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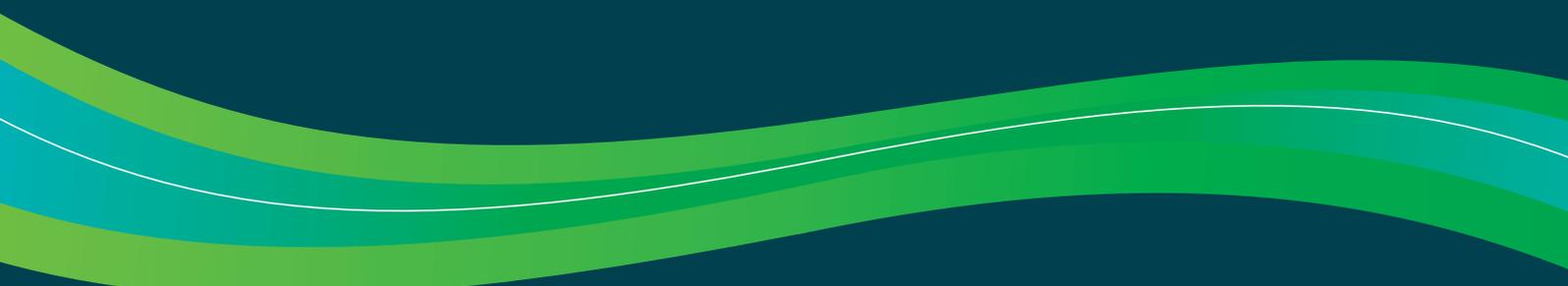**Australian Taxation Office**

Single Touch Payroll Toolkit

Information to help tax professionals

Single Touch Payroll

Introduction

This information is to help you as a tax professional understand the requirements of Single Touch Payroll (STP), and help your employer clients to make the transition to this new way of reporting tax and super information to the ATO.

This is an overview of STP, with links to additional information. More detailed content can be found on our website at ato.gov.au/stp, including employer reporting guidelines – a thorough guide to reporting through STP.

If any of your clients had 20 or more employees on **1 April 2018**, they were required to start reporting through STP-enabled payroll software from **1 July 2018** – unless they were covered by a deferral. Employers with 19 or less employees can choose to report through STP when they are ready.

To obtain more information or provide feedback about this toolkit you can contact STPStakeholderEngagement@ato.gov.au.
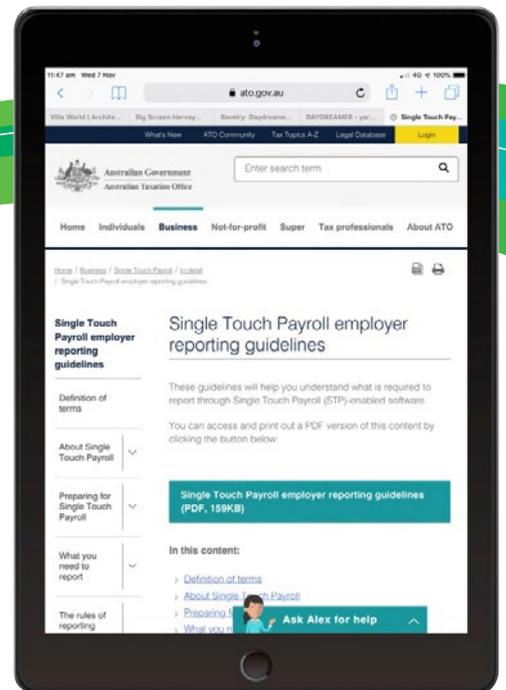
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Employer reporting guidelines

These guidelines will help you understand what is required to report through Single Touch Payroll (STP)-enabled software.

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Single Touch Payroll

What you need to know

STP is a reporting change that enables employers to send tax and super information to the ATO from their payroll software each time they pay their employees. Their pay cycle does not need to change.

If employers are unsure of their employee numbers they should do a headcount of the employees who were on their payroll on **1 April 2018**. If an employer had 20 or more employees on that date, they are considered a substantial employer, and should report through STP in the 2018–19 financial year. Employers should count each employee – not the full time equivalent (FTE).

Not all substantial employers started reporting on 1 July. Some employers are covered by their software provider's deferral, or their own deferral.
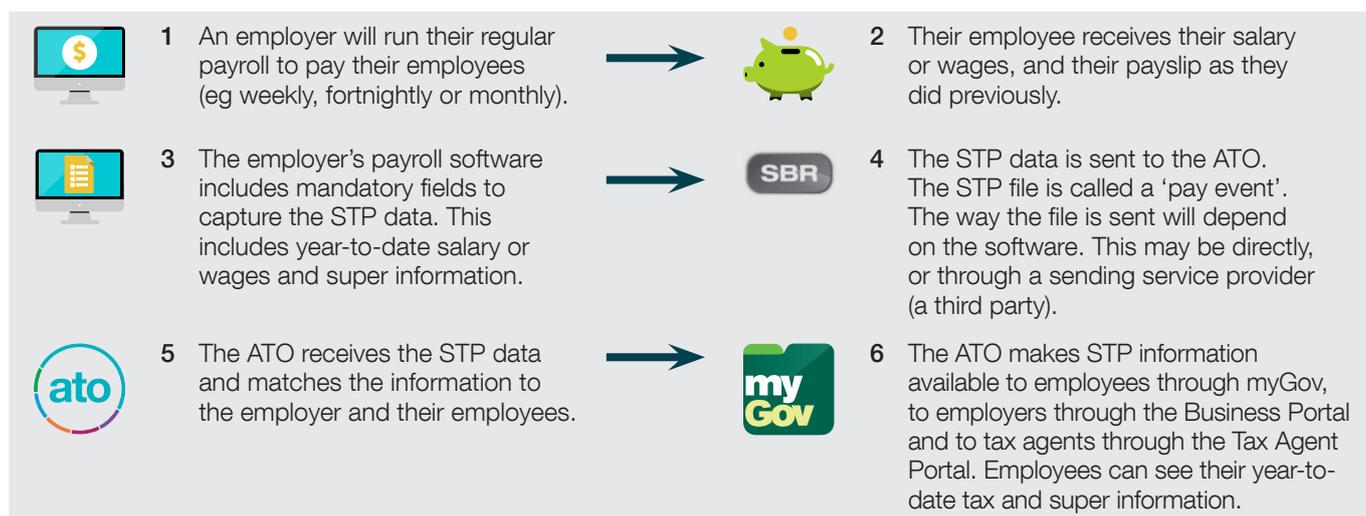
Encourage your clients to take action if they haven't done so – either apply for a deferral, or update their software and start STP reporting.

See also:

- Employer deferral request form
- Registered agent (tax professional) deferral request form
- How to do the headcount

How Single Touch Payroll works

Once an employer starts reporting through STP-enabled payroll software they will be sending the tax and super information to the ATO each time they run their payroll and pay their employees.

1 An employer will run their regular payroll to pay their employees (eg weekly, fortnightly or monthly).	2 Their employee receives their salary or wages, and their payslip as they did previously.
3 The employer's payroll software includes mandatory fields to capture the STP data. This includes year-to-date salary or wages and super information.	4 The STP data is sent to the ATO. The STP file is called a 'pay event'. The way the file is sent will depend on the software. This may be directly, or through a sending service provider (a third party).
5 The ATO receives the STP data and matches the information to the employer and their employees.	6 The ATO makes STP information available to employees through myGov, to employers through the Business Portal and to tax agents through the Tax Agent Portal. Employees can see their year-to-date tax and super information.

Single Touch Payroll

Features of Single Touch Payroll

- Employers will no longer need to provide their employees with payment summaries for the information they report through Single Touch Payroll.

- Employees will find the information they need to complete their income tax return in ATO online services, accessed through myGov. Employees who choose not to have a myGov account can contact the ATO to get a copy of their payment summary information.

- STP data will be available to tax agents in pre-filling.

- Employers will no longer need to provide the ATO with a payment summary annual report (PSAR).

- From January 2020, the ATO will pre-fill activity statement labels W1 and W2.

- Employers will be able to offer online commencement forms to new employees, including *Tax file number declaration*, *Superannuation (super) standard choice*, *Withholding declaration* and *Medicare levy variation declaration* forms that can be sent to the ATO from myGov.

How your clients can report through Single Touch Payroll

Employers need to use payroll software that offers STP reporting.

- Not all payroll software will be updated to offer STP reporting, such as older off-the-shelf or legacy products.

- Some employers may need to update or choose a new payroll solution if they are using an older product.

- Software providers will have a transition plan to move their clients to STP-enabled software. Not all clients will transition at the same time.

- Employers can ask a third party, such as a registered agent or payroll service provider, to report through STP on their behalf.

> ℹ️ Encourage employers to speak to their software provider about when their product will be STP ready, and what they need to do to transition.

When your clients need to start reporting

If your clients **had 20 or more employees** on 1 April 2018 they will need to report to us through STP-enabled software from 1 July 2018, unless they've been granted a deferral.

Clients with **19 or less employees** on 1 April 2018 can choose to report through STP now if their software is ready. STP will be extended to all employers subject to legislation being passed by parliament.

We do not expect small employers to purchase payroll software if they don't currently use it. A number of different STP reporting options will be available from 1 July 2019, including low cost and simple reporting solutions. We will publish a list of these options as they become available.

Smaller employers will also have a number of alternate options that are not available to large employers – such as allowing their registered tax or BAS agent to report their STP information quarterly, rather than each time they run payroll.

We will also grant exemptions for employers who have unreliable internet access.

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What to do if your clients are not ready

The ATO understands the transition to STP is a major change for some employers.

Employers, registered agents and software providers have been able to request more time to start STP reporting.

- Some software providers applied to the ATO for a later start date (a deferral) for their employer clients.
- If a software provider has a deferral they will advise their clients and provide them with a deferral reference number (DRN).
- Employers do not need to do anything with the DRN. This number verifies the provider was granted a deferral by the ATO.
- Registered agents providing payroll service can apply for a deferral for your clients by using our online form.

> ⓘ If your clients are not ready for STP, they can apply for an employer deferral. You can use this form to apply for a deferral if you are reporting for your clients, and you are not ready.
>
> You can use our registered agents form to apply for deferrals for multiple clients.

About penalties

The first year of STP reporting (2018–19) is a transition year and penalties will generally not apply.

If employers need to change information in a submitted STP report, they can correct it in their next report or in an update event.

Reporting super information through Single Touch Payroll

Every employer is required to report the year-to-date super guarantee liability for their employees each time the employee is paid. This super liability is included as part of the STP pay event by the STP-enabled payroll software.

The payment of the super guarantee contribution to the super funds is reported through existing SuperStream reporting systems.

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Steps to take before reporting

Once an employer has STP-enabled software, they will need to take a number of steps to be able to send the data to the ATO. This is outlined on our website.

1. Check the right person is authorised to lodge an STP report. This is an important part of an employer's internal business process. The person lodging the report needs to understand the requirements of STP.

2. Check that we (the ATO) have the right contact person for the employer. This should be the person or persons authorised to lodge an STP report.

3. Check if an AUSkey is required.

   – Employers do not need an AUSkey if they are using a sending service provider (SSP) to send the STP file to us. The SSP will connect to us using its own AUSkey.

   – Employers do not need an AUSkey if they are using cloud-based or online software to send the STP file to us. They will connect to us using the unique software ID the software provider has given them (see step 4). Employers should check with their software provider if they do not have a software ID.

   – Employers will need their own AUSkey if they are using software that connects directly to us, such as an on-premise solution.

4. Employers or their registered agent will need to give us their software ID if they are using cloud-based or online software. This is the number used to identify their software. It is similar to a serial number.

   – Notify us of the software ID by phoning **1300 85 22 32,** or completing a one-off notification through Access Manager (you need an AUSkey to use Access Manager).

   – We will not be able to receive the STP report without the correct software ID.

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Troubleshooting

If you or your clients are experiencing any problems, you can check our online STP Troubleshooting page to see if there is a solution. Check back regularly to see if new issues and solutions have been added.

Issue	Resolution
Your full file replacement failed.	A full file replacement can only be submitted once within a 24-hour period.
You have received an authentication error code.	See Authentication errors for descriptions and actions required for each error code.
You have lodged a request for a deferral and want to know the outcome.	It may take up to 28 days to review and process deferral requests. A provisional (interim) STP deferral is automatically granted for one month after the date the deferral request was received. See Single Touch Payroll deferrals.
You want to confirm a pay event has been received by the ATO.	A confirmation message will be sent once an STP pay event has been lodged. There is no need to call us to confirm.
If you're part of an employer group you can submit STP reports on behalf of the other group entities.	Obtain a business appointment to lodge on behalf of another entity within your group. This appointment can be limited. The permission that applies to STP is called 'Payroll event form' and has options to view and lodge.
Your software is requesting an email address for each employee.	It is not mandatory to supply an employee's email address. However, providing an email address will help us identify the employee if the TFN provided in the STP report does not match our records.
Incorrect pay codes are selected in the software; eg gross payments and super guarantee (SG) are set to non-reportable to the ATO.	Check that payroll fields are mapped with correct pay codes to ensure data is calculated and reported as intended.
SG or ordinary time earnings (OTE) fields are blank.	Check SG or OTE fields are complete. If an employee is not entitled to SG then report 'zero' in the field.
Employees' records being finalised as tax ready or finalised data was unfinalised when not intended.	Check that your payees are only recorded as tax ready when intended.
STP reports are not submitted on or before the day employees are paid.	Submit your STP reports on or before the day you pay your employees – note, there are no penalties for late submissions for the 2018–19 financial year.
Form contacts are often blank or with a generic name. This may limit our ability to contact the most appropriate contact.	Check STP payer contact name or email address fields are complete and correct.
Employers submitting multiple events with same or similar data. This results in over-reporting at the parent level.	Check your STP data records to ensure reports are not submitted multiple times.

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Where to find more information

The ATO has a range of tools and services available to help you:

- **Employer reporting guidelines** – A technical guide that covers everything from what STP is, what needs to be reported, how to make corrections and how to finalise.

- **Troubleshooting** – A list of common issues we are seeing with employers who are already STP reporting.

- **Deferrals** – If your clients aren't ready to start reporting and are not (or are no longer) covered by a software developer's deferral, they may need an employer/tax or BAS agent initiated deferral.

- **Exemptions** – Information on STP exemptions.

- **Registered agents providing a payroll service** – If you are providing payroll services for your clients, there is some information you need to know.

- **Connecting cloud software (software IDs)** – information on how to connect your clients' cloud software to the ATO.

  - **Unique software ID bulk notification request form**

  - **Request to link multiple clients at the level STP role level**

- **STP engagement authority** – the streamlined process for employers to authorise their registered agent to act on their behalf for STP reporting.

- **Primary contact and authorised contacts** – Check your clients have the right contact person in their business who is authorised to lodge an STP report on their behalf.

- **Getting an AUSkey** – Your client may need an AUSkey to report their STP file to us.

- **STP Engagement Forum for tax professionals** – Recording of an event that was live streamed on 4 May 2018, providing in-depth STP information for tax professionals.

- **TFN exemption codes** – Tax file number (TFN) codes your clients must use if their employees have not provided a TFN.

- **Cross entity authorisation nomination form NAT 73957** – Employers can use this form to nominate another ABN to act on their behalf.

- **Online services for agents** – A new system for you to access services that you currently use in your portals.

- **ATO Community** – Ask your STP questions on the ATO's online community forum.

- **Social media** – keep up-to-date with the latest STP information, follow the ATO, share information and stay informed.

Factsheets

Factsheets covering what STP means for your employer and employee clients:

- **For employers**
- **For employees**

Webinars

We've completed a series of webinars to help tax professionals understand STP.

Webinar topics include:

- **Why and what is Single Touch Payroll** (44:59 minutes)
- **Headcount** (19:30 minutes)
- **Getting ready for Single Touch Payroll** (45.25 minutes)
- **Deferrals and exemptions** (35:45 minutes)
- **Corrections and fixes** (24:29 minutes)
- **Single Touch Payroll and Super** (46:16 minutes)

Check our **News, events and resources** page regularly to see if we have added new information that could help your clients.

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