STP Webinar FAQs for MYOB, Xero and Reckon

Questions and Answers from STP Webinar Series…

How to STP and Xero

Q Just confirming, that if the individual members of a group have less than 20 employees, but added together, they are greater than 20, all members of that group must report STP from the 1/7/18.

A Yes, that is correct, if entities have same directors, then all entities are in for STP if one has over 20 employees. The technical term is wholly owned groups.

Q Must there be an employee ID to be STP compliant?

A The employee ID will be done in the background. Yes, it is a STP compliant

Q When will the opt in button appear?

A The opt in button will appear after Xero turn on STP for your Xero file. Xero advise that they will be implementing for larger employers on the 100 & 50 payroll programs first.

Q How will this set up work for clients who do their own payroll in Xero?

A Once the organisation is opted in to STP, any user with Payroll admin permissions can file the pay run to the ATO once the pay run is posted. This needs to be filed either on or before the payment date of the pay run.

Q Is the Registered Agent Number, the Agent BAS Agent number?

A Yes

Q How does myGov work for businesses in setting up their STP reporting, if myGov is for an individual and not business?

A A business owner can create his/her individual myGov account and link an ABN Connection to their business ABN. This will allow them access to the Business Portal (using myGov instead of AUSkey) to link SSID to their ABN.

Q Does the pay event to the ATO have to be done on the day it hits the bank, i.e., if cheques are still done?

A STP lodgement is required on or before Payday.

Q So how do you do an adjustment

A If you need to adjust a pay run that has been filed to the ATO, there are 3 options.

1. If the pay run was the last posted pay run for that pay calendar, it can be reverted to draft and edited.
2. An unscheduled pay run can be processed and filed to the ATO.
3. You can adjust the amount in the employee's next pay run.

Q When do you have to get the declaration from the employer? Is it before you do the pay, i.e., when the employer sends the payroll figures to me to prepare payroll, or after I have completed the pay (i.e. send the reports back to the employer and get sign off)?

A ICB have discussed that an employer can provide authority at time of timesheets sign-off or at time of completion of the payrun.

See below links

- ICB – Single Touch Payroll Engagement Letters and Declarations

Q Who at the employer can give the authority to a BAS agent to lodge? Does it have to be the business owner, or can it be say the office manager who may be our main contact for payroll at the client?

A If a business owner gives authority to the office manager, then their authority is sufficient. As an external BAS Agent you must ensure that your engagement letter states who in the business is authorised to sign off on payroll.

Q As BAS Agents, do we need to get the client's authorisation before we can file?

A Yes. A BAS Agent requires authority to lodge STP.

Q Can a BAS agent and an authorised payroll administrator both be able to lodge the STP report?

A Lodgement of an STP event can be lodged by either. You will be required to choose who is lodging through Xero.

A pay run can be filed by any user with Payroll Admin permissions in a Xero organisation. It's up to the business to ensure that person is an authorised person to file with the ATO.

Q Does the declaration have to be done by the client on every single payroll run?

A Yes that is right – Discussions are still under way.

ICB advises that at a minimum you ***must*** have specific STP engagement upfront that specifies the payroll system and how you receive information, and that you are authorised to lodge. Then run payroll.

Many businesses will still get final sign-off by the business person once payroll has been calculated, and before the bank instruction is sent. This is still appropriate and, if you were doing this, continue to do so, and also get declaration for STP at that time.

Some businesses aren't able to get that final step sign off. If this is the case we advise that you ***must*** have the formal engagement upfront. The ATO have understood this position and are working to confirm that it is appropriate.

Q Just to confirm; a Contract BAS Agent needs to first get authorisation to set the client up in BAS Agent Portal – add the SSID to the Portal, process the payrun, get authorisation from the client to file the payroll, post the payrun and then file with the ATO?

A Yes, an authorisation from business owner is required for:

- adding a client to BAS Agent Portal and add SSID should be discussed.
- lodgement of STP Pay Event.

Refer answer above.

- ICB – Single Touch Payroll Engagement Letters and Declarations
- ICB – BAS Agents can Connect Clients for STP

Q Being a BAS agent, do you have to obtain the declaration for the payroll on every single payroll run from the client prior to filing with ATO?

A As per above.

Q What if you use various software packages to do STP? If I contact the ATO to set up STP for some clients who use Xero – following the instructions here as the registration is linked to my ABN, not the client's – can I also contact the ATO to set STP up under other software for other clients; i.e., can I lodge STP via more than one software?

A If you login to a Xero Org (business) as a user then the STP opt-in will provide you with the Unique SID for the business. It is this SID that must be attached to that Businesses Access Manager.

If you use different Xero Orgs for the same business, i.e., maybe two different payroll locations, each SID will need to be advised to the Business Portal.

Do ***not*** use your "Agent" or "partner" or "Xero PM" SID on any client Business Portal. Your SID given to you as a person or org known with an RAN (Agent Number) would be connected to your Portal, and that SID provided to Access Manager for the ABN that is you.

As a contract BAS Agent, you will need to setup a SSID for each software you use.

- ICB – BAS Agents can Connect Clients for STP

Q Has ICB got templates for this declaration, or is an email authority sufficient, or has Xero got an authority built in?

A Please see below link to ICB STP Authority Template at the bottom

- ICB – STP Engagement Letters

Q Does the BAS Agent have to "Connect to ATO" in each Xero file, for every client, even though the client is processing their own payruns themselves? In the Xero webinar it was my understanding only the payroll administrator that is processing the payruns needs to connect.

A If you lodge your client's STP through your XPM, then it is your SID that has been connected to your BAS Agent Portal, and that allows you to lodge on behalf of clients that are on your Portal Client list.

Noting that each client's own Xero Org needs that "Org's" SID connected to the Business Portal.

When you lodge, Xero knows it is you as an agent, and will use your XPM and your SID to lodge.

When the business lodges with a user who is not an Agent, then it will use the Business SID.

Q Will STP be turned on for Xero clients with less than 20 employees by 31 December as well?

A That is the current schedule

Q Why is the year 18/19 31st July 2019 and the other years are August?

As this is the first year you would think it would be longer.

A For the year ended 30 June 2018, the current requirement (which is ***not*** STP):

- Payment Summaries to employees by 14 July
- Empdupe to ATO by 14 August

The dates requiring finalisation of an STP report (which will be in Xero for the 2018/19 year) and currently only applies for the Substantial (20 or more employees) is 31 July 2019. Then for the 19/20 year it is 14 July 2020.

ICB believes it is feasible those same dates will apply when STP is required for smaller employers.

Q Will the BAS agent AUSKEYS still be available to use, or will we as BAS Agents need a myGov as well?

A Currently AUSKEYS are used to connect to the ATO portals, however the myGov ABN Connections may take over.

Q Will an STP report be available to check YTD payment summary?

A The Employees can look at their pay slips if no access to myGov all the time, as a second option to check their YTD for wages & SGC.

Q Will ICB be updating their Engagement Letter template to incorporate these new services and preferred wording on responsibilities, etc.? Same for the declaration.

A See ICB's STP engagement letter template

- ICB – Single Touch Payroll and Engagement Letters
- ICB – STP Engagement Letter

ICB STP & MYOB

MYOB & STP

Web address for consultants information on STP

- www.myob.com/stpconnect

Web Address for customers

- www.myob.com/stp

What's New in version 2018.2

- http://download.myob.com/arl/Whats_new_in_AccountRight_2018_2.pdf

Q Will MYOB be ready on July 1 2018?

When will the STP compliance be ready in MYOB Essentials?

A See the following links:

- ICB – STP Software Status
- MYOB – Introduction to Single Touch Payroll reporting

"Single Touch Payroll functionality will be delivered into MYOB products throughout the first half of 2018."

MYOB is working closely with the ATO to put the finishing touches on AccountRight in advance of the **1 July 2018 deadline**. Our latest AccountRight version has some STP readiness checks to help you prepare. We recommend attending one of our Single Touch Payroll training courses.

If you **start reporting before 1 July 2018** you'll still need to use the Payment summary wizard to produce payment summaries, and send the Payment Summary Annual Report to the ATO (via the EMPDUPE file).

MYOB has been granted a deferral by the ATO for all employers who are currently utilising AccountEdge, multi-currency on AccountRight Classic or any other AccountRight Classic feature that prevents them from moving online. The deferral is in place until 31 May 2019.

Q MYOB- is there a way to delete obsolete payroll categories?

A Unassign these payroll categories from all employees so they are not part of standard pay. Then if these payroll categories have not been used they should delete. A reason for not deleting is that the category is attached to a job code

Q If Payroll ID is mandatory, will MYOB automatically assign an employee number?

If MYOB assigns an employee number, will it sync the same as our preference? E.g., I like to use the first 3 letters of surname followed by 3 numbers, e.g., 001 or 002.

Is there is a required format for employee ID?

A Yes, in version 2018.2 MYOB introduced a new identifier – Employee ID – for reporting to the ATO. This is a system-generated value that cannot be overwritten. If you have STP activated, the Employee ID will show up in the Employee Card Details, however you will not be able to edit the value.

Note that the Card ID is no longer the Payroll ID for STP reporting. You will no longer get errors on Employee IDs (Card IDs).

Q In order to use STP will we need to change from the desktop version to the cloud version of MYOB? Currently using AR Premier.

A It is necessary to change to the current version, but it is not necessary to be in the cloud.

You also need an internet connection to send the STP information to the ATO.

Q For clients still using AccountRight Premier, has the STP update been released for this?

A If you are referring to Classic Premier v19, you will need to upgrade to the new version 2018.2. If your client uses Premier for Multi-currency and negative stock, then MYOB has organised a deferral for STP for your client.

Q As BAS agents, if we nominate ourselves, can this submission detail be changed if the status of the business changes, as if the bookkeeper then takes over the payroll from the owner?

A Yes. BAS Agent details are sent if the BAS Agent makes the declaration. If the business owner is lodging by themselves it is a different declaration.
(ICB: hopefully MYOB will make this process self-evident)

Q Should we be recommending to all our clients with employees to, as of the 1st of July this year, designate Employee Card ID's, so that when we do start transitioning our clients over to STP, that the Employee's payroll details will generate back to the 1st of July under that ID code?

A Best preparation is to check all employee's details: TFN, DOB, Name, Address, Employee ID, and payroll categories in readiness for whenever you start STP.

Q On page 9 of our notes, the slide says "Remove terminated employees from list". I was after clarification as to how/what we do please :)

A Take the time to clean up your Employee list. If you have very old employees that can be removed – then remove them – otherwise make sure you have a termination date on their card and make them inactive

Q when you say 'get rid' of terminated employees are you referring to entering a termination date? i.e. some old casuals that have never really been terminated?

A Yes, as above

Q As a BAS agent lodging STP to the ATO, do we need lodgement authority?

A Yes. Your clients can give you one Standing Authority declaration that covers many pay runs over a period of time. Keep in mind that the wording of the declaration needs to be in line with the requirements in the ATO's Taxpayer Declaration Guide.

See more in the ATO's STP Authorisations and Declarations Scenarios guide.

Q Is it possible to have the client authorise the STP lodgement similar to Super authorisation?

A MYOB has no plan to make this type of authorisation available

Q If we use a client's computer, does our ABN and BAS agent number get remembered by the client's computer?

A Entering the details of your ABN and BAS agent number are remembered in the software.

Q If the client is doing the payroll, and we are doing end of year/BAS, do they need an AUSkey as such to be able to report STP to the ATO, or is this just connected through the software MYOB only?

A You're not required to have an AUSkey to register or report through Single Touch Payroll. An AUSkey is only required if you choose to enable MYOB to report through STP via the ATO's Access Manager. This is the easiest method, and it requires you to have an AUSkey, or have your ABN connected to your myGov account. Alternatively, you can phone the ATO.

Q Can ***two*** AUSkeys be linked to one data file? E.g. client for pay events and BAS Agent for BAS lodgements?

A See previous answer.

Q I am an employee and have an AUSkey which is on my work computer. However the company data file is on terminal server (with internet access). Does my AUSkey need to be on the terminal server?

A See previous answer.

Q I lodge via the BAS Agent Portal and GovReports using my AUSKey. Can I link that to MYOB as well?

A STP will lodge via the SSID from the file through MYOB.

This does not effect your existing BAS lodgement process.

You can also use the MYOB SSID and lodge the BAS direct from the client file.

- ICB – SBR Software Services

Q Does it depend upon whose AUSkey you are using for submissions – employee if using employer's AUSkey, or BAS agent if using your AUSkey?

A AUSkeys are not included in STP submissions. You're not required to have an AUSkey to register or report through Single Touch Payroll. An AUSkey is only required if you choose to enable MYOB to report through STP via the ATO's Access Manager. This is the easiest method and it requires you to have an AUSkey, or have your ABN connected to your myGov account. Alternatively, you can phone the ATO.

Q If for some clients you are now actually an employee – I have 18 clients, two of which I am now an employee – do I click BAS Agent, or someone from business?

A ICB would recommend that you be listed in all files as the agent. For STP there are no agent concessions. Noting the clients where you are an "employee", there would be no Agent extension to the lodgement dates of a BAS.

Q I have a client that I handle payroll but another accountant handles the BAS. A second accountant handles the tax. Can we all link the client through the Portal? Previous experience has been that it only allows one agent per area, i.e., BAS or Tax.

A Remember that the Portal will only show a report of what has been lodged. There is no other STP function in any of the portals.

Yes, each of the Business, the BAS agent and the tax agent can have access to the client's information on their different portals at the same time. Tax agents have a tendency to kick the BAS Agent off… they don't need to.

Q What Mapping fields? For deductions of salary sacrifice FBT for not-for-profit org that are not included in the category, where we can classify this?

A Salary Sacrifice FBT for not-for-profit are not reportable for payment summaries, so STP is the same.

Q A deduction for salary sacrifice for a computer (not super) should be mapped to gross – can MYOB do this?

A Yes. See the MYOB knowledge base articles for salary sacrifice.

Q I have set up Additional PAYGW Categories for those financial years when there are 53 pays in a year. I don't have the option to allocate these to PAYG withholdings. I only get options Not Reportable, Deduction & ETP.

A Please direct this customer to contact the MYOB support team, we need to better understand this problem.

Q What category do you use for employer additional that isn't RESC?

A If the super is Additional Employee that is after tax, this is not reported.

Any wage/payroll category that is currently not reported on the payment summaries is generally not reported in the new STP world.

Q How do you treat an allowance that is paid after tax?

A It is not reported as it is simply the way the net has been paid.

Q We had 19 employees on 1st April when we did the headcount, but have since engaged a casual – taking us to 20 employees. Can we still wait until 1/7/19?

A Yes, but think about getting started when the software is ready.

Q Can you start reporting STP midway through the year? If so, do you still have to prepare the payment summaries?

A You can start at any time. Make sure you reconcile your payroll up to that time, and the first time you report to the ATO the YTD figures are advised, so wages previously completed will be included.

Q If you start STP after 1 July, how will you process employees who do not get paid in the first pay – that is, they terminate before that first run?

A If you have not paid the employee through STP then you must issue them a payment summary.

Q If a director has many companies such as a plumbing arm, electrical arm, bricklaying arm, etc., all with their own ABN and BAS returns for STP purposes. Are they separate entities, or do their employees get added in together for the head count?

A If the director wholly owns all 3 entities, then they are grouped for STP head count.

If the entities have different owners/shareholders, then they are not grouped and stand alone.

Q I have a client that has two separate entities – two different ABNs – but are grouped together. What are the rules for grouping?

A If the entities are 100% wholly owned by the same person, then they are grouped for the headcount.

For STP reporting, the correct ABN has to be used for each employment relationship.

Q I have a builder client who is his only employee. He is paid weekly via direct credit, but payroll is entered once a month when I do his books. Is there a problem with this with the ATO?

A The ICB are in discussion with the ATO about how to have a realistic reporting framework for these "micro" employers. More information to follow…

Q I have a client who does two separate payruns, but they are the same dates (weekly). She has two separate ABA files. Would she report this as one pay event?

A Lodge both PayEvents and the 2nd PayEvent. The ATO will process according to the date and time stamp that the PayEvent was created, and they will know which one is the most recent.

Q At the end of each year I need to work out salary sacrifice / FBT. How do you work this out each pay period for STP?

A Salary Sacrifice is entered per PayEvent as you do your salary. So, if you have SS in each payrun, then it is reported each time. If you only pay SS at end of the year then it is reported in that payrun.

FBT is normally added in the last payrun each year.

Note: you cannot use " " (spaces) in an address line – e.g. "name of farm"

The Address field cannot contain " " (spaces) or comma or full stops.

Payment summaries allow you to link a deduction (salary sacrifice) to gross. The current software does not allow this for STP setup. If you do not include this in the gross, you will be overstating their gross, and therefore giving an incorrect tax liability.

This will be fixed in the next release of MYOB AccountRight 2018.2.1

Q If you have an employee leave in August, you put in a termination date, and then make the card inactive after last pay, is this what you mean by removing terminated employees?

A If an employee is termination within the payroll year, then they are still part of the STP YTD PayEvent. On finalising the year, then the terminated employee can be removed or made inactive

Q Is there a Mapping category for Child Support deduction? Child Support needs to be data matched with Centrelink. Does it need to be reported?

A Child Support is not reportable on payments summaries therefore the same for STP. Recommend changing the flag of the deduction category as not reportable. This may change in the future.

Q If we have to delete a wage and re-enter after the client has entered, do we need to send to the ATO, or will it update in the next payrun to the ATO?

A Update in the next payrun with the YTD wages.

Q So, after saving and closing, can you then print the payroll advice off to check it… and then send to the client for approval?

A MYOB's STP process will provide a Payrun summary for your review and approval before lodging STP PayEvent.

Q I have a client with monthly, fortnightly, and weekly paid employees. Occasionally these all fall on the same day. Does the STP report need to be lodged separately for each pay run (they are all processed separately), or does it have the ability to lodge one report for the day?

A Yes. You need to report STP for every pay run.

Q What happens when you go to do a client's BAS, and they take money out randomly for wages, and when the BAS is done we process the wages, e.g., March BAS completed in May 18 but we have to process pays for Jan 18, Feb 18 and March 18?

A This scenario is being discussed with the ATO for a realistic outcome. Process each pay and submit the PayEvent files in sequence. Complete or alter the BAS W labels to your new correct amounts. The last file submitted will have the most up to date YTD amounts for each employee.

Q Re: Question about employer additional: it's before tax. Company pays an additional 3% SGC but it's not optional so not RESC. Is it still SGC?

A Payment summaries allow you to link a deduction (salary sac) to gross. The current software does not allow this for STP setup. If you do not include this in the gross you will be overstating their gross and therefore giving an incorrect tax liability.

ICB recommendation is to report all Super obligation of the employer for each employee – be it 9.5% or greater. You are not limited to showing the SG amount. The specification allows SG or greater.

Q Can you start reporting STP midway through the year? If so, do you still have to prepare the payment summaries?

A Currently most software is not ready to submit the ***final*** event for STP, therefore for 2018 year end, payment summaries are required.

For 2019 end of year, if you are in STP at any time during the year, STP final event will allow ATO to send payment summaries to employees using myGov.

Q As per the ATO Webinar: it's not compulsory to have a myGov account – as mentioned they can also get them when they visit their accountant, as the accountant will have access to it.

A Yes. That is correct, however you may find the employee wishes to review their payment summary before visiting the accountant.

Q Must notification be done the same day as they go to the bank?
But what if they are paid by Cheque?

A On or before payday

Q As a BAS agent, if I go away on holiday, how can I have one of my contract bookkeepers who are not registered BAS agents run the payroll for clients? Can they run the payroll and then I report when I return from leave?

A Have the client make an employer declaration and then process each lodgement.

Q I am an employee. What should I do when I am on annual leave and I pre-set-up all the wages for all the weeks I am away to be ready in the electronic transfers? Can I pre-lodge before the pay week.

A Yes. You can lodge reports any time before payday.

Q When answering the questions regarding going away on holidays and reporting, could you also touch base on requirements of a question asked by someone else earlier: that if you only log in once a month to process the pays that have already been paid, either electronically, or in my case the client pays weekly by cheque, is this okay with the ATO?

A Under discussion with the ATO.

Q In our ICB meeting and the ICB newsletter, my understanding is that there is no delay permitted for lodging the STP. It must be done the same day as the payments going into the bank.

A Yes – on or before payday.

Q Why is it July 2019? For the year 18/19 I would have thought that it would be August, being the first year of starting?

A Check back about April next year for confirmation of lodging timeframe.

How to STP and Reckon

Q If I understand correctly; each new pay provides YTD figures, so therefore would update any changes – therefore when would the Full File Replacement be needed? Would it be errors in TFN or employee numbers?

A Correct re: YTD figures.

Refer to the ATO for FFR or Update files usage.

Q If you have 3 companies in 3 different files, when it gets to upload to GovConnect would you upload all 3 files at same time and submit pays together?

A Using Reckon, you are required to create 3 separate STP Entities (as each entity has their own ABN) and then submit STP from each entity.

Q As BAS agents, if we nominate ourselves, can this submission detail be changed if the status of the business changes, as if the bookkeeper then takes over the payroll from the owner?

A Yes, the business owner can change who lodges the STP Event.

Q As a BAS agent lodging STP to ATO, do we need lodgement authority?

A Yes. Discussions are still happening about the frequency – whether it is every time or once. Currently it is every lodgement, but ICB will advise if that changes

Q If the client is doing the payroll, and we are doing end of year/BAS. Do they need an AUSkey as such, to be able to report STP to the ATO?

A On setup of STP, you are required to let the ATO know the payroll software you are using.

You can inform the ATO via

- Phone
- Business Portal via AUSkey
- Business Portal via myGov ABN Connection

Q If we use a client's computer, does our ABN and BAS agent number get remembered by the client's computer?

A No, however your ABN and BAS Agent number will be stored in the client's STP entity.