

Single Touch Payroll - Update May 2016

Status

- It is still happening
- The ATO has listened to and is continuing to listen to feedback
- Nothing drastic or new to report
- With the calling of the election, policy design is pretty much on hold

Current Plans

- High level design is being discussed (again), see “[ATO Journey Maps](#)”
- Business process pilot program will be conducted early 2017
- Software companies are being engaged and consulted to develop implementation plans

What Is It (At the Moment)?

1. Digital solutions to improve the:
 - a. TFN Declaration process
 - b. SuperChoice process
 - c. Other employer processes for new employees
2. Option for an employee to use a function of myGov to provide info to employer
3. Option for employer’s payroll software to interact with government for new employees
4. Plan is that an employer will constantly provide up-to-date payroll information to government (details yet to be decided)
 - a. Each payslip - copy sent digitally to government
 - b. Includes ongoing super guarantee information
 - c. Data will be year-to-date payroll amounts - removing any need to fix past information
5. Plan is for a new “pay year is final” process to replace current payment summary
6. Possible that the RESC and RFBT reporting may be separated from the “pay year is final” process
7. Investigating how government can best receive confirmation that super has been **paid**
8. Providing **options** for employers to pay PAYGW or SGC earlier (certainly not required to pay any earlier than now)
9. Thoughts that the ATO will prefill the PAYG W fields on a BAS: W1 to W4
10. Developing how ATO will approach its compliance activity

What It Is Not

- No reduction in employer obligations
- No reduction in paperwork
- No change to SGC obligations
- No removal of payment summaries (employees are still going to want them), despite what the government keep saying in their paperwork

When?

- Employers with more than 19 employees proposed July 2018 start
- Others - to be determined but in reality as soon as the software is ready

Why?

- Government position: it will result in less red tape, deregulation - we don't see it
- This project should result in a relatively low impact (to employers) method of helping the Government improve its compliance activity
- To catch the crooks
 1. Employers not withholding or not paying will be followed up sooner
 2. Employers not paying super will be followed up sooner
 3. Level the playing field - compliant employers will now compete fairly with the previously non-compliant employers

ICB View

We believe that Single Touch Payroll should be implemented through the use of business payroll software in the first instance and through the government providing access to simply report the same information for employers who don't have software or internet access. We believe that most payroll software should be able to easily send the information to government.

STP should be designed to recognise that employers, and their bookkeepers, spend considerable time fixing employee data (incorrect superfund information, incorrect TFN declaration information and so on). The new process **must** allow employers to fix incorrect employee information.

STP should also be designed so that the business's own records remain the source of truth i.e., the ATO records are simply a submission of the current information from the employer's payroll system; it should **not** be a second ledger that has to be reconciled. ATO therefore gets a new set of information each submission that replaces previous information submitted. Any adjustments are simply picked up from the next submission and do not have to be separately reported.

We believe that the combining of the SuperChoice form and the TFN declaration into one computerised process should be an efficiency benefit for employers. The proposed computerised interaction of an employee's existing funds with the SuperChoice form is a good win.

We would like to see the ATO redesign their compliance approach to work with employers on a program that allows for the first interaction to be understanding and forgiving. We hope the ATO will recognise that most employers are working hard to be totally compliant and if the ATO have a question, ask 'soft approach' questions before creating unnecessary compliance work for the employer who is already trying to be compliant.

We believe that government's involvement in receiving the data on a regular basis can **only** be justified if they actually take prompt action against the non-compliant employers. There is very little other benefit. There is currently **no** reduction to the regulatory burden on employers.