SINGLE TOUCH PAYROLL IS COMING 1 JULY 2019
- ARE YOU READY? -

Single Touch Payroll (STP) is a new way for employers to report tax and super information to the ATO. It starts from 1 July 2019 for employers with 19 or less employees.

Employers with 20 or more employees have been using Single Touch Payroll since 1 July 2018.

It is important to understand that the way you pay your employees won't necessarily change; you will just be sending the ATO payroll information each time you pay them.
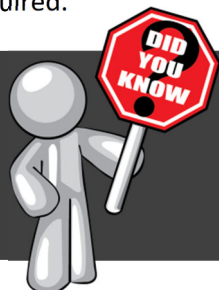

You'll report the following information through an STP ready solution - such as payroll software:

- **Payments to employees such as salaries and wages**
- **Pay as you go (PAYG) withholding**
- **Superannuation information.**

WHAT REPORTING OPTIONS DO YOU HAVE?

If you are already using payroll software:

You will need to contact your software provider to check if the software is Single Touch Payroll compliant – generally any existing cloud based payroll software such as Xero will already be compliant, however older desktop software packages may need to be updated. You can also contact us to discuss any changes that may be required.

If you don't currently use payroll software:
The introduction of Single Touch Payroll is intended to encourage all employers to use software to prepare and report their payroll going forward.
Please contact us to discuss your options and for assistance in transitioning to Single Touch Payroll compliant software.

If you employ between 1-4 employees:
Software providers are offering low-cost Single Touch Payroll compliant packages for $10/month or less.

The ATO has a register of no-cost and low-cost solutions currently available on their website at:
www.ato.gov.au/business/single-touch-payroll/in-detail/low-cost-single-touch-payroll-solutions

You can also contact us to discuss your options.

H C PARTNERS
CHARTERED ACCOUNTANTS & FINANCIAL PLANNERS

ARE THERE ANY EXEMPTIONS OR CONCESSIONS?

Single Touch Payroll is legislated to commence from 1 July 2019 for all employers that are not currently using it – however there are several concessions to assist with the transition:

- Some payroll providers may not have their payroll solution ready in time. You should check with your provider as they may have requested a deferral for all employers using their software

- Employers that only employ Closely Held Employees – see below

- There are some limited circumstances where an employer may request a deferred start date or even an exemption – please contact us to discuss and we can assist with the lodgement of any requests

The ATO have also stated that employers will not be penalised if they commence Single Touch Payroll reporting anytime between 1 July 2019 and 30 September 2019.

WHAT IF YOUR ONLY EMPLOYEES ARE YOURSELF AND FAMILY MEMBERS?

These types of employees are known as 'Closely Held Employees' – the ATO has extended the start date to **1 July 2020** and have initially allowed a quarterly reporting system.

The ATO's definition of a closely held employee is one who is a non-arm's length employee, directly related to the entity from which they receive payments, including family members of a family business, directors of a company and shareholders or beneficiaries.

HOW CAN WE HELP?

We can discuss options tailored to your business needs – including how Single Touch Payroll can be implemented with the least disruption to your business.

We can assist with the conversion of your current payroll system to a Single Touch Payroll compliant package.

We are also able to lodge your Single Touch Payroll information on your behalf by using compliant software.

Please contact us to discuss if you are interested.

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