be \$25,000 => (\$40,900 - \$15,900)

Your RFB is \$30,000 => $\frac{\$15,900}{(1 - 0.47)}$

Your HELP repayment income is \$55,000 => (\$25,000 + \$30,000)

** See "PACK FACT Reportable Fringe Benefits on your Payment Summary" for a further explanation.*

| Before Salary Packaging | | After Salary Packaging | |
|-------------------------|------------|----------------------------------|------------|
| You Earn (Gross) | \$40,900 | You Earn (Gross) | \$40,900 |
| Taxable Income | \$40,900 | Salary packaged Mortgage Payment | - \$15,900 |
| Income Tax Payable | - \$ 5,657 | Taxable Income | \$25,000 |
| HELP Payable | - \$ 1,642 | Income Tax Payable | - \$ 1,792 |
| Take Home Pay | \$33,600 | HELP Payable | - \$ 3,300 |
| Less Mortgage Payment | - \$15,900 | Take Home Pay | \$19,908 |
| Take Home Pay | \$17,770 | | |

You are \$2,208 per year in front as well as reducing your HELP debt by an extra \$1,658

DISCLAIMER

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