

Single Touch Payroll

Understanding the next steps

Single Touch Payroll is the next step in streamlining your payroll reporting. It will change the way you report your employees' payroll information to the ATO. 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 super information to the ATO when you pay your employees.

You can do this through your existing payroll software (such as accounting software) if it is updated to offer Single Touch Payroll reporting. Payroll software providers are updating their products now. **Talk to your provider to find out how and when your product will be ready.**

When do I need to get ready?

- If you have **20 or more employees**, you will need to report through Single Touch Payroll from **1 July 2018**. The first year will be a transition period and penalties may not apply.
- If you have **19 or less employees**, you will need to report through Single Touch Payroll from **1 July 2019**, subject to legislation being passed in parliament.

What does it mean?

- When you start reporting through Single Touch Payroll you will send your employees' payroll and super information to the ATO from your payroll solution each payday.
- Your payroll cycle will not change. You can still pay your employees weekly, fortnightly or monthly.
- Your payment due date for PAYG withholding and super contributions will not change. However, you can choose to pay earlier.
- You may not need to provide your employees with a payment summary at the end of financial year for certain payments you report through Single Touch Payroll. The ATO will make that information available to employees through myGov.

- You will have the option to invite your employees to complete *Tax file number declaration*, *Superannuation standard choice form* and *Withholding declaration* online. This feature will not be available immediately.
- When you report to the ATO through Single Touch Payroll, your employees will be able to view their year-to-date tax and super information through myGov.

How do I get ready?

Count the employees who are on your payroll on **1 April 2018**

- If you have **20 or more**, you will need to update your software when it's ready and start Single Touch Payroll reporting from **1 July 2018**.
- The headcount is a self-assessment. You do not need to notify the ATO of your employee numbers.

Talk to your software provider

- Ask them when and how your product will be updated to offer Single Touch Payroll reporting.
- Some payroll software providers have asked the ATO for more time to get ready. Ask them if they have been given a later start date by the ATO (a deferral).

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If you do not have a payroll solution, choose one that offers Single Touch Payroll reporting

If you have **20 or more employees** and do not use a payroll solution, you will need to choose one that offers Single Touch Payroll and start reporting from **1 July 2018**. Talk to your registered tax or BAS agent about the best product to suit your needs.

Talk to your agent

You can also ask your agent to report to the ATO through Single Touch Payroll on your behalf.

How to count your employees

To find out if you are required to report through Single Touch Payroll you will need to do a headcount of the number of employees you have on **1 April 2018**.

If you have **20 or more employees** on that date, you will need to start reporting to the ATO through a Single Touch Payroll-enabled solution from **1 July 2018**.

You need to include the following employees in your headcount:

- full time employees
- part time employees
- casual employees who are on your payroll on 1 April 2018 and worked any time during March 2018
- 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).

DO NOT include these employees:

- those who ceased work before 1 April 2018
- casual employees who did not work in March 2018
- independent contractors
- staff provided by a third-party labour hire organisation
- company directors
- office holders
- religious practitioners.

Timeline for Single Touch Payroll

**1
APRIL
2018**

Employers need to do a headcount of the employees they have on their payroll on 1 April.

Check the ATO's guidelines on how to count your employees ato.gov.au/stp

**1
JULY
2018**

Single Touch Payroll reporting starts for employers who have 20 or more employees.

**1
JULY
2019**

Employers with 19 or less employees will start reporting through Single Touch Payroll – subject to legislation being introduced and passed in parliament.

Need more information?

- Contact GuildSuper on **1300 309 882**
- ato.gov.au/stp

 **1300 309 882 (8am–7pm AEST)**

 employers@guildsuper.com.au