

Single Touch Payroll next steps



The introduction of Single Touch Payroll (STP) will change the way you report your employee's payroll information to the Australian Taxation Office (ATO). Commencing 1 July 2018 if you have 20 or more employees, STP will mean reporting salary and wages, pay as you go withholding and super information to the ATO at the same time as you pay your employees through your business's payroll software.

Payment due dates for PAYG withholding and super contributions don't change, although employers can choose to pay earlier. Payroll software providers are making changes now to accommodate STP and businesses are moving to get on board.

Does STP apply to your business?

If you haven't done a headcount of employees yet, you'll need to do one to find out if you need to report through STP and when. If you have 20 or more employees, you'll need to start reporting through STP on 1 July 2018, unless you've arranged for a deferred start date with the ATO. For businesses with 19 or less employees, Single Touch Payroll reporting commences 1 July 2019, provided legislation is passed in parliament.

The headcount reflects your business at 1 April 2018.

Here's who you need to include in the headcount:

- > full time employees
- > part time employees
- > casual employees who are on your payroll on 1 April and worked any time during March
- > employees based overseas
- > any employees who are absent or on leave (paid or unpaid)
- > seasonal employees (that's staff who are engaged short term to meet a regular peak workload, for example, harvest workers).

You don't need to include employees who stopped working before 1 April 2018, casual employees who didn't work in March, independent contractors, staff from a third party labour hire organisation, company directors, office holders or religious practitioners.

Key STP dates to keep in mind



1 April 2018

Headcount date to establish the number of employees you have on your payroll (you can still do the headcount now, just backdate it to 1 April)



1 July 2018

STP reporting starts for employers with 20 or more employees



1 July 2019

STP reporting starts for employers with 19 or less employees (subject to legislation passing)

Use this checklist to get on board

Ok. So you've done your headcount and established STP applies to you. Getting prepared for a change like this can be a challenge – especially alongside running your business. This checklist covers the essentials of STP reporting to help ensure you're up and running in time.



Get in touch with your software provider

- › Find out how your payroll software will offer STP reporting (through updating your existing software or an additional service).
- › If you don't have a payroll solution, choose one that offers STP reporting or you can ask your tax agent to report to the ATO through STP on your behalf.
- › Find out when their software will be ready and whether they have a deferred start date.
- › Find out what support they offer as you transition to STP.



Review your payments and processes

- › Make sure your staff – especially your payroll people – know about STP and what's involved.
- › Check if you're paying your employees, and calculating their super entitlements, correctly.
- › Check if you're addressing overpayments correctly.
- › Finally, is your employee data accurate and up-to-date including names, addresses and date-of-birth?



Apply for more time if you need it

- › If your software is ready, but you're not, you'll need to apply to the ATO for a deferred start date. Find out more at ato.gov.au/stp

Benefits of STP

Single touch payroll is designed to streamline payroll reporting, improve the efficiency of the super system and encourage greater engagement in super.

Your employees will be able to see tax and super information online through myGov – a secure way to access government services online – including year-to-date tax and super information through the year. And they'll also be able to submit TFN declaration and choice forms through myGov.

You may not need to give your employees a payment summary at the end of the year for certain payments you report through STP as they'll be able to see these on myGov.

For more information on Single Touch Payroll, visit ato.gov.au/stp

You can also follow the ATO on Facebook, Twitter and LinkedIn.

For help understanding impacts on your super admin, call us on **1300 300 273**.

Contact us

Call **1300 300 273**
8am to 8pm AEST/AEDT weekdays

Web australiansuper.com/employers
ato.gov.au/stp



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