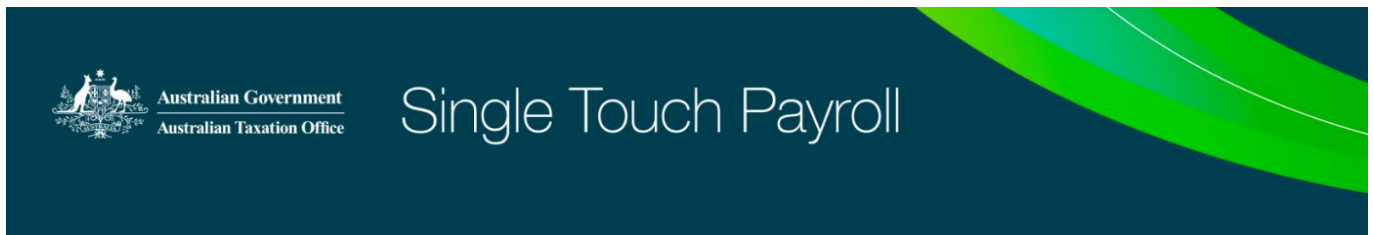


Single Touch Payroll – Business Rules

The ATO is about to email all employers to alert them about Single Touch Payroll.



The ATO email is a very brief 2-pager that simply alerts employers that the change is coming, and that they should watch for information from you – their bookkeeper/BAS Agent – or from their software company.

At the same time the ATO website (www.ato.gov.au/stp) will be updated to provide information that may explain the law and the system to employers. It is not yet a guide or guidance suitable for an employer to attempt to digest and implement.

Recommendation: The below information is provided so that you can be the leading advisor to your employers about Single Touch Payroll.

Remember: Single Touch Payroll allegedly starts from 1 July 2018 for larger employers, and all others from 1 July 2019

Read the **Status Report** from ICB on the STP implementation by the ATO here:
www.icb.org.au/out/148879/STP-Status-Report.pdf

Information for Your Employers

The updated ICB “Business Information Sheet” is to enable you to have that introductory discussion and indicate to your employers that you understand and have access to the information.

As it comes into being you can access it via www.icb.org.au/Single-Touch-Payroll

A customisable version for Members will be available for use in email distribution or face-to-face discussions via www.icb.org.au/Resources/Payroll/Single-Touch-Payroll

STP Toolkit resource for ICB Members

We provide a “[STP – Introduction to the Basics](#)” electronic book for you to use or print as an additional tool to explain STP to your employer/s.

A webinar will be held on Monday 2nd October to demonstrate how ICB would present this “ToolKit” to an employer – [Book here](#)

Single Touch Payroll – The Business Rules (part 1)

The ATO have provided to the software companies many documents to guide them on how to implement Single Touch Payroll. There is much more to follow:

- ICB presented a Webinar introduction to the Business Rules on Wednesday 20th September. This is available for you to review from the [Webinar library](#).
- **Previous Webinars** on Single Touch Payroll are also available to you:
 - › ICB presents: latest News and Updates for Simpler BAS and STP 25/11/16
 - › ICB presents: Single Touch Payroll 16/5/17 This is an introduction to the STP concepts
 - › ICB Presents: Introduction to ATO STP Business Rules (BIG V1.0)

■ Upcoming STP Webinars

- › Live Demo of using the STP Toolkit to explain to an Employer about STP.
Monday 2nd October at 2pm – [Book here](#)
- › ICB Presents: STP Business Rules Series 2: Authorisations & Corrections in STP:
Tuesday 10th October at 2pm – [Book Here](#)
- › ICB Presents: STP Q&A Session.
Ask your questions in advance by emailing Matthew@icb.org.au
Wednesday 1st November at 11am – [Book Here](#)

Extracted Content - About Payroll Reporting

Payroll event – This is the foundation reporting service for STP that will advise both the YTD employee data and the period employer amounts, for gross salary or wages and PAYG withholding.

Update event – The update event reports changes to the employee data when not made via payroll. It may be used to report non-payment data or to assist with EOFY processes.

A regular pay cycle is when an employer carries out payroll at fixed regular intervals, to remunerate employees. This is usually weekly, fortnightly or monthly. An employer can have different regular pay cycles for different employees.

Business rules for a regular pay cycle:

1. An employer is required to report to the ATO, all payments on or before the payday, through a payroll event. *Refer to subsection 389-5(1) of Schedule 1 to TAA.*
2. When payments are made electronically, the payment date is either the date stipulated in the electronic transaction, or if no date is stipulated, the date on which the payment is intended to be made into the employee's bank account.
3. The report must include, at a minimum, each employee with an amount subject to withholding in that regular pay cycle.
4. An employer reports the YTD values of gross salary or wages, allowances, deductions and PAYG withholding for each employee included in that payroll event. These YTD amounts may be less than a previous report (for example, recovery of a current year overpayment). These YTD amounts cannot be negative.
5. The employer reports period gross salary or wages (BAS label W1) and PAYG withholding (BAS label W2) for all employee payments included in that payroll event. These employer period amounts may be negative
6. When the employer calculates their superannuation liability in accordance with their obligations then they should report the YTD amount for each employee in that payroll event. If the employer pays above the minimum SG liability, then the employer may report this higher amount. Until an amount is required to be calculated, then zero should be reported. Where the employer cannot report superannuation liability they must report the YTD OTE amount. An employer can choose to report both OTE and SG amounts, if their payroll solution stores both.
7. All employees must have either a TFN or ABN reported.
If a voluntary agreement, then provide the contractor's ABN. The reporting of these payments through STP is voluntary.
The TFN is a mandatory field in the payroll event for employees. Where a TFN has not been provided then employers must use the TFN exemption codes.
8. A payroll event must contain at least one employee record.
9. A payroll event can only include one record per employee, per payee payroll ID.