

Single Touch Payroll (STP) reporting

Single Touch Payroll (STP) reporting is changing the way employers report payroll-related information to the Australian Taxation Office (ATO) from 1 July 2018. Initially the measures were applied to “substantial” employers (broadly, 20 or more employees). Legislation has now passed extending STP for all employers from 1 July 2019.

The new measures form part of the Federal Government’s Digital Transformation Agenda, and are intended to reduce compliance costs and red tape for businesses.

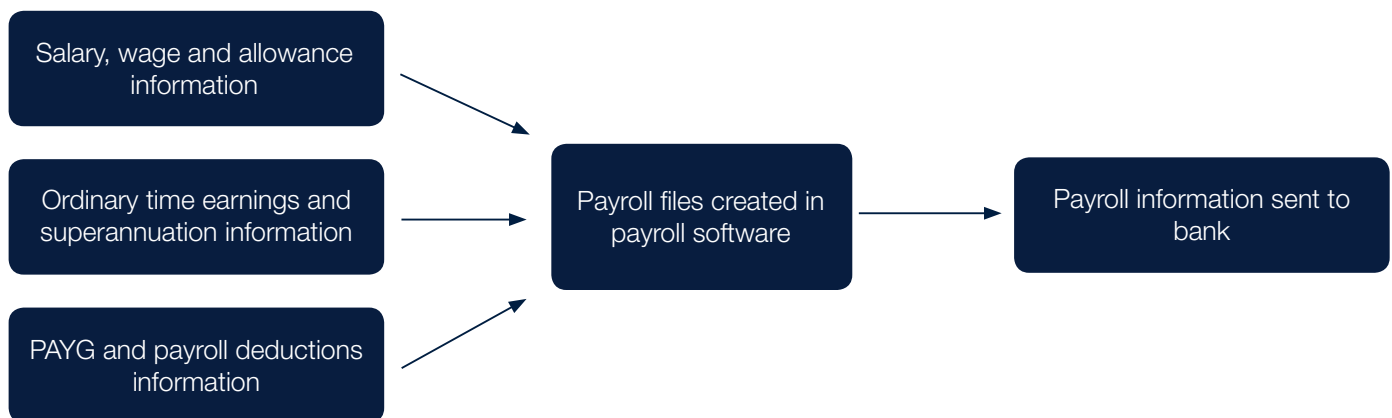
What’s changing?

- STP requires payroll and superannuation data to be transmitted to the ATO when payroll is processed (i.e. payment information sent to bank)
- Employees access real-time pay information via myGov, removing the need for payment summaries (unless reportable employer superannuation or reportable fringe benefits amounts are included)

What’s not changing?

- Payment due dates
- Existing processes or documentation (if an exemption is granted)

How it works



Digital by default

Under STP reporting, all payroll, superannuation and PAYG Withholding information must be transmitted to the ATO electronically. This will be handled by your payroll software.

All major software vendors should have released STP-enabled software. If you are a small business who does not currently use STP-enabled software you will not be required to purchase this software.

Software vendors are currently working with the ATO, industry bodies and professional associates to develop low cost reporting solutions for small businesses.

The fine print

All businesses with 20 or more employees should already have implemented STP reporting.

For businesses with fewer than 20 employees the following circumstances may apply:

- Micro employers (1 to 4 employees) will be provided assistance in transitioning to STP by way of utilising their BAS or Tax agent to report quarterly for the first two years. However, we strongly suggest moving to a compliant software immediately to reduce the administration burden.
- Small employers have until 30 September 2019 to commence reporting, however our team is well placed to assist you throughout the transition process now.
- For the first year there will be no penalties for mistakes, missed or late reports.
- The only published circumstances where exemptions from STP reporting apply are for employers experiencing hardship, or in areas with intermittent or no internet connection.

Next steps

- Contact your Crowe Horwath adviser for assistance on transitioning to a suitable STP compliant software
- For further information, please feel free to visit the ATO website using ato.gov.au/singletouchpayroll

Tel 1300 856 065

www.crowehorwath.com.au

The relationship you can count on

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