



Calculating HECS-HELP discount on upfront payments

Let's assume the student is enrolled in 4 subjects, each incurring a HECS charge of \$500.00
Total amount = 4 x \$500 = \$2000

Option 1: Full Upfront Payment

Amount Paid Upfront by student	\$1600.00 +	= 80% of \$2000
Incentive from Government	\$400.00	= 20% of \$2000
Full Cost	\$2000.00	= 100% of \$2000

Option 2: Partial Payment of \$500.00

If you decide to make a \$500.00 partial up front payment, you will receive a 20% government incentive.

Amount Paid Upfront by student	\$500.00 +	= 80% of total HECS debt Reduction
Incentive from Government	\$125.00	= 20% of total HECS debt Reduction
Amount of HECS debt reduced	\$625.00	= 100% of total HECS debt Reduction

The remaining balance of your HECS is deferred to the ATO as follows:

Total HECS Debt			\$2000.00
Less – Upfront payment	80% of reduction	\$500.00	
Less – Incentive	20% of reduction	<u>\$125.00</u>	
HECS debt reduced by	100%		<u>\$ 625.00</u>
Balance of HECS debt deferred to ATO			\$1375.00

An online interactive calculator to calculate your HECS is available at

<http://www.uow.edu.au/student/finances/feecalculator.html>

For Further information please see: <http://www.goingtouni.gov.au/>

How the student's SOLS Fee Statement would look:

Date	Description	Amount	Balance
14/7/2006	CSS 2006 Spring ACCY100 discount rate (full cost \$500.00) due 31/8/2006	400.00	400.00
14/7/2006	CSS 2006 Spring ACCY101 discount rate (full cost \$500.00) due 31/8/2006	400.00	800.00
14/7/2006	CSS 2006 Spring ACCY102 discount rate (full cost \$500.00) due 31/8/2006	400.00	1200.00
14/7/2006	CSS 2006 Spring ACCY103 discount rate (full cost \$500.00) due 31/8/2006	400.00	1600.00
30/8/2006	Payment – receipt number 1234567	(500.00)	1100.00
31/8/2006	HECS-HELP discount not taken for course 710 Spring	275.00	1375.00
31/8/2006	HECS-HELP loan for course 710 Spring	(1375.00)	0.00

Important points to remember about partial upfront billing option:

- Making a partial upfront payment is optional. If a student has nominated partial upfront billing option, they don't have to actually make a payment.
- \$500.00 is the minimum allowed for a partial upfront payment. A student may choose to pay more than the minimum.
- Whatever HECS remains unpaid after census date, will be automatically deferred as a HECS-HELP Loan.
- The 20% discount is expressed as a proportion of the full cost, not the amount of the upfront payment.