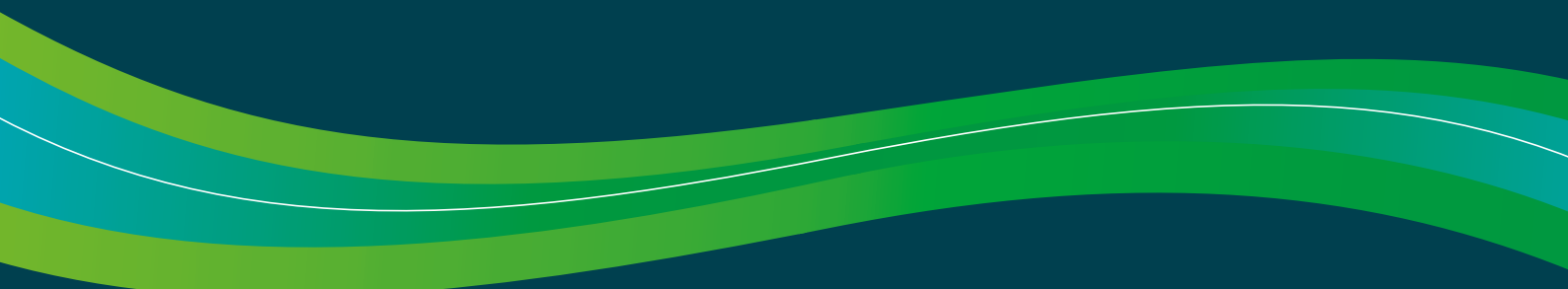




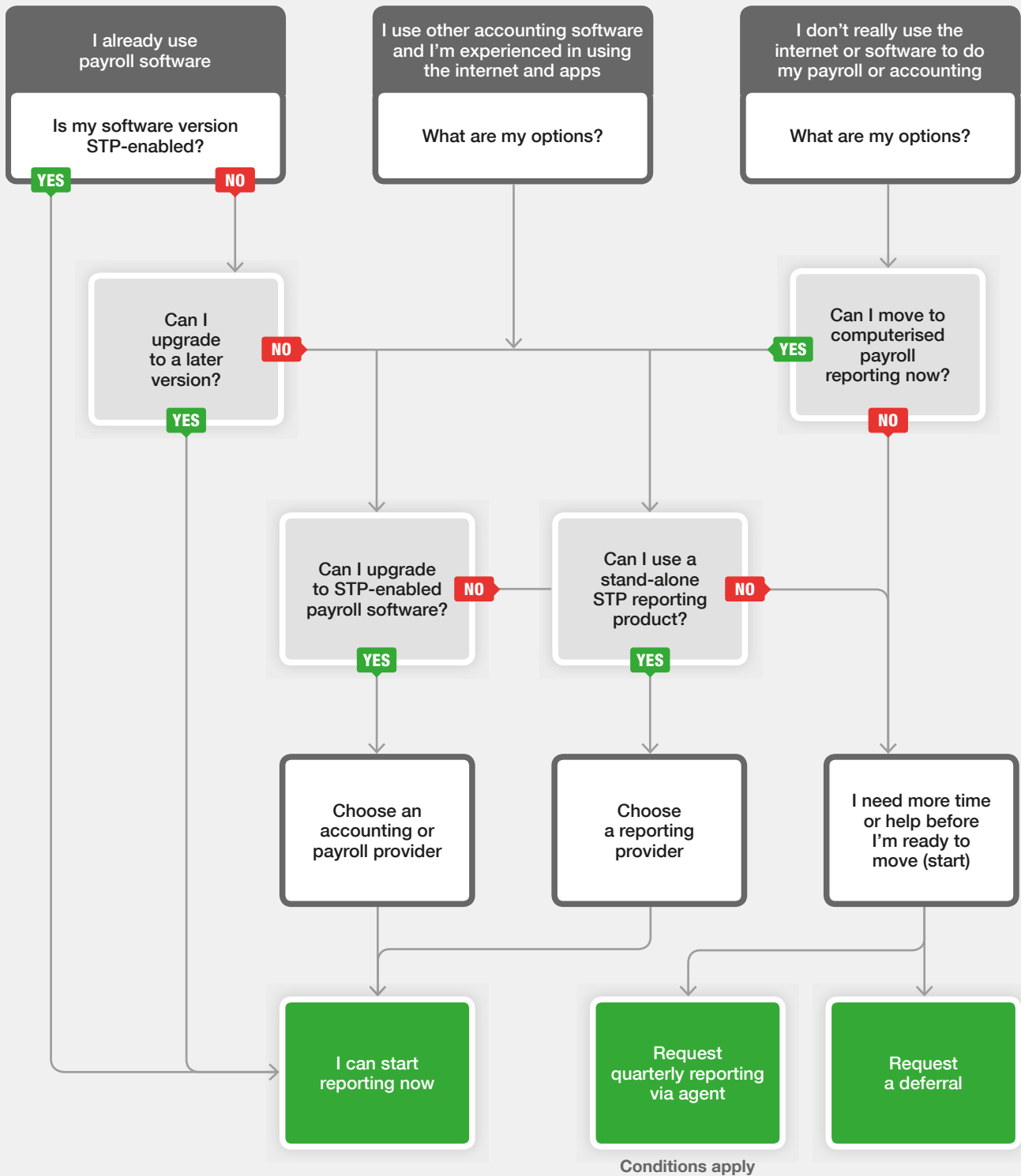
Australian Government
Australian Taxation Office

Single Touch Payroll

An introduction for small employers



STP decision tree: How am I going to report?



YOU MUST ENGAGE WITH THE ATO ON ONE OF THESE OPTIONS BY NO LATER THAN 30 SEPTEMBER 2019.

About Single Touch Payroll

Single Touch Payroll (STP) is a new digital way for you to report your employees' tax and super information to the ATO. The parliament has passed legislation to extend STP to include all employers from 1 July 2019. Your start date will be determined by your circumstances. You need to start reporting this way by 30 September 2019 or have made arrangements with us for a later start date.

Information you report

Each time you pay your employees you will send your employees' salaries and wages, pay as you go (PAYG) withholding and super information to us through an STP-enabled payroll solution.

No change to how super is paid

You continue to report and pay your employees' superannuation entitlements through your existing SuperStream solution (including the Small Business Superannuation Clearing House). This does not change as a result of STP.

Through STP you will report your employees' super liability or ordinary time earnings (OTE) each pay day. This is based on the amounts you currently provide on an employees' payslip.

Under a separate government initiative, super funds are also reporting to the ATO when you make a payment to your employees' super fund. This provides us with visibility of an employer's super payments and gives employees an up-to-date picture of their entire super, irrespective of employer or fund.

When to report

You need to report your employees payroll information each pay day – typically this is weekly, fortnightly or monthly.

If you don't have a regular or recurring pay cycle, you may qualify for a concession that allows the use of quarterly reporting.

Correcting amounts reported

We provide a guarantee under STP that no penalties will be applied if you get something wrong and you correct it within an appropriate period.

We know payroll information can vary from pay to pay. This could be a variation in the number of employees you have, the hours worked or other factors like loadings and allowances. Sometimes errors are made or last minute adjustments are needed that can't be fixed until sometime later.

We do expect you to make corrections or adjustments when you detect them – which may be in the next pay run or the next time you do a reconciliation with your accountant or bookkeeper. Corrections should be made in your payroll records (software) and then the next STP report will provide the corrected information to the ATO.

What is happening to payment summaries

Once you begin reporting, you will no longer be required to provide payment summaries (also known as group certificates) to your employees at year-end for the information that is reported and finalised through STP.

Your employees will be able to access their payment summary information, called an employment income statement, in a number of ways including:

- through their ATO online account in myGov
- through their registered tax agent
- by contacting the ATO if they find it difficult to interact online.

As long as you finalise your employees' end of financial year information by the required date, you will no longer be required to lodge a payment summary annual report for the amounts reported through STP.

What your employees need to know

Once you start reporting through STP, you should tell your employees they will be able to see their year-to-date tax and super information online via a secure login through their ATO online account in myGov.

If your employees use a registered tax agent to prepare their tax return, their agent will be able to access the same income statement information.

Security of information

All STP-enabled software that reports to the ATO has been tested and is subject to stringent cybersecurity requirements that ensure protection of all information. Further information about this can be found at [Requirements for digital service providers](#).

How to report

If you already use a payroll solution or service you can report through it as long as it's been updated to offer STP reporting. Talk to your provider to find out if they offer STP.

If you don't currently have a payroll solution and want to look at options, talk to a tax professional or service provider for advice.

There are also products available today which have been specifically designed for STP reporting and do not require use of full payroll reporting requirements.

You can find more information about the range of products available at the [STP product register](#). If you have four employees or less, you can find a selection of easy to use, low-cost and no-cost solutions at ato.gov.au/stpsolutions. These solutions are all \$10 or less.

You can also ask a payroll service provider or your registered tax or BAS agent to report through an STP solution on your behalf each payday.

Before you start reporting

Your solution provider or tax professional may give you advice on how to transition to STP reporting.

You can also view/download our [Start reporting checklist](#).

Before you start reporting through STP, you might like to review your current payroll process. It might save time later if you check your employee information is accurate, including names, addresses and dates-of-birth before you start reporting.

Quarterly reporting until 2021

If you have between one and four employees and you have non-computerised payroll – this could include running your payroll manually and keeping records on a spreadsheet or paper – you may be eligible to report quarterly until June 2021 through your registered tax or BAS agent. Talk to them to see how they can support you.

Alternatively, if your business has irregular employment patterns, such as large seasonal increases, you may also be eligible for a quarterly reporting concession and do the reporting on your own behalf,.

You can make an application for a quarterly reporting concession by lodging with the ATO before 30 September 2019. You or your tax professional can find more information at [Single Touch Payroll deferrals](#).

If you need more time

You can make an application to delay your start date for STP (a deferral) but this must be lodged with the ATO before 30 September 2019. You or your tax professional can find more information at [Single Touch Payroll deferrals](#).

You need to provide a reason for the deferral and a specific date no later than 30 June 2020. The ATO will confirm an acceptance of the new date with you. You still need to find a solution and start reporting by that date. Further deferrals will not be granted unless there are exceptional circumstances.

Available exemptions

Employers with closely held payees only (such as a director or family members of a family owned business) or non-business employers (such as carers holding a WPN) do not need to start reporting for these payees until 1 July 2020. This exemption is automatic and you do not need to apply however you may start STP reporting before then.

Other exemptions in special circumstances may also be available on a case-by-case basis such as no internet connection or a business in administration. Check with your registered tax professional if you think you may qualify.

Any exemptions are for an agreed period of time and will be reviewed at the expiry of each exemption.

Support and more information

There is support available for employers transitioning to STP reporting (including those who are not currently using software) by:

- talking to your registered tax professional
- visiting ato.gov.au/stp
- asking questions and joining the STP conversation in our ATO community community.ato.gov.au.