



**Australian Government**

**Australian Taxation Office**

# Single Touch Payroll

**Tax professional presentation**

# What you need to know right now

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Single Touch Payroll is coming from 1 July 2018.

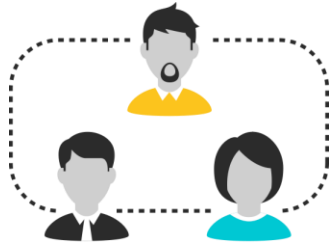
If you report payroll and super information to the Australian Taxation Office (ATO) on behalf of clients with 20 or more employees, you should be thinking of ways you can support those clients to report through Single Touch Payroll.

# What is Single Touch Payroll?

**Single Touch Payroll is a government initiative to streamline business reporting obligations. When an employer pays their employees, the payroll information will be sent to the ATO from their payroll solution.**

- › Single Touch Payroll is a change to the way employers report their tax and superannuation information to the ATO.
- › Employers will be able to report salary or wages, pay as you go (PAYG) withholding and super information directly to the ATO from their payroll solution, at the same time they pay their employees.
- › The ATO needs strong working relationships with its partners in the tax system to help deliver Single Touch Payroll. We have been working closely with solution providers and tax professionals to design Single Touch Payroll.
- › Although there is no legal obligation, employers can begin to report through Single Touch Payroll from 1 July 2017 if their payroll solution is Single Touch Payroll enabled.

# Who needs to know about Single Touch Payroll right now?



Solution providers,  
software developers



Employers with 20 or  
more employees



Tax professionals  
and associations



Ensure Single Touch  
Payroll is included in  
payroll solution



Must report through  
Single Touch Payroll under  
law from 1 July 2018



Support their clients and  
members through the transition to  
Single Touch Payroll



# The law for Single Touch Payroll

Single Touch Payroll was legislated on 16 September 2016, forming part of the *Budget Savings (Omnibus) Act 2016*

Employers with 20 or more employees will be required to report under Single Touch Payroll from 1 July 2018

To determine if an employer is required to report through Single Touch Payroll, they will need to undertake a head count of their employees on 1 April 2018, or a later year where an assessment hasn't been undertaken in a prior year

Employers won't be liable to a penalty for a late Single Touch Payroll report during the first year of compulsory reporting

Exemptions may be granted based on the employer's circumstances

A grace period will be provided for corrections to a Single Touch Payroll report

Reporting under Single Touch Payroll removes the requirement to issue payment summaries, provide annual reports and tax file number (TFN) declarations to the ATO.



## Tax professionals

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- › Tax professionals are a vital part of delivering Single Touch Payroll.
- › Tax and BAS agents that report payroll and super information to the ATO on behalf of clients with 20 or more employees should be thinking of ways they can support those clients to report through Single Touch Payroll from 1 July 2018.
- › The ATO will provide information and support tools to tax professionals to help them and their clients transition to Single Touch Payroll.



The ATO has run a pilot to understand the impacts of Single Touch Payroll for tax practitioners and small businesses with 19 or less employees.

There are almost 100,000 employers in Australia with 20 or more employees who will need to transition to Single Touch Payroll reporting from 1 July 2018.

They represent around 80% of the Australian workforce.



## Employers with 20 or more employees

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- › Single Touch Payroll will align reporting to natural business processes.
- › Information reported through Single Touch Payroll will be pre-filled into business activity statements.
- › Employers who report an employee's details through Single Touch Payroll will not have to provide that employee with a payment summary at the end of financial year. They won't be required to provide the ATO with a payment summary annual report for those employee's details also.
- › Employers may have the option to invite their employees to complete tax file number declaration and super standard choice forms online, and most information will be pre-filled and validated.



# Need more information?

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We can work with you to provide tailored information to help you communicate with your clients.



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[ato.gov.au/singletouchpayroll](https://ato.gov.au/singletouchpayroll)