



Single Touch Payroll

For micro employers

The digital world is changing rapidly. Government services are also changing to make it easier for you to run your business every day. One of those changes – Single Touch Payroll (or STP) – started gradually for larger employers from 1 July 2018 and starts from 1 July 2019 for employers with 19 or fewer employees.

What is STP?

STP is a new way of reporting tax and super information to us.

Using payroll software, or another STP-enabled solution, you'll send your employees' salary and wage information, pay as you go (PAYG) withholding and super information to us each time you pay your employees. This means:

- your pay cycle does not need to change (you can continue to pay your employees weekly, fortnightly or monthly)
- you will now report super information to us
- you no longer need to give your employees a payment summary for the information you report and finalise through STP – this will be available to your employees through myGov
- you will need to finalise your STP information at the end of the financial year – that way we know all the data you have reported is complete, and we can provide this to your employees to complete their tax return.

Concessions for micro employers

If you have 1–4 employees, there are a number of options available to help you transition to STP reporting.

No-cost or low-cost, simple STP solutions

Micro employers who don't need payroll or accounting software can choose a simple no cost or low-cost STP solution. We have listed the providers that will build these solutions, and some basic product information, on our website ato.gov.au/STPsolutions

We have asked these providers to offer these products at a cost of \$10 per month or less. Talk to your tax professional for advice on the best option to suit your business needs.

Quarterly reporting

If you are a micro employer (1–4 employees) and need more support to move to real-time digital reporting you can choose to report quarterly through your registered tax or BAS agent until 30 June 2021.

Eligibility

To be eligible for the micro quarterly reporting concession, you must be a micro employer, lodge your STP reports through a registered tax or BAS agent, and have non-computerised payroll – this could include running your payroll manually and keeping records on a spreadsheet or paper.

Your registered agent must apply for the concession on your behalf by 30 September 2019.

To be eligible you must have between 1–4 employees on the day of application.

You must also meet both of the following criteria:

- all amounts owing to us are either not yet due or subject to a payment plan
- all lodgment obligations are either not yet due or subject to a deferral.

Note: If your circumstances change, we may review your quarterly concession.

Applying for the quarterly reporting concession

Your registered agent will need to apply online for this concession.

Speak with your registered agent if you think quarterly reporting might be right for your business.

Registered agents can apply through the Tax Agent Portal, the BAS Agent Portal or Online services for agents using either the:

- online STP Deferrals and Exemptions tool for single client requests
- registered agent bulk client request form for multiple clients, sent through a portal mail message.

If your registered agent lodges using the online tool, in most cases your application will be approved in real-time. If we need more information, we'll let your registered agent know.

If employee numbers change

If you are approved to report quarterly, the concession applies until 30 June 2021 regardless of whether your employee numbers increase.

The quarterly reporting process for micro employers

If you report quarterly, you will need to send your STP report (pay event) once each quarter at the same time your quarterly activity statement is due.

This pay event must be lodged by your registered tax or BAS agent through an STP-enabled solution and is not a label on the business activity statement.

You will need to report your employees' year-to-date amounts up to and including the last pay day of the quarter. You will also need to include the W1 and W2 amounts for the quarter.

For the final quarter of 2020 (April to June), you will need to report and finalise your STP data by 31 July 2020.

For the final quarter of 2021 (April to June) you will need to report and finalise your STP data by 14 July 2021.

If you need additional time to make your finalisation declaration, you will be able to apply using the online STP Deferrals and Exemptions tool.

Reporting more frequently

If you are approved to report quarterly but would like to report more frequently (such as monthly) you can do so. You should report this monthly pay event by the 21st day of the following month (this is the same due date as monthly activity statements).

Closely held payees

You don't need to start reporting your closely held payees until 1 July 2020. From 1 July 2020, you will be able to report closely held payee information quarterly.

This concession applies to closely held payees only. All other employees (arms-length employees) need to be reported from 1 July 2019 or your deferred start date, if one has been granted.

Refer to the [Single Touch Payroll – For closely held payers](#) factsheet.

Support and more information

There is support available for employers transitioning to STP reporting – especially those who are not currently using software.

- Our website is the best place to find information about STP, and how to get ready ato.gov.au/stp
- You can also ask questions and join the STP conversation in ATO community community.ato.gov.au