

## Single Touch Payroll (STP) is an Australian Government initiative to simplify and streamline employer reporting obligations to the ATO.

Single Touch Payroll is the most significant change to payroll reporting in decades. Through Single Touch Payroll, employers will automatically report payroll information like salaries and wages, PAYG withholding tax and superannuation information directly to the ATO from their payroll solution, at the same time as they pay their employees.

Single Touch Payroll reporting was mandatory from 1 July 2018 for employers with 20 or more employees\*. Exceptions were given to employers where their payroll provider was not ready, however you would have needed to apply to the ATO for a deferred start date.

### What are payroll providers doing?

Payroll providers and developers of payroll software have updated or are continuing to update their products, and some providers have been granted a deferred start date by the ATO. Contact your payroll provider and subscribe to their communications to make sure you're aware of any updates. If you were not ready by your software provider's deferred start date, you will need to apply to the ATO for your own deferral unless your payroll service is provided by a registered tax or BAS agent who can apply on your behalf.

Your payroll software provider may offer STP reporting in one of the following ways:

- ▶ An end-to-end solution, which allows employers to report and send the file directly to the ATO
- ▶ A solution which allows employers to report through their software and send the file through a third party, which is integrated into the software.
- ▶ A solution that offers STP reporting only. Employers will need to send the file to the ATO separately through a third party, such as a sending service provider (SSP).

**Your software provider can let you know which solution they offer.**

### Clearing House options

If you're not using a clearing house you can apply for access to a clearing house – referred to as the Vision Super Clearing House - at [visionsuper.com.au/employers](http://visionsuper.com.au/employers). The clearing house is a product issued by Westpac Banking Corporation ABN 33 007 457 14, and provides a single touch payroll facility.

Fees will apply to the single touch payroll facility, payable by participating employers (who use the clearing house) to Westpac.

You should consider the Product Disclosure Statement for the clearing house, which can be obtained from

[clearinghouse.visionsuper.com.au/publicdocs/](http://clearinghouse.visionsuper.com.au/publicdocs/)

QuickSuperReferralPDS.pdf or on request by contacting 1300 304 947 or [employerservices@visionsuper.com.au](mailto:employerservices@visionsuper.com.au) before making a decision about the clearing house.

The ATO is working with payroll providers to enable **Single Touch Payroll** through Standard Business Reporting.

Employers should ensure their Single Touch Payroll enabled solution is ready by 1 July 2018.

### Default fund arrangements and employee onboarding

The STP changes don't affect any existing default, scheduled or preferred super fund arrangements.

Employers should ensure they communicate their default super fund to new employees at the same time as they ask new employees to complete the Tax File Number Declaration and superannuation 'Choice of Fund' forms online. We recommend you communicate this to new employees as part of the employment contract signing process. However, employers will not be required to provide employees with payment summaries for the information they report through STP.

Employers should also continue to ensure they make superannuation contributions in accordance with legislative requirements applicable to them under Superannuation Guarantee and other legislation (including Superstream requirements). The importance of reviewing your business processes more generally to ensure employee details (e.g. name, address, date of birth) are correct and that you're correctly paying employees, calculating super entitlements and addressing overpayments, doesn't change.

### Financial penalties

Employers will not be liable to pay an administrative penalty for failing to report on time during the first 12 months they report through Single Touch Payroll, unless the Commissioner first issues a warning notice.

As explained above, the ATO may also grant exemptions or deferrals to employers under certain circumstances, for example if your payroll solution was not ready by 1 July 2018 – contact your payroll provider to check.

### Changes for employees

Single Touch Payroll will allow employees to see up-to-date pay, tax withheld, and employer superannuation contributions through the Government's online service, MyGov.

Employees will be able to contact the ATO for a copy of their payment information if they choose not to have a myGov account. Employers may also choose to continue providing payment summaries to employees. Payments and amounts withheld that are not reported through STP must continue to be included in a payment summary, where required.

## STP Pay Event reporting

| Services   | Charge cycle           | Item type                      | QuickSuper fund - branded portal price excl. GST | QuickSuper fund - branded portal price incl. GST |         |
|--|------------------------|--------------------------------|--|--|---------|
| <b>Establishment fees<sup>1</sup></b>                            |                        |                                |  |  |         |
| Single Touch Payroll   | Once per establishment | STPEST                         | Waived   | N/A  |         |
| <b>Ongoing costs</b>   |                        |                                |  |  |         |
| <b>Transaction fees - Volume per month (Stepped)<sup>2</sup></b> |                        |                                |  |  |         |
| 101  | to 500                 | Per employer line <sup>3</sup> | STPTRAN  | \$0.09   | \$0.099 |
| 501  | to 1,000               | Per employer line              | STPTRAN  | \$0.08   | \$0.088 |
| 1,001  | to 1,500               | Per employer line              | STPTRAN  | \$0.07   | \$0.077 |
| 1,501  | to 2,500               | Per employer line              | STPTRAN  | \$0.06   | \$0.066 |
| 2,501  | and Above              | Per employer line              | STPTRAN  | \$0.05   | \$0.055 |
| <b>Establishment fees</b>  |                        |                                |  |  |         |
| Monthly Fee  | Per month              | STPMON                         | Waived   | \$25.00  |         |

- 1 The Establishment Fee is \$500.00 plus GST. However for Vision Super's employers, this fee has been waived.
- 2 Single Touch Payroll Fees are charged on a stepped monthly pricing structure. That is, the first 100 transactions are included in the monthly fee of \$25.00 (plus GST), then the following 400 transactions are priced at \$0.09 (plus GST) per transaction, the following 500 transactions are priced at \$0.08 (plus GST). It should be noted that if no Wage Event reporting submissions are made during the month, the minimum monthly fee will not apply.
- 3 The reporting of each employee's Payroll Wage Event to the ATO, is considered one message. That is, all the data elements that would normally appear on an employee's pay slip, is considered one transaction message. Therefore, the transaction fees are determined by multiplying the number of times each employee is paid in a given month, by the pricing detailed in the table above.

**PLEASE NOTE:** If the solution your software provider is offering is the STP reporting only, you will need to arrange to send the file to the ATO. Through an arrangement we have with Westpac (you can access clearing house services that include a facility for employers to send their reporting file to the ATO. Please be aware there is a fee for this service that is charged directly by Westpac.



## Need more help?

### Let us help you create a smooth rollout

We are engaging with our employers, payroll providers and the ATO to help facilitate a smooth roll out of the new requirements for employers.

If your payroll software provider offers STP reporting only (which means you will need to send the file to the ATO through a third party such as a sending service provider), we may be able to help you through providing you with access to Westpac's STP solution (through a clearing house).

Contact us at [employerservices@visionsuper.com.au](mailto:employerservices@visionsuper.com.au) or call us on **1300 304 947** for further information about Single Touch Payroll reporting.

Alternatively, speak to your payroll provider.

Learn more at: [ato.gov.au/singletouchpayroll](http://ato.gov.au/singletouchpayroll)

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