

SINGLE TOUCH PAYROLL

Reset now before it becomes compulsory



WHAT IS STPR

REAL TIME INFORMATION SHARING

As part of the Budget Savings (Omnibus) Act 2016, employers will soon be required to comply with the Australian Tax Office's (ATO's) Single Touch Payroll Reporting (STPR) requirements, which will see the ATO collect payroll data in real time.

These new requirements will create significant changes for how businesses across the country report to and engage with regulators.

CROSS-AGENCY SHARING

The intention of STPR is to improve compliance by employers and transparency of information initially with the ATO, however, the real-time data will in due course be shared between other agencies. For example, instead of the ATO sharing payroll data with an agency such as Centrelink a year after the fact, the ATO will be able to share the data in real time.

IMPACT ON SUPERANNUATION PAYMENTS

Superannuation payments will also be affected by the new STPR system. For the first time, the ATO will be able to match an employee's superannuation fund payments to a payslip immediately, rather than waiting for an annual report from an employer with no guarantee the money actually makes it to individual super accounts.



BENEFITS FOR YOUR BUSINESS

The move to STPR sets a new standard for payroll reporting in Australia. Most businesses are familiar with filling in forms at the end of the month, quarter, or year, but with STPR, the ATO will have access to real-time transactional data.

The ATO's compliance activities will be completed in real time, which we expect will begin to change the way the ATO engages with taxpayers when issues arise.

WAYS STPR WILL BENEFIT YOUR BUSINESS PROCESSES



WHAT HAS CHANGED AND WHAT REMAINS THE SAME?

WHAT HAS CHANGED?

- ▶ Ordinary Time Earnings, salary and wages, allowances, deductions, superannuation information and Pay-As-You-Go ('PAYG') withholding information will be reported and available to the Commissioner in 'real time' when payroll is periodically processed by the employer
- ▶ Employers will need to acquire SBR-enabled software to comply with their PAYG withholding obligations
- ▶ New employees will have the option of completing TFN declarations and Super Choice forms online
- ▶ The STPR reports for PAYG withholding will become the approved form for reporting PAYG withholding (currently this information is in the activity statement)
- ▶ Employers that have reported their PAYG withholding obligations via STPR will have their PAYG withholding prefilled by the ATO on their BAS
- ▶ Large withholders will no longer report PAYG withholding on their activity statement
- ▶ The ATO envisages that employers will be provided with the option to pay their PAYG withholding at the same time they lodge their STP reports to further align the reporting and payment of PAYG withholding through the payroll system
- ▶ Employers will no longer be required to submit an annual PAYG report to the ATO
- ▶ Employers may no longer need to provide payment summaries to employees, as the employees will have access to their payroll information via their myGov account.

WHAT HAS REMAINED THE SAME?

- ▶ If the employer does not elect to pay their PAYG Withholding liability at the same time they report under the STPR, there is no change to the due date for payment of the PAYG Withholding liability. The payment cycle depends on the size of the employer. Large employers need to remit weekly, medium sized employers remit monthly, and small employers remit on a quarterly basis
- ▶ Likewise the STPR does not change the payment due date for superannuation guarantee, being generally on the 28th day following a financial quarter
- ▶ Employers will continue to be able to adjust or correct data in their activity statement.



WHEN DOES IT START?

There is an option for businesses to commence STPR voluntarily from 1 July 2017, however, mandatory reporting will start from:

- ▶ 1 July 2018 for businesses that employ more than 20 people*, and
- ▶ 1 July 2019 for businesses that employ less than 20 people.

Joining voluntarily before 1 July 2018 will give businesses a significant head-start in ensuring compliance. Being proactive also means that if the ATO does review your business in the future, your management team can be assured the business will have a strong track record to draw upon from the previous year and that their payroll systems, processes and policies have been reviewed and up-to-date.

Even if you decide not to proceed with the voluntary lodgements from this year, just being aware and beginning to plan ahead ensures you can be prepared early and not be caught off guard.

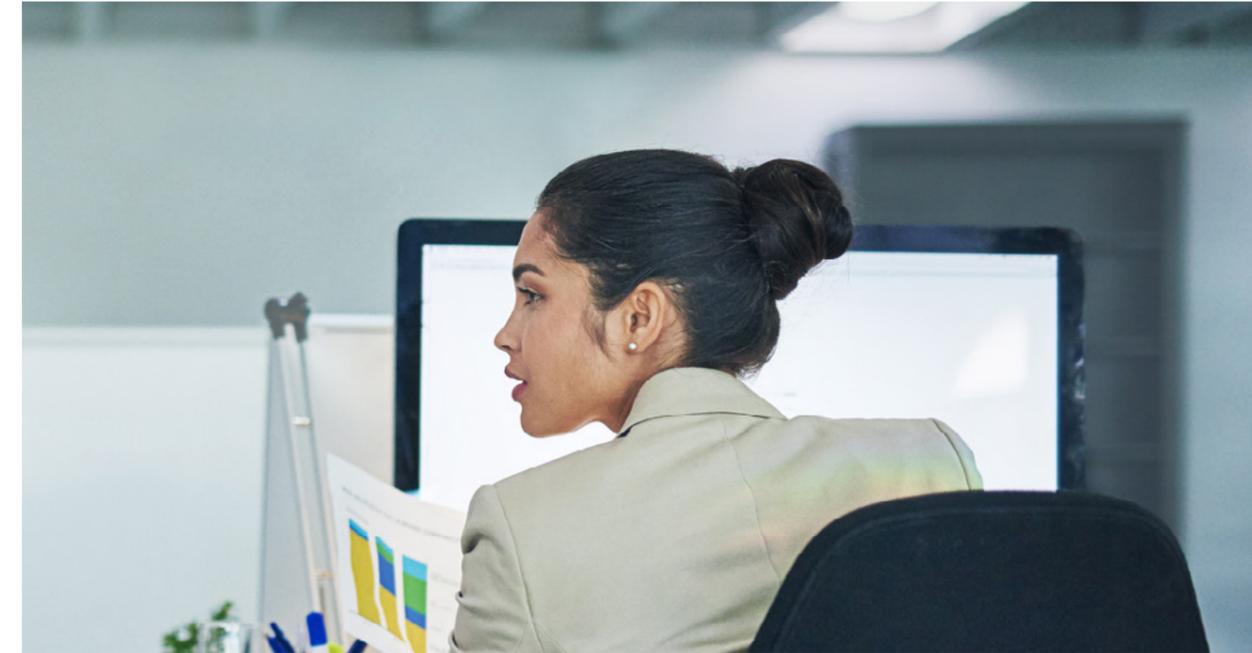
*Important to note:

1. The employee head count is as at 1 April 2018
2. STPR will be required even where your head count subsequently falls below 20 employees
3. Include the total number of employees within a wholly-owned group.

IF YOU HAVE ANY QUESTIONS ABOUT STPR AND THE IMPLICATIONS FOR YOUR BUSINESS, PLEASE COMPLETE THE [ENQUIRY FORM ON OUR WEBSITE](#) AND WE'LL BE IN TOUCH.



THREE STEPS TO BEGIN THE STPR TRANSITION



Understanding how this change applies to your organisation and beginning the planning process will provide a smooth roll-over to this new reporting requirement.

The three steps to begin the transition are:

1. Have detailed conversations with your accounting software provider/s to confirm whether the current payroll processing arrangements will support the changes to STPR
2. Conduct a risk review of your current payroll procedures, including PAYG, superannuation, allowances and the timeliness of payments
3. Review and monitor your HR processes to ensure employees are being treated fairly and paid correctly under the Fair Work Act 2009.

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