

SINGLE TOUCH PAYROLL UPDATE

Parliament has now passed legislation to extend STP to all employers from 1 July 2019

Last year, Employer Assist notified members about the new Single Touch Payroll (STP) obligations for employers with 20 or more employees. In this article, we will explain how STP obligations will extend to all employers from 1 July 2019.

What is STP?

STP is the new way of reporting tax and super information to the Australian Tax Office (ATO).

Most payroll and accounting software now offer STP-enabled products that will send tax and super information direct from the software to the ATO as you run your payroll. Alternatively, third parties such as registered agents can report on your behalf.

No-cost and low-cost STP solutions are being made available for micro employers (one to four employees) who don't currently use payroll software.

When will STP commence?

Employers with 20 or more employees were required to start implementing the new reporting regime as of 1 July 2018. Please note, even if your employee numbers drop under 20, you are still required to continue reporting until you are granted an exemption.

Employers with 19 or less start reporting from

1 July 2019 – 30 September 2019. If employers need more time, they can apply for a deferred start date.

Employers with four or less employees also have the option of having their registered tax or BAS agent to report their STP information quarterly, rather than each time they run payroll. This option will be available until 30 June 2021.

Is STP mandatory?

Yes, STP reporting is mandatory subject to exemptions. For example, an exemption to STP reporting may be available if you have no internet or an unreliable connection.

For more information on exemptions, visit the ATO's "single touch payroll exemptions" website page or contact Employer Assist.

How do I get my business ready for the changes?

Firstly, you will need to determine how you will report through STP. You can:

1. report through payroll or accounting software that offers STP reporting. If you already have payroll or accounting software, you should find out if your software provider offers STP reporting. It is important to check with your software provider if they have a deferred start date as you may not be required to start reporting straight away. However, if your



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.

2. ask a third party, such as a registered tax or BAS agent, or a payroll service provider, to report through STP for you. However, it is your responsibility to ensure they use STP enabled software.
3. if you are a micro employer, you can select a no-cost or low-cost solution. The ATO expects these solutions will be available by 1 July 2019.

The ATO has developed useful reporting guidelines and checklists for employers on its website. 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.

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Please contact Employer Assist on 1300 735 306 or aaaa@employerassist.com.au if you have any questions about the content of this article or if you require any assistance with your business.

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