



INFORMATION SHEET

Workplace Services

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ATO – SINGLE TOUCH PAYROLL

The Australian Tax Office (ATO) has recently introduced Single touch payroll (STP).

STP requires that when you pay your staff, their salary or wages and PAYG withholding amounts are automatically reported to the ATO as part of payroll processing.

When superannuation payments are made to your employees' funds, this information is also automatically reported to the ATO.

The STP data will allow the ATO to pre-fill the PAYG amount on your Business Activity Statement

As part of STP, employers will also no longer be required to submit an annual PAYG report to the ATO and may no longer need to provide payment summaries to employees, as the employees will have access to their payroll information via their myGov account.

A failure to lodge in the approved form will attract an administrative penalty.

Although not mandatory, employers will also have the option to pay their PAYG withholding at the same time they pay their staff. This may have cashflow implications for business that choose to do this.

When does it start?

As of 1 July 2017, any employer regardless of size is can voluntarily use STP.

However from **1 July 2018**, STP it will be compulsory for 'substantial employers' with more than 20 employees.

The number of employees you have on 1 April 2018 will determine if you have 20 or more employees for commencement purposes.

The Government is yet to make a decision on timing for rolling out compulsory STP for employers with less than 20 employees.

What do you need to do next?

Before the compulsory 1 July 2018 start date, employers with 20 or more staff will need to ensure their payroll system is STP enabled. This may involve additional cost to change to a ATO compatible software based payroll system.

To help with the transition the Government will offer small businesses with a turnover of less than \$2 million, a \$100 non-refundable tax offset for STP enabled software. The offset will be made available for new software purchases or subscriptions made in the 2017/18 financial year.

Further information is available on the ATO website – [Single Touch Payroll for employers](#).

For more information contact your Workplace Adviser on 1300 650 620.

DISCLAIMER - The above is intended to provide general information in summary form. The contents do not constitute specific advice and should not be relied upon as such. Formal specific advice should be sought by members with respect to particular matters before taking action.

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