

Single Touch Payroll Checklist



Under Single Touch Payroll (STP) businesses will report on salary or wages, pay as you go (PAYG) withholding and superannuation directly to the Australian Taxation Office (ATO), electronically, and at the same time as you pay your employees.

Getting Started

Our recommendation is to put in place an "STP Champion" - someone who becomes the STP expert within your organisation.

- ☐ Appoint your STP Champion - usually the Payroll Manager.
- ☐ Visit the official ATO STP website: ato.gov.au/singletouchpayroll.
- ☐ Ensure you have in place:
 - ATO AUSkey
 - Access to the ATO Business Portal
 - Access to the ATO Access Manager

Technology

Under STP, your payroll information is being sent electronically to the ATO with every pay run. It is this direct connection to the ATO that is new and requires all payroll systems to be upgraded.

- ☐ Ask your payroll software provider how they will offer STP reporting - through an update to existing software, or an additional service?
- ☐ When is STP reporting going to be ready for you to use?
- ☐ Do they have a deferred start date? If they do, ask for the deferral reference number. You will need this to apply for your own deferral if you choose to stay with this provider.
- ☐ Find out what support they will offer you to help your transition to STP.
- ☐ Once you have selected your STP solution, in your ATO Access Manager, nominate your hosted STP provider.
- ☐ Subscribe to their mailing list or blog so you get all updates being communicated.

Data

Avoid incorrect submissions to the ATO by reviewing your payroll data for accuracy.

- ☐ Check you are paying your employees correctly. Including PAYG withholding calculations, over-payments, year-to-date is captured accurately, pay codes and tax scales are correct.
- ☐ Check you are calculation your employees' super contributions correctly.
- ☐ Check your SuperStream solution is compliant and you have the correct employee and super fund setups.
- ☐ Check your payroll records match the ATO, and all employee data is up to date and correct. Including names, addresses, TFNs and dates of birth.

Review Your Business Processes

In addition to reviewing your payroll software, it's important to review and understand which payroll processes will be impacted.

- ☐ PAY DAY - A "pay event" must be submitted to the ATO on or before pay day.
- ☐ CORRECTIONS - How will you fix errors in your ATO reports such as over-payments or misclassifications?
- ☐ NEW EMPLOYEES - Including start dates and TFN declarations in your pay events.
- ☐ TERMINATIONS - Including cessation dates in your pay events, and when you can send "finalisation declarations".
- ☐ YEAR-END - Exemptions from issuing payment summaries and PAYG withholding annual report if you make finalisation declarations via STP reporting.
- ☐ QUARTERLY BAS - Labels W1 and W2 are pre-filled when reporting via STP.
- ☐ TRANSITIONING TO STP - How to start STP reporting during a financial year?

Employees

STP not only offers benefits to employers, but also employees such as eliminating payment summaries and TFN forms, ensuring super is paid and reducing welfare and tax fraud. To unlock some of these benefits, employees will need to be registered on myGov and linked to the ATO.

- ☐ Are you registered on myGov? If not, do so before you ask your employees to do this. Step-by-step instructions can be found on the Department of Human Services website. You will need a unique email address and mobile number.
- ☐ Now link to the ATO. You will need your TFN and two of the following; assessment notice, PAYG payment summary, super account, dividend statement, Centrelink payment summary, bank account details. More detailed help can again be found on the Department of Human Services website.
- ☐ Now ask your managers to register so they experience what their staff will be asked to do.
- ☐ Now ask your employees to register. Download the 'Single Touch Payroll: Employee fact sheet' and circulate to all staff. This contains all the information your employees need to register on myGov and link to the ATO.

Apply for more time, if you need it

We know some employers may not be ready by **1 July 2019**.

- ☐ If your software will be ready, but you won't, you will need to apply to the ATO for a deferred start date.
- ☐ Visit ato.gov.au/stp and find out about the deferral process.
- ☐ If your payroll software provider has a deferred start date, and you still need more time, you will need to apply your own deferral.
- ☐ Make sure you follow the ATO guidelines and provide all the evidence required.