Single Touch Payroll

- https://www.ato.gov.au/Business/Single-Touch-Payroll/
- Last modified: 05 Mar 2018
- QC 54701

Single Touch Payroll is a reporting change for employers.

It starts from 1 July 2018 for employers with 20 or more employees.

You will report payments such as salaries and wages, pay as you go (PAYG) withholding and superannuation information from your payroll solution each time you pay your employees.

Single Touch Payroll will be expanded to include employers with 19 or less employees from 1 July 2019. This is subject to legislation being passed in parliament.

Watch:

This short video provides an overview of Single Touch Payroll.

Find out about:

- About Single Touch Payroll
- Get ready for Single Touch Payroll
- Report through Single Touch Payroll
- Single Touch Payroll for employees
- News, events and resources

About Single Touch Payroll

- https://www.ato.gov.au/Business/Single-Touch-Payroll/About-Single-Touch-Payroll/
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- QC 54702

Single Touch Payroll (STP) aligns your reporting obligations to your payroll processes.

You will report to us each time you pay your employees. Your pay cycle does not need to change. You can continue to pay your employees weekly, fortnightly or monthly.

The information you send us will include your employees' salaries and wages, allowances, deductions (for example, workplace giving) and other payments, pay as you go (PAYG) withholding and superannuation information.

Employers with 20 or more employees:

- You need to start reporting to us through STP from 1 July 2018 if your software is ready.
- Some payroll software providers have asked us for more time to update their products – check if your product has a deferred start date.
- If your software will be ready by 1 July 2018 but you won't be ready, you will need to apply for your own deferred start date.

Employers with 19 or less employees:

- From 1 July 2019 STP will be mandatory, subject to legislation passing in parliament.
- You can choose to report through STP before 1 July 2019 if your software is ready.

What will change with Single Touch Payroll

Each time you pay your employees, you will report the tax and super information to us from your Single Touch Payroll (STP)-enabled payroll solution.

You will not need to provide payment summaries to your employees for the payments you report through STP:

- Employees will be able to view their payment information in ATO online services, which they will access through their myGov account. Your employees can also request a copy of this information from the ATO.
- To be exempt from giving payment summaries, you will need to make a finalisation declaration.

From July 2019 we will pre-fill activity statement labels W1 and W2 with the information we have received from you. If you are a small to medium withholder, you will continue to lodge an activity statement as you do now.

Summary of legislative changes

Current law – till 30 June 2018

- Employers are required to withhold amounts from an employee's salary or

wages at the time it is paid. They notify the Commissioner of Taxation of the amount withheld at a later date, remit these amounts to the Commissioner, provide each employee with an annual payment summary and provide an annual report to us.

- Employers are required to report superannuation contribution information to funds on the same day they make a contribution to the fund (through SuperStream). Employers are not required to report this information to us.
- However, employers must lodge superannuation guarantee (SG) statements to the Commissioner if they have a SG shortfall for a quarter, or if required to do so by the Commissioner under the *Superannuation Guarantee (Administration) Act 1992.*

New law – from 1 July 2018

- Employers with 20 or more employees are required to report to the Commissioner through Single Touch Payroll-enabled software.
- The following information must be reported on or before the day you withhold from a payment (the pay day):
    - payment information, including salary or wages, allowances, deductions, etc.
    - withholding amounts
    - superannuation liability information or ordinary times earnings (OTE).

- Employers who fully report all the information required through Single Touch Payroll will not have to comply with a number of other reporting obligations under the existing law. This includes providing certain payment summaries and the corresponding payment summary annual report (PSAR). They will need to provide a finalisation declaration with us.

How to report

You can report through Single Touch Payroll (STP) in one of the following ways:

- Report from your current payroll solution when it is STP-ready.
    - A payroll solution is the accounting, business management or payroll software you use to run your payroll and pay your employees.

- Report from a new payroll solution which is STP-ready.
- Ask a third party, such as your registered agent, to report through STP on your behalf.

Report from your current payroll solution

Talk to your payroll software provider to find out how and when your current payroll solution will be ready for Single Touch Payroll (STP).

Your payroll software provider may offer STP reporting in one of the following ways:

- An end-to-end solution, which allows employers to report and send the file directly to us.

- A solution which allows employers to report through their software and send the file through a third party, which is integrated into the software.
- A solution that offers STP reporting only. Employers will need to send the file to us separately through a third party, such as a sending service provider (SSP).

Your provider can let you know which solution they offer.

You can also refer to the Australian Business Software Industry Association (ABSIA) product catalogue⤢ for details of STP-enabled products and third-party solution providers.

Choose a new payroll solution

You may need to choose a new payroll solution if:

- you currently report to us on paper
- your existing payroll solution will not offer Single Touch Payroll (STP) reporting
- you want a product that better suits your business needs.

You should make sure your new payroll solution offers STP reporting. You may want to speak to your registered agent to find out which payroll solution best suits you.

You can also check the ABSIA product catalogue⤢.

Ask a third party to report on your behalf

You can ask a third party, such as a registered agent or payroll service provider, to report on your behalf.

It is your obligation as an employer to make sure they will be reporting through Single Touch Payroll.

See also:

- Get ready for Single Touch Payroll
- Report through Single Touch Payroll
- Single Touch Payroll factsheet (PDF 228KB) ⤓

Get ready for Single Touch Payroll

- https://www.ato.gov.au/Business/Single-Touch-Payroll/Get-ready-for-Single-Touch-Payroll/
- Last modified: 05 Mar 2018
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Single Touch Payroll (STP) is mandatory for 'substantial employers' (those with 20 or more employees) from 1 July 2018.

To find out if you are a substantial employer, count the employees on your payroll on 1 April 2018. You do not need to send us your headcount information. However, you may want to keep a copy for your own records.

- Count each employee, not the full time equivalent (FTE).
- The headcount a bit like the census. You can do it after 1 April, but you need to count the employees who were on your payroll on 1 April.
- Once you become a substantial employer you will need to continue reporting through STP even if your employee numbers drop to 19 or less – unless you apply for and are granted an exemption.
- You don't need to send us your headcount information. This is for you to determine if you need to start STP reporting from 1 July 2018. You may want to keep a copy for your own records.
- If you are part of a company group, you must include the total number of employees employed by all member companies of the wholly-owned group.

How to count your employees

Include in headcount

- full-time employees
- part-time employees
- casual employees who are on your payroll on 1 April and worked any time during March
- employees based overseas
- any employee absent or on leave (paid or unpaid)
- seasonal employees (staff who are engaged short term to meet a regular peak workload, for example, harvest workers).

Don't include in headcount

- 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
- religious practitioners.

Directors, office holders and religious practitioners are not included in the headcount. They are not considered employees within the common law meaning of the term.

However, when you start reporting through STP you will need to report their payment information. This is because the payments are subject to withholding and are currently reported in the *Individual non-business payment summary*.

Get ready for STP checklist

1. Speak to your payroll software provider
   - Find out how your payroll software provider will offer Single Touch Payroll (STP) reporting – this may be through an update to your existing software, or an additional service.
   - Check if they have a deferred start date for your product.
   - Find out what support they will offer to their clients to transition to STP.
   - Subscribe to their communications – this may be email, newsletter or web updates.

2. Connect with us
   - Subscribe to our updates.
   - Keep up-to-date with our news and events by following us on [Facebook](#), [Twitter](#) and [LinkedIn](#)
   - Make sure we have the right contact details for your business or organisation.

3. Review your business processes
   - Make sure the right people in your business know about Single Touch Payroll – especially your payroll staff.
   - Check if you are paying your employees correctly.
   - Check if you are calculating your employees' super entitlements correctly.
   - Check if you are addressing overpayments correctly.
   - Is your employee information accurate, including names, addresses, date-of-birth records?

4. Apply for more time if you need it
   - If your software will be ready, but you won't, you will need to apply to us for a deferred start date.
   - If your payroll software provider has a deferred start date, and you still need more time, you will need to apply for your own deferral.
   - Make sure you follow the ATO guidelines and provide all the evidence required. We only provide deferrals for extenuating circumstances.

5. Update your software when it is ready, and start reporting to us
   - We will help and support you through your first year of reporting.
   - It's ok if you make a mistake – you will be able to make corrections.
   - The first year is a transition and penalties will generally not apply.

See also:

- [Single Touch Payroll get ready checklist (PDF 194KB)](#) ⬇

Deferrals

We will consider granting employers and payroll software providers a deferred start date for Single Touch Payroll if you are unable to get ready by 1 July 2018 due to extenuating circumstances. You will need to provide evidence, and meet a number of requirements.

Employers with a deferral will start reporting during the financial year, rather than on the first pay after 1 July 2018. See Transitioning to Single Touch Payroll

Payroll software provider deferrals

Some payroll software providers have told us they will not have their payroll solution ready to offer STP to their clients by 1 July 2018. They are applying for additional time to commence STP reporting for some or all of their products.

If granted, the deferral will apply to existing customers of the specific software version. These customers will need to start reporting through STP on or before the deferred date.

Your payroll software provider will let you know if and when a deferral is granted for your software product. If you are unable get ready by then, you will need to apply for your own deferral in addition to this.

Employer deferrals

If you are unable to get ready for Single Touch Payroll (STP) we may defer the date you are required to start reporting. We will consider employer deferrals if you:

- have entered administration or liquidation
- have been impacted by a natural disaster
- are unable to get ready by your software provider's deferred start date
- are transitioning to a new STP-enabled solution
- are using a customised payroll solution and you need time to configure and test your updated product
- have complex payroll arrangements and need additional time to transition to STP
- are affected by other circumstances which are out of your control.

You will be able to apply for a deferral using an online form which will be available here by the end of March 2018.

You or your registered agent can submit the form using the Business Portal, Tax Agent Portal or BAS Agent Portal.

Exemptions

We will consider granting an exemption from Single Touch Payroll (STP) reporting if:

- you are located in a rural area with no reliable internet connection
- you are classed as a substantial employer (20 or more employees) because you employ 20 or more employees for a short period of the income year which includes 1 April – for example, due to seasonal work.

You may seek an exemption for reporting a particular employee or group of employees' information through STP. This includes an employee of a department, agency or entity of a foreign government not resident in Australia, such as a diplomat.

You can also seek an exemption for reporting an employee who is not recorded in an Australian payroll system.

If you are granted an exemption for an employee or group of employees, you will need to report your other employees' information through STP.

If you are granted an exemption you will not need to start STP reporting for the year(s) you are covered by the exemption. You must continue to comply with your existing PAYG withholding obligations including:

- reporting and paying your PAYG withholding liability
- giving payment summaries to your employees
- giving a payment summary annual report to the ATO.

How to apply for an exemption

You or your registered agent can submit a request using the Business Portal, Tax Agent Portal or BAS Agent Portal:

1. Select General questions > problems > help as the message topic.
2. Enter Single Touch Payroll as the message subject.
3. Include the following information:
    - the number of employees on your payroll – this will help us understand the size and complexity of your business.
    - the reasons why you are unable to report through STP
    - any steps you have taken to attempt to get ready for STP
    - any supporting evidence that may help us understand your circumstances.

If you are requesting an exemption for reporting a particular employee or group of employees, provide:

- the details of the employee
- the nature of their employment
- any supporting evidence.

When we receive your request we may contact you for further information.

Report through Single Touch Payroll

- https://www.ato.gov.au/Business/Single-Touch-Payroll/Report-through-Single-Touch-Payroll/
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- QC 54704

Once you start reporting to us through your Single Touch Payroll (STP)-enabled software you will be sending us your tax and superannuation information on or before each pay day. We call this a 'pay event'.

You will be able to make corrections to the information you have sent to us. You can do this through an 'update event', or in the next regular pay event.

There are mandatory payments that you must report, voluntary payments that you can choose to report, and some payments you can't report with Single Touch Payroll (STP).

Note: During the first 12 months that you report through STP you will be exempt from an administrative penalty for failing to report on time. This is unless we have first given you written notice advising that a failure to report on time in the future may attract a penalty.

Find out about:

- [Payments you must report](#)
- [Payments you can choose to report](#)
- [Payments you can't report](#)
- [Guidance for pay event reporting](#)
- [Correcting a pay event report](#)
- [Commencing and ceasing employment](#)
- [Finalising your Single Touch Payroll reporting](#)
- [Transitioning to Single Touch Payroll](#)

Single Touch Payroll for employees

- https://www.ato.gov.au/Business/Single-Touch-Payroll/Single-Touch-Payroll-for-employees/
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- QC 54706

The way employers report employee's tax and super information to the ATO is changing from 1 July 2018. This reporting change is called Single Touch Payroll (STP).

You will continue to be paid the same way. It just means your employer will be sending us your tax and super information each time they pay you.

What STP means for you

You will have more access to your information online when your employer starts reporting using Single Touch Payroll (STP):

You will be able to see your year-to-date information online through myGov.

- Once your employer starts reporting to us through STP you will see your year-to-date tax and super information online. This will be available by logging into myGov and accessing ATO online services.
- It is not mandatory for you to have a myGov account. However, if you want to access your information throughout the year you will need one.

You can check if your super has been paid.

- Super funds will also be reporting to us more frequently from 2019. When your employer pays your super contribution, the super fund will report that information to us. This will enable us to make sure your employer is paying your super entitlements.

Your employer may change the way they give you a payment summary.

- Some employers will no longer need to give their employees payment summaries for the information they report through STP
- You will be able to access your payment information through myGov. If you choose not to have a myGov account you can contact us for a copy of your payment information.
- Your employer should let you know if there is any change to the way they issue payment summaries. They may choose to keep doing what they do now.

More of your information will be pre-filled into myTax.

- This is important for anyone who prepares and lodges their own tax return through the ATO's online service myTax. Your registered agent will also be able to access this information.

When you start a new job, you may have the option to electronically complete a pre-filled *Tax file number declaration* and *Superannuation standard choice* form online.

See also:

- [Lodge online](#) – how to lodge online with myTax

About myGov

MyGov is a fast, simple way to access government services online.

When you link your myGov account to the ATO, you can manage your tax and super in one place.

You can use our online services any time to access a range of tax and super services, lodge your tax return and keep track of your super.

See also:

- [Create a myGov account](#)↗
- [Sign in to myGov](#)↗
- [Link the ATO to your myGov account](#)

News, events and resources

- https://www.ato.gov.au/Business/Single-Touch-Payroll/News,-events-and-resources/
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- QC 54705

News

6 March 2018

[Time for employers to get ready for Single Touch Payroll](#)

Events

We will be hosting a series of short Single Touch Payroll webinars for employers, tax professionals and industry associations.

At the end of each webinar there will be time for questions and answers.

Check back regularly for newly added webinars.

Webinar schedule

Webinar topics and schedule

Webinar topic	Date and time	Description	Audience
[Why and what is Single Touch Payroll?](#)	Tuesday 13 March 2018 2.00pm–3.00pm (AEDT)	Why Single Touch Payroll important, and how does it work?	Tax professionals and industry associations
[Headcount](#)	Wednesday 14 March 2018 2.00pm–3.00pm (AEDT)	How to do your employee headcount on 1 April 2018. Who's included and who's not.	Tax professionals and industry associations
[Getting ready for Single Touch Payroll](#)	Tuesday 20 March 2018 10.30am–11.30am	What you can be doing to get ready now.	Tax professionals and industry associations

	(AEDT)		
[Getting ready for Single Touch Payroll](#)	Wednesday 21 March 2018 2.00pm–3.00pm (AEDT)	A brief presentation on what employers can do to get ready for Single Touch Payroll, followed by a Q&A session.	Employers
[Deferrals and exemptions](#)	Monday 26 March 2018 3.00pm–4.00pm (AEDT)	Learn what the process is to apply for more time if you are not ready by 1 July 2018.	Tax professionals and industry associations
[Getting ready for Single Touch Payroll](#)	Thursday 29 March 2018 11.00am–12.00pm (AEDT)	A brief presentation on what employers can do to get ready for Single Touch Payroll, followed by a Q&A session.	Tax professionals and industry associations
[Corrections and fixes](#)	Tuesday 3 April 2018 11.00am–12.00pm (AEST)	Learn what your options are if you need to change the information you've reported.	Tax professionals and industry associations
[Getting ready for Single Touch Payroll](#)	Thursday 5 April 2018 10.00am–11.00am (AEST)	A brief presentation on what employers can do to get ready for Single Touch Payroll, followed by a Q&A session.	Employers
[Single Touch Payroll and Super](#)	Tuesday 10 April 2018 2.00pm–3.00pm (AEST)	What's changing and what you need to know.	Tax professionals and industry associations
[Getting ready for Single Touch Payroll](#)	Friday 13 April 2018 2.00pm–3.00pm (AEST)	A brief presentation on what employers can do to get ready for Single Touch Payroll, followed by a Q&A session.	Employers

How to register

1. Click on the event you would like to attend.
2. Select Register at the bottom of the WebEx screen.
3. Enter your name and email. A confirmation will be sent to your email address.

You can [test](#)⬈ your device is compatible with WebEx before the webinar.

Resources

We have produced the following summary factsheets as a handy resource:

- [Single Touch Payroll factsheet (PDF 228KB)](#) ⬇
- [Single Touch Payroll get ready checklist (PDF 194KB)](#) ⬇

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

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