Australian Government
Australian Taxation Office

Single Touch Payroll

For small employers

The digital world is changing rapidly. Government services are also changing to make it easier for you to run your business every day.

One of those changes – Single Touch Payroll (or STP) – started gradually for larger employers from 1 July 2018 and starts from 1 July 2019* for employers with 19 or less employees.

*Start dates may differ depending on your circumstances. See 'When to start' on page 2.

What is STP?

STP is a new way of reporting tax and super information to us. You'll have time to get ready – including a later start date if you need more time.

Using payroll software, or another solution that is STP ready, you'll send your employees' salary and wage information, pay as you go (PAYG) withholding and super information to us each time you pay your employees. This means:

- your pay cycle does not need to change (you can continue to pay your employees weekly, fortnightly or monthly)
- you will now report super information to us
- you no longer need to give your employees a payment summary for the information you report and finalise through STP – this will be available to your employees on myGov
- you will need to finalise your STP information at the end of the financial year – that way we know all the data you have reported is complete, and we can provide this to your employees to complete their tax return.

Benefits of STP reporting

STP captures your employees' tax and super information and sends it to us while you're running an existing business process – paying your employees.

Most Australians bank, shop, make bookings and do business online every day. STP aligns government reporting to the changing digital world.

Changes to payment summaries

You no longer need to give your employees a payment summary for the information you report and finalise through STP. Any information not reported through STP must still be provided on a payment summary.

Some payments are exempt from STP reporting, to find out more visit ato.gov.au/employerguide

Employees can see their information on myGov

Employees who no longer get a payment summary can find the information needed to complete their tax return on myGov.

Any employees who don't have a myGov account can easily create one using an email address and password. Each time you pay an employee and report through STP, their year-to-date tax and super information will be updated in myGov.

We've got a factsheet on our website to help your employees understand this change, visit ato.gov.au/stpforemployees

No more payment summary annual reports

You no longer need to give us a payment summary annual report (PSAR) for the information you report and finalise through STP.

Reporting through STP

STP reporting works in one of the following ways.

1. You can report from your current payroll or accounting software if you use it, as long as it's updated to offer STP reporting. Talk to your software provider to find out how they offer STP.
2. Choose payroll or accounting software that offers STP reporting. You may want to talk to your tax professional for advice on the best solution for your business.
3. Ask your tax or BAS agent to report through an STP solution on your behalf.
4. Choose a no-cost or low-cost STP solution (ideal for micro employers with 1–4 employees). See 'No-cost or low-cost, simple STP solutions' over the page.

When to start

The start date for STP reporting will depend on your circumstances. You can:

- start reporting early (before 1 July 2019) if you use payroll software which offers STP reporting (voluntary option) – talk to your software provider for more information
- start reporting any time up to 30 September 2019, if you start before this date you'll be reporting on time, if not you'll need to apply for a later start date.

Once you start STP reporting, you need to keep reporting each pay cycle.

You don't need to start reporting closely held payees until 1 July 2020.

Applying for a later start date

If you need more time to start STP reporting you can apply for a deferral using our online form, available from 1 April 2019.

When assessing your application we'll consider whether:

- all amounts owing to us are either not yet due or subject to a payment plan
- all lodgment obligations are either not yet due or subject to a deferral.

You can apply for a deferral yourself, or have your registered agent do this on your behalf.

The online tool will be available on our website **ato.gov.au/stp**

Exemptions for certain employers

You may be exempt from STP reporting if you meet any one of the following criteria:

- no or low digital capability
- no or unreliable internet
- irregular employment patterns
- other extenuating circumstances.

For more information about exemptions visit **ato.gov.au/stp**

Concessions for micro employers

If you have 1–4 employees, there are a number of options available to help you transition to STP reporting.

No-cost or low-cost, simple STP solutions

Micro employers who don't need payroll or accounting software can choose a simple no cost or low-cost STP solution. We have listed the providers that will build these solutions, and some basic product information, on our website **ato.gov.au/STPsolutions**

We have asked these providers to offer these products at a cost of $10 per month or less. Talk to your tax professional for advice on the best option to suit your business needs.

Quarterly reporting until 30 June 2021

If you have 1–4 employees and have limited digital capability, you may be eligible to report quarterly until June 2021 through your registered tax or BAS agent. Talk to them to see how they can support you.

To be eligible for quarterly reporting through your agent as a micro employer, you must meet **one** of the following:

- you are a non-computerised business
- your business has irregular employment patterns
- you are an employer of closely held payees.

You must also meet **both** of the following:

- all amounts owing to us are either not yet due or subject to a payment plan
- all lodgment obligations are either not yet due or subject to a deferral.

Support and more information

There is support available for employers transitioning to STP reporting – especially those who are not currently using software.

- Visit **ato.gov.au/stp**
- Ask questions and join the STP conversation in our ATO community **community.ato.gov.au**

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