

SINGLE TOUCH PAYROLL

Employers are you ready for 1 July 2019?

It is time for small employers to get ready for Single Touch Payroll (STP). From 1 July 2019, employers with 19 or less employees are required to start reporting through Single Touch Payroll.

WHAT IS SINGLE TOUCH PAYROLL?



STP is a government initiative aimed at streamlining the payroll reporting process. Businesses will be required to transmit data, including salaries and wages, allowances, deductions, superannuation guarantee information and PAYG withholding to the ATO on a real time basis (i.e. weekly, fortnightly or monthly depending on the payroll period of each business). The intention of STP is to improve compliance by employers and increase transparency of information with the ATO.

WHAT ARE THE IMPLICATIONS OF STP?



- The ATO will have real time access to employers' year to date payroll information.
- The ATO will be able to match an employee's superannuation fund payments to a payslip immediately, rather than waiting for an annual report from an employer.
- Employers will need to ensure their payroll systems operate effectively and in compliance with employment tax and superannuation obligations.
- No more annual payment summaries to lodge with the ATO.

HOW DO YOU REPORT THROUGH STP?



- The person doing the payroll function will register and lodge the STP reports.
- There will be a range of no-cost and low-cost STP solutions available through various providers.
- Micro employers (1-4 employees) will have a number of alternative options such as allowing your registered tax agent or BAS agent to report and lodge the STP information on a quarterly basis.
- Pitcher Partners can assist you through the set up requirements if required.

TRANSITION DATES



- The ATO are allowing a three month transitional period for small employers to review their processes and what is best for their business. Therefore allowing the STP reporting to occur anytime from 1 July – 30 September 2019.
- The ATO will also consider further time deferrals for small business who need more time to get ready for STP.

CORRECTIONS



If you find an error in a pay run that you've lodged your STP reporting for, you can still make a correction. There are a few options to correct an error as follows:

- Revert the payrun, make your required changes, post and lodge
- Complete an unscheduled payrun
- Fix the mistake in time for your next pay run

HOW TO GET READY FOR STP?



- Review your payroll processes.
- Determine how you will report through STP.
- Check your payroll software is STP compliant.
- If you don't have payroll software, consider the best payroll solution for your business.
- Apply for a deferral if you won't be ready by 1 October 2019.
- Start reporting to the ATO through STP.
- Contact Pitcher Partners if you require assistance.