

Single Touch Payroll

Presentation by Michael Karavas,
Program Director, STP, ATO

speaking at PwC's Payroll Managers forum

25 August 2017



Australian Government

Australian Taxation Office

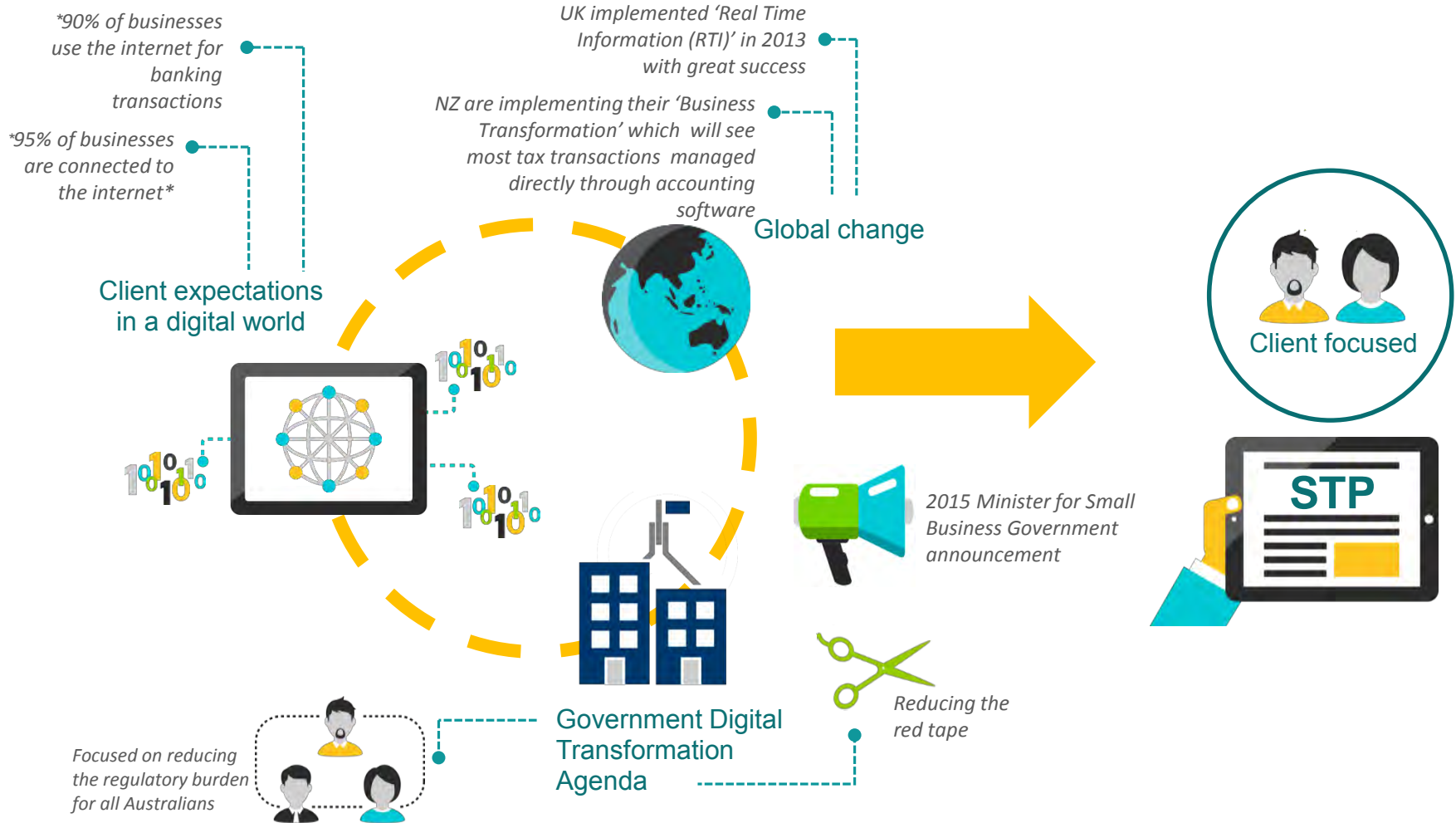
Single Touch Payroll

Price Waterhouse Coopers
National Payroll Managers Forum

Presented by Michael Karavas, Director Single Touch Payroll, Australian Taxation Office
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Why are we changing?

Drivers for change



Overview of Single Touch Payroll



Employers will be able to report payments such as salaries and wages, pay as you go (PAYG) withholding and super information to the ATO directly from their payroll solution when they pay their employees.



Superannuation contribution information can be reported to the ATO when payments are made to the fund.



Employers will have the option to invite new employees to complete Tax file number declaration and Superannuation standard choice forms online.



The employer may not have to provide an employee with a payment summary, where they have reported through Single Touch Payroll.

The law for Single Touch Payroll

Single Touch Payroll was legislated on 16 September 2016, forming part of the *Budget Savings (Omnibus) Act 2016*



Who has to report?

Employers with 20 or more employees will be required to report through Single Touch Payroll.

When do I start reporting?

Employers will need to do a headcount of the number of employees they have on 1 April 2018. If they have 20 or more employees on that date, they will need to start reporting to the ATO through a Single Touch Payroll-enabled solution from 1 July 2018.

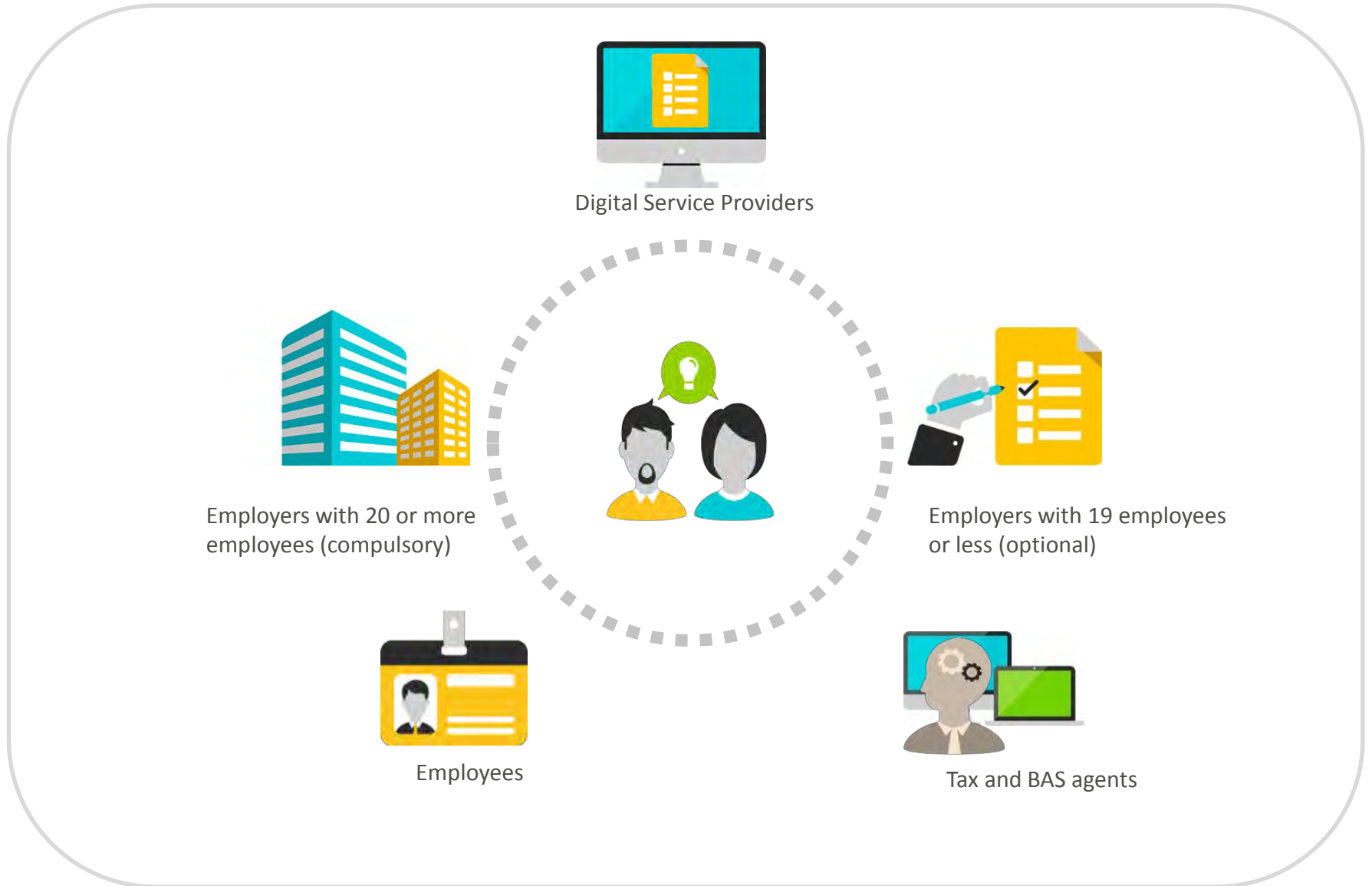
Which employees do I include?

All employees within the ordinary (common law) meaning of 'employee'. Excludes independent contractors, staff provided by a third party labour hire organisation, company directors, office holders, religious practitioners or any employee who ceased work prior to 1 April.

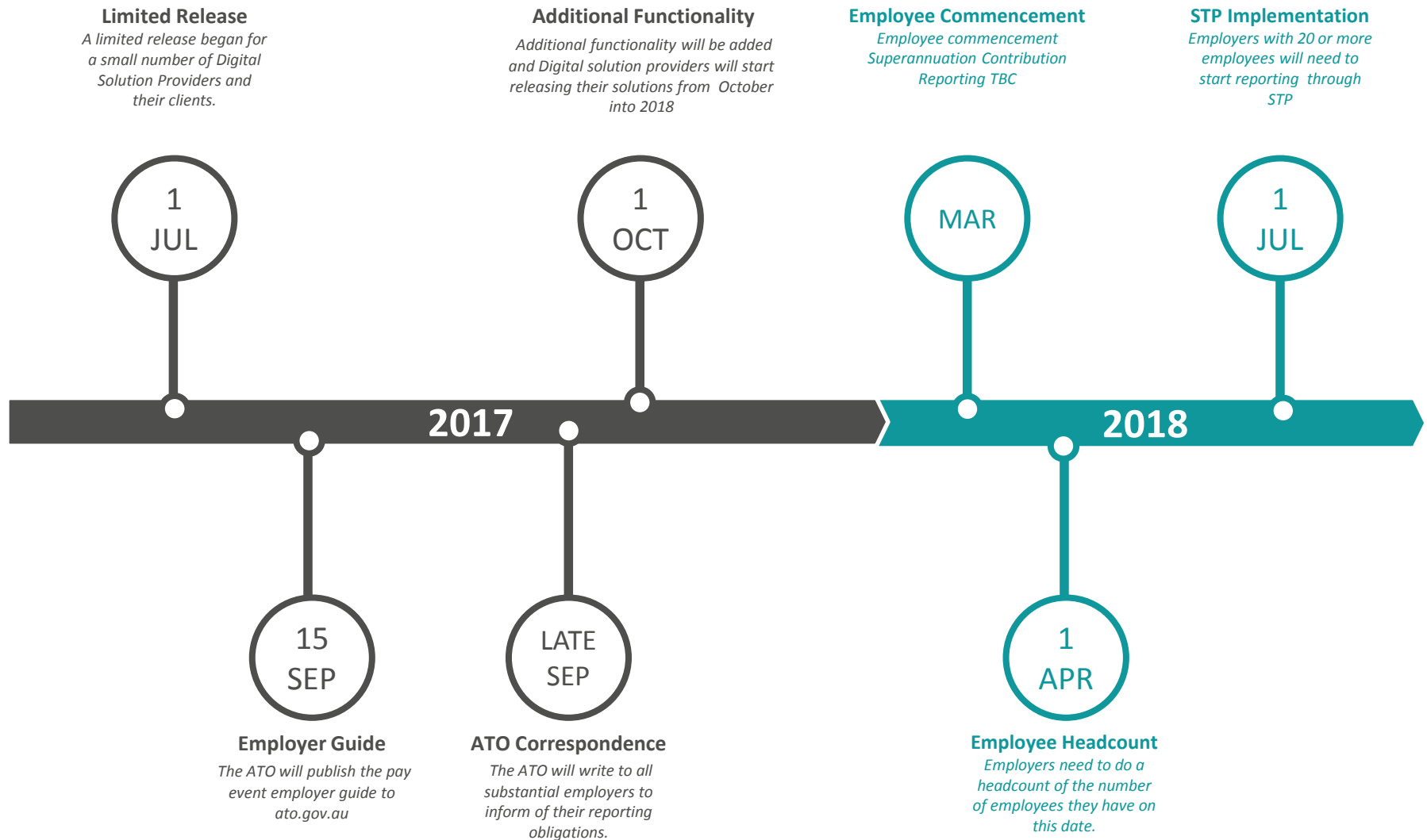
What and how often do I have to report?

Payments such as salaries and wages, pay as you go (PAYG) withholding and super information.

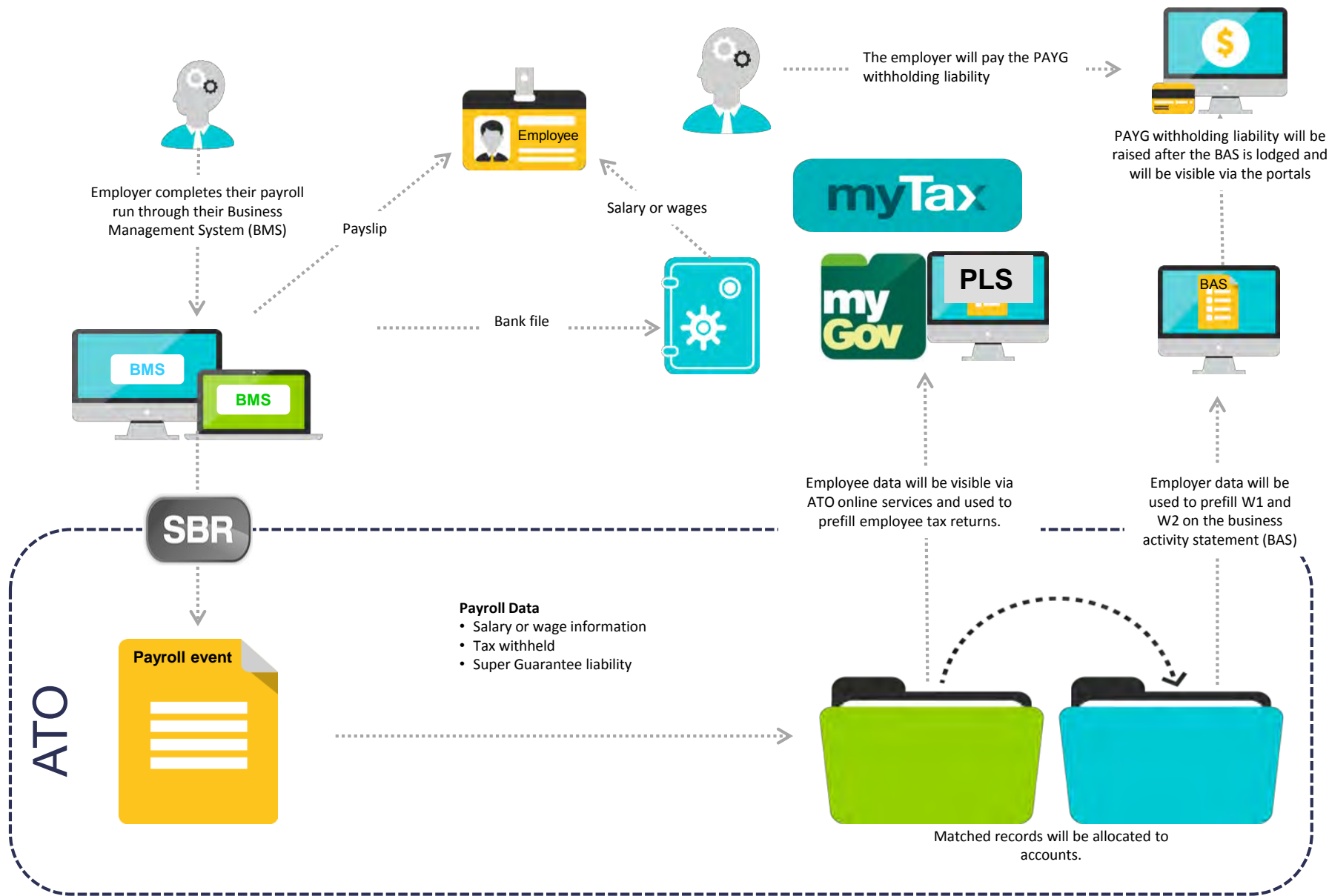
Who is affected by Single Touch Payroll?



Implementation Timeline



Payroll reporting



The law for Single Touch Payroll

What happens if I am not ready or can't report?

The Commissioner can provide a safety net via a limited-time exemption or deferral.



What happens if I make a mistake?

A grace period will be provided for corrections to a Single Touch Payroll report.

Failure to lodge penalty relief for the first year of compulsory reporting.

What don't I have to do in the future if I report via Single Touch Payroll?

Employers **may** not need to provide employees with a payment summary at the end of financial year when they report through Single Touch Payroll. The ATO will make that information available to employees through myGov.

A TFN declaration to the ATO if employer is reporting using Single Touch Payroll.

Reporting a fix

There are times when correcting payroll reports to the ATO will be required.

The rules for reporting a fix are:



1. An employer should report a fix **within 14 days** from when the issue is detected.



2. An employer may choose to report a fix in the next regular pay cycle for an employee, where this is later than 14 days from when the error is detected. Additional time will be allowed to the next regular pay cycle for the employee. E.g. monthly pay cycle



3. An employer may report a fix in an update event.

Note: Errors which relate to an employer's PAYG W liability and Gross payments should be able to be corrected in the relevant BAS period and large withholding payment period

What you can do now to get ready

There are a few things you can do now to ensure you are ready to transition to Single Touch Payroll



Review your current payroll processes



Work with your digital service provider to understand when your solution will be ready



Start developing a transition/implementation strategy



Keep informed by talking with your advisor



Supporting employer transition

To support transition the ATO will engage with employers through various channels such as:



Bulk Correspondence



Relationship Managers



Events



Webinars

Further Information

Please contact us if you have any further questions.

SingleTouchPayroll@ato.gov.au



For further information about Single Touch Payroll please visit our website:

www.ato.gov.au/singletouchpayroll



For more information, visit
www.pwc.com.au/stp