

Re: Single Touch Payroll

As you may be aware, the bill to extend the Single Touch Payroll (STP) reporting requirements so they apply to all employers, regardless of the number of employees has been passed.

This means STP will now be required for all organisations, not just those with 20 or more employees, from 1 July 2019.

STP will require you to have your payroll transaction data transferred to the ATO each time your employees are paid. This may require you to use a software solution that will transmit the data to and from the ATO on your behalf.

This payroll or reporting system must be STP Compliant, so that each pay cycle you can report the following items to the ATO:

- Each employee's name and tax file number (TFN)
- Gross amount paid
- Tax withheld on the gross
- Ordinary time earnings for the period, and
- Any superannuation guarantee obligations.

If you are already using a payroll software system that is STP compliant, for example MYOB AccountRight, MYOB Essentials, Xero, Reckon One or a number of other providers, then all you will need to do is, ensure your employee details are correct and fully up to date and setup the STP function in your software. Please find the information to do this for these software solutions below:

- MYOB AccountRight:
<http://help.myob.com/wiki/display/ar/Set+up+Single+Touch+Payroll+reporting>
- MYOB Essentials:
<http://help.myob.com/wiki/display/ea/Set+up+Single+Touch+Payroll+reporting>
- Xero: <https://central.xero.com/s/article/Set-up-Single-Touch-Payroll-STP>
- Reckon One: <https://help.reckon.com/reckon-one/payroll/single-touch-payroll>

However, if your system is still manual (e.g. Excel spreadsheets, written payslips), it is essential that you review your current payroll system and decide to either transition to a

more sophisticated payroll and bookkeeping software such as one of the options listed above, or invest in a simple reporting portal STP solution.

The ATO has put together a list of low-cost simple reporting portal STP solutions, to assist employers who have always operated using a manual payroll system, and their business is not suited to moving to a more sophisticated bookkeeping solution, including small businesses with only 4 or less employees, or businesses operating in locations with limited internet access.

The list of low cost solutions can be found at <https://www.ato.gov.au/Business/Single-Touch-Payroll/In-detail/Low-cost-Single-Touch-Payroll-solutions/>

Given STP compliance is compulsory from 1 July 2019 onwards, we would strongly recommend taking the steps to set up STP or investigate your options sooner rather than later. It is also worth noting, once your business is setup with STP reporting, there is no longer a necessity to prepare and lodge PAYG Payment Summaries, so if you make the transition prior to your last payrun in June 2019 you can avoid having to prepare Payment Summaries for 2019.

We want to ensure your transition to STP is as smooth and hassle free as possible for you. So if you have any questions, or require any assistance, please don't hesitate to contact the office.