

## ARE YOU READY FOR SINGLE TOUCH PAYROLL?

### What is Single Touch Payroll?

Single Touch Payroll (STP) is a mandatory payroll reporting requirement affecting all employers who employ 20 or more employees. From the 1 July 2018, employers will need to report payments such as salaries, wages, PAYGW and superannuation information directly from their payroll solutions.

### Who will be impacted?

STP will impact all employers who have a head count of 20 or more employees as at 1 April 2018. Who do we include in a head count?

- full-time employees
- part-time employees
- casual employees who are on your payroll on 1 April and worked any time during March
- employees based overseas
- any employee absent or on leave (paid or unpaid)
- seasonal employees (staff who are engaged short term to meet a regular peak workload, for example, harvest workers).

### Do not Include

Any employee who ceased work before 1 April 2018

- Casual employees who didn't work in March 2018
- Independent contractors
- Staff provided by third party labour hire organisation
- Company directors
- Office holders

If you are part of a company group, the total number of employees employed by all member companies of the wholly-owned group must be included



## What are my reporting obligations?

- Every pay on or before pay day – salaries, wages, PAYGW, superannuation even if the resulting net pay is Nil
- FBT
- TFN declarations
- Hire and Cessations dates

Future Activity Statements will have W1 and W2 prepopulated with STP data. When processing the last pay for the year, employers will mark employee's pays as final and this will flow into the employee's my.gov account. Employers will no longer be required to issue payment summaries and load EMPDUPE files.

All software vendors have indicated they will be releasing STP compliant products in the first half of 2018. Many have already started making changes to their products such as TFN validation and audit logging of changes to key reporting data.

The ATO have indicated there will be a range of penalties for errors, omissions and avoidance all with specific timeframes yet to be released. It is noted you can correct mistakes in your next STP report. The ATO has also indicated it is unlikely they will penalise in the first 12 months unless it is a repeat offence.

## What about employers with 19 or less employees?

The government has indicated to the ATO that it will expand STP to include employers with 19 or less employees from 1 July 2019; however this is subject to legislation being passed in parliament.

## What do I need to do?

- Do a head count 1 April 2018
- Update your payroll solution when your Vendor is ready
- Start reporting through single touch payroll from 1 July 2018 if your head count is 20 or more employees.

