

# Single Touch Payroll (STP)

As the Australian Taxation Office (ATO) moves to a digital platform for all business interactions, digital “real time” reporting within payroll is one of its initiatives.

Single Touch Payroll (STP) proposes to streamline the administration of employee payroll, tax and superannuation obligations for employers.

## What is STP?

The *Budget Savings (Omnibus) Bill 2016* – Single Touch Payroll reporting was introduced into Parliament on 31 August 2016 and received Royal Assent on Friday 16 September 2016.

STP is a government initiative to streamline business reporting obligations. It will enable employers to report salary or wages, pay as you go (PAYG) withholding and super information directly to the ATO at the same time they pay their employees.

## Who does it apply to?

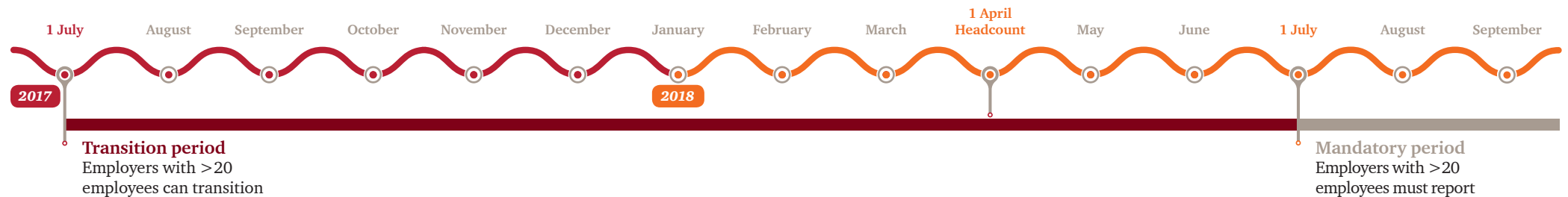
It applies to **all** employers with 20 employees or more. Employers with fewer employees can still report voluntarily, although this is not a requirement.

## When does STP start?

It is proposed that STP will be available from July 2017.

Employers will need to do a headcount on 1 April 2018 to determine their requirement to report through STP; organisations of 20 or more employees will be required to start transmitting from July 2018.

## Timeline



## What does STP aim to achieve?

It will:

- provide employees with visibility of their total year to date salary and wage income, PAYG withholding amounts and super guarantee contribution amounts as they accumulate
- enable employers and employees to be more assured that all eligible businesses are meeting their obligations
- assist the ATO to monitor PAYG withholding and super obligations
- simplify business reporting for employers by leveraging the natural business processes of paying their employees, to meet their PAYG withholding reporting obligation at the same time
- remove the requirement for employers to produce payment summaries to individuals or a payment summary annual report to the ATO commissioner.

This will reduce the risk of businesses getting behind on the payment of employee superannuation entitlements, and potentially, the additional *Superannuation Guarantee Charges* (SGC) associated with not meeting the *Super Guarantee* (SG) for their employees.

Ultimately, it will provide the ATO access to real time visibility over the accuracy and timeliness of an organisations payroll processes.

## Is there an amnesty period for penalties?

Yes. There will be no penalties imposed for the first 12 months for late submission of STP reports, and there will be a grace period offered for incorrect data included on STP reports.

## How can we help you?

The introduction of STP provides a great incentive for organisations to look at and improve internal processes and potentially review their payroll software for a more compliant reporting model.

Greater efficiency through better digital payroll processes and solutions can only be better for your business.

The **PwC Payroll Consulting Practice** can help you review your payroll processes, including your end of year processes and get you STP ready!

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