

Single Touch Payroll - Employers

Your Payroll seen by the ATO ... All Year

The Single Touch Payroll (STP) is law and applies to all employers. You must report or engage with the ATO.

Who?

1. All employers must participate.
 - “substantial” employers, (20 or more employees by headcount), on or before 1 July 2019
 - Their transition year is over. You must be reporting or granted a specific deferral
 - All other employers
 - Must be reporting or granted a deferral before 30 September 2019
 - Transition year until 30 June 2020
 - ATO Approach is that no penalties will apply in the first year
2. Micro (1-4 employees) and disconnected employer concessions
 - The law still applies requiring you to enter STP by 30 September 2019.
 - ATO approach is that there will be a year of no penalties.
 - Quarterly reporting by your Agent in alignment with your BAS lodgement is an option.
 - Low cost payroll solutions are available.
3. Anyone can elect to enter STP earlier than required

It is about reporting your Payroll, it is NOT about paying earlier.

What?

You submit payroll and superannuation data to the ATO each “PayEvent”. This could be weekly, fortnightly, monthly or whenever you pay.

A PayEvent is each time you pay someone and you should be generating a pay slip. Some of the data on the pay slip is now sent to the ATO:

- The year-to-date totals of gross wages, allowances, deductions and gross tax for each employee being paid.
- The year to date amount of Superannuation that has been accrued. The Superannuation Guarantee must be reported, other super can be reported.

You will also report the W1 Gross Wages & W2 Gross Tax for each payrun (so that the ATO will eventually prefill these totals for the BAS period onto the BAS for employers who also report W1 & W2 on the BAS).

Superannuation payment information is going to be sent to the ATO by the SuperFunds. This information will be used by the ATO to check you are paying.

How?

Your payroll software should do it all for you.

It is a substantial change such that your software will need to control what is reported when and in what form. We recommend that you embrace payroll software and bring your system up to date to include STP reporting.

Quarterly reporting by your Agent is an option if you do not have appropriate computer systems or internet connection.

When?

Over 100,000 employers are already reporting to the ATO using STP.

Substantial employers should be providing STP information before 1 July, 2019.

Other employers should commence STP reporting before 30 September, 2019.

Any employer can enter STP as soon as they are able.

Why?

- The ATO will gain greater visibility of all employers, enabling earlier activity to ensure the employer is paying their PAYGW and their SGC.
- The employer will no longer be required to provide payment summaries to their employees. The ATO will provide them or the employee can obtain them through myGov or their Agent.
- The ATO will prefill tax returns with the payroll information.
- The ATO will make the payroll information available to employees all year through myGov.

What is the impact?

STP means that your payroll system employee information (names, addresses, date of birth, TFN) needs to be accurate and complete all year.

Each payrun triggers the requirement to report to the ATO which enhances the requirement for someone to correctly authorise that the pay information is true and correct and able to be lodged.

What you need to do!

Employers should streamline their payroll process by utilising a software solution.

Establish the payroll system, or adopt STP reporting through your software. Certified Bookkeepers have been implementing STP reporting for employers since July 2018 and are trained, resourced and supported to assist employers.

Future of STP

The ATO will streamline the process for a new employee by automating the Tax File Number Declaration and SuperChoice form into payroll software and myGov.

Note: The employer's payroll records are always the "source of truth". Therefore, any amendments to past pays, or any fixes required are updated in the employer's systems and records. At the next PayEvent the ATO will receive the updated YTD information. There is no need to go back and amend past PayEvents.

The employer will still have to "finalise" a payroll year by indicating to the ATO that the information they are now being sent is the final version and can be used for tax returns.

Phase 2 of STP includes payroll data interacting with other government departments.