



# Trade Support Loans Under 18s

Minors must read this fact sheet before applying for a Trade Support Loan. It should be read in conjunction with *Trade Support Loans – at a glance*.

## What are Trade Support Loans?

Trade Support Loans (TSLs) assist with the costs of living and learning while you undertake an apprenticeship. TSLs provide you up to \$21,078 if you are an apprentice in a skills needs occupation.

You are required to repay the loan through the tax system when your income meets the repayment threshold. When you successfully complete your apprenticeship, your TSL debt is reduced by 20 per cent.

There are no age restrictions for applying for a loan and it is your choice to take out a loan based on your own personal circumstances. If you are under 18 years of age, you are asked to declare on the *Trade Support Loans Application Form* that you have read and understood this fact sheet before applying.

## What are my responsibilities when taking out a Trade Support Loan?

Taking out a loan is a serious financial responsibility as it involves borrowing money and paying it back over time. It is your responsibility to be aware of your obligations when taking on the loan and the requirement to pay it back.

Before you apply for a loan, it is advised that you consider your current circumstances to see exactly where your money goes now and how much you could afford in repayments if you were to meet the income repayment threshold. It is important to think about how your circumstances may change in the future, for example changing jobs or moving out of home.

It is recommended that you further explore available options and assess whether taking out a Trade Support Loan is the best option for you.

Information to help you make a decision and identify the responsibilities involved in taking out a loan is available on the MoneySmart website at [www.moneysmart.gov.au/life-events-and-you/under-25s](http://www.moneysmart.gov.au/life-events-and-you/under-25s). You are strongly encouraged to view the information on this website to ensure you are fully aware of your responsibilities.



## How do I repay a Trade Support Loan?

Your Trade Support Loan needs to be repaid through the tax system once your income reaches the repayment threshold. For the 2019-20 financial year the income threshold is \$45,880.

The amount that must be repaid each year is a percentage of your income. The percentage increases as your income increases: The more you earn, the higher your repayment will be. The Australian Taxation Office (ATO) will calculate your compulsory repayment for the year and include it on your income tax notice of assessment.

The amount that must be repaid is adjusted every year by the ATO to reflect the changes to the cost of living (in line with the Consumer Price Index (CPI)). Indexation will increase the amount of money you will have to pay back.

In addition to compulsory repayments, you can make voluntary repayments any time and for any amount. These repayments are not refundable and there are no discounts or penalties for making a voluntary repayment.

### Further Information

For further information on eligibility and applying for a Trade Support Loan, contact your [Apprenticeship Network provider](#).