

# SINGLE TOUCH PAYROLL

The Australian Taxation Office (ATO) is changing the financial reporting obligations of employers requiring more information to be provided each time you pay your employees

The ATO is 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 to 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.

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

## AAAA Member Benefits

Employer Assist provides AAAA members with advice regarding all aspects of your workplace and employment law.

Please contact Employer Assist on 1300 735 306 or [aaaa@employerassist.com.au](mailto:aaaa@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.

## 3.5 PERCENT WAGE INCREASE ANNOUNCED

The Fair Work Commission (FWC) has announced a 3.5 percent increase to minimum wages

The increase will apply from the first full pay period starting on or after 1 July 2018.

### What do I need to do?

Employer Assist is in the process of preparing updated pay scale summaries for AAAA members. Copies will be distributed to members in mid-June 2018. If you have not already received a copy, please contact Employer Assist.

In the meantime, employers should start reviewing their employee's current pay rates and preparing for the increase. Now is a perfect time for employers to roll out new employment contracts or review and update existing employment contracts. Please contact Employer Assist if you require any assistance with employment contracts.

### Who does the increase apply to?

The increase only applies to employees that get their pay rates from the national minimum wage, a modern award or in some cases a registered agreement.

### Award Free Employees

The new national minimum wage will be \$719.20 per week or \$18.93 per hour. The national minimum wage applies to employees who aren't covered by a modern award or registered agreement.

### Award Covered Employees

Most employees are covered by a modern award. Modern award rates will increase by 3.5 percent. As mentioned, Employer Assist is preparing updated pay scale summaries which will be emailed to members once completed.

If an employee is already paid above the modern award, employers may be able to absorb the increase. However, employers will need to ensure that the employee's wage is at least equal to or better off overall compared to the employee's minimum entitlements under the modern award. Contact Employer Assist for assistance with these calculations.

### Enterprise Agreements

If a registered agreement applies to the workplace, employers will need to ensure the minimum base rates in the agreement remain at least equal to the modern award rates. If not, the agreement rates will need to be increased to match the new modern award rates.

### Questions

AAAA members can contact Employer Assist on 1300 735 306 or [aaaa@employerassist.com.au](mailto:aaaa@employerassist.com.au) for information and advice on the wage increase.

