



# SINGLE TOUCH PAYROLL

## **WHAT IS IT?**

Single Touch Payroll (STP) is a new way of reporting tax and superannuation information to the ATO. STP reporting is currently available through Accounting Software such as Reckon, MYOB and Xero.

You will be reporting super liability information through STP. Superfunds will also be reporting to the ATO. The ATO will then cross check and ensure employees are being paid their correct entitlements.

Employees will be able to see their year to date tax and super information using the ATO's online service, accessed through myGov.

## **HOW STP WORKS?**

STP works by sending tax and super information from your payroll or accounting software to the ATO as you run your payroll.

When you start reporting

- you will run your payroll, pay your employees, and give them a payslip
- your STP-enabled payroll software will send the ATO a report which includes the information they need from you, such as salaries and wages, pay as you go (PAYG) withholding and super information

If an error is made in your STP report, you can correct the error in a following report, penalties won't be applied.

At the end of the financial year, you'll need to finalise your STP data. This is your annual declaration. You will no longer have to give employees payment summaries.

## **WHAT YOU NEED TO KNOW?**

### **1-4 EMPLOYEES**

If you do not currently use payroll software, there will be other ways to report STP information.

If you require this please contact the office and we will assist you.

You also have the option for your registered tax or BAS agent to report your STP information quarterly, this will be available until 30/06/2021

## **1-19 EMPLOYEES**

STP reporting commences 01/07/2019, you can start reporting early if you have your system ready to go. If you need an extension please get in touch with our office.

## **EMPLOYERS WITH CLOSELY HELD PAYEES**

A closely held payee means the payee is directly related to the entity from which they receive payments. Eg:

- family members of a family owned business
- directors or shareholders of a company
- trustees or beneficiaries of a trust

If this is you, you will have the option to report quarterly.

## **HOW TO REPORT**

### **EXISTING PAYROLL or ACCOUNTING SOLUTION**

You can report from your existing payroll or accounting software if STP reporting is available.

Need help setting this up, call the office we are ready to assist you!

### **CHOOSING STP ENABLED PAYROLL SOFTWARE**

You will need to choose payroll software if you do not currently use it or your current software provider is not offering an STP-enabled product.

### **ASK A THIRD PARTY TO REPORT ON YOUR BEHALF**

You can also ask a third party, such as a registered tax or BAS agent, to report on your behalf.

## **ALTERNATIVE SOLUTION**

We can get you in touch with a low cost STP solution for under 4 employees for \$10 per month.

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