

SINGLE TOUCH PAYROLL

The Australian Taxation Office (**ATO**) has implemented new financial reporting obligations requiring more information to be provided each time you pay your employees. They are calling the new system the Single Touch Payroll (**STP**).

What is STP?

As explained by the ATO, the new STP reporting facility aligns reporting obligations to payroll processes. Each time a payment is made to an employee, you are required to report to the ATO your employees' salaries and wages, allowances, deductions, any other payments, PAYG withholding and superannuation information. This is done through new software incorporated into your existing payroll software.

When will these new changes commence?

Employers with 20 or more employees (as at 1 April 2018) are required to start implementing the new reporting regime as of **1 July 2018**. Employers with 19 or less employees may commence on 1 July 2019 (subject to legislation being passed by Parliament).

Please note, even if your employee numbers drop under 20, you are still required to continue reporting until you are granted an exemption.

How do I work out which employees to include in the headcount?

Include employees as at 1 April 2018 who are:

- full-time;
- part-time;
- casual employees and seasonal workers on your payroll on 1 April and worked any time during March. If you have seasonal workers, please contact us for further information on the exemptions available;
- employees based overseas; and
- any employee absent or on leave (paid or unpaid).

If you are part of a company group, the total number of employees are those employed by the wholly-owned group.

Do not include employees who are:

- any employees who ceased work before 1 April;
- casual employees who did not work in March;
- independent contractors;
- staff provided by a third-party labour hire organisation;
- company directors;
- office holders; and
- religious practitioners.

Even though directors and office holders are not included in the headcount, you are still required to report their payment information to the ATO through the STP system.

Is STP mandatory?

Yes, for those employers with 20 or more employees, your new reporting obligations commence on **1 July 2018**.

How do I get my business ready for the changes?

You will need to find out if your payroll software provider offers STP reporting. It is important to check with your payroll software provider if they have a deferred start date as you may not be required to start reporting straight away. However, if your payroll software provider is ready for the new system but your business won't be (due to extenuating circumstances), it is essential that you apply for a deferred start date through the ATO.

For more information, visit the ATO's website or contact Employer Assist.

Member Benefits

Employer Assist provides HVIA members with advice regarding all aspects of your workplace and employment law. Please contact Employer Assist on **1300 694 842** or hvia@employerassist.com.au if you have any questions about the content of this article or if you require any assistance with your business.

Emma Dalley and the **Employer Assist** team.

This article is intended for information purposes only and should not be regarded as legal advice. Please contact Employer Assist for specific advice.