



Single Touch Payroll to include all businesses in 2019

On 1 July 2018, the Australian Tax Office (ATO) rolled out Single Touch Payroll (STP).

This changed the way employers with 20 or more employees reported their employees' tax and super information. Generally through payroll or accounting software that offer STP reporting (or through a third-party service provider), employers are expected to report information on withholding amounts, superannuation liability information or ordinary times earnings (OTE) and salary, wages, allowances and deductions.

The STP currently affects businesses with 20 or more employees, but just last month, the Senate passed a Bill for the STP to include all Australian businesses (including businesses with 19 employees or less), affecting at least an additional 700,000 businesses. Although the amendments to the STP are currently being reviewed by the House of Representatives, the change is expected to be implemented on 1 July 2019.

Businesses with 20 or more employees

If you do not have STP reporting already, it's not too late to get started. Alternatively, you can apply for a deferral.

If you are unsure if your software has STP reporting, the ATO recommends talking to your software provider or tax professional.

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Businesses with 19 employees or less

The effects on these businesses vary.

For now, businesses that already have digital payroll software are encouraged to talk to their software service provider to update their software if they want to start STP reporting now.

The ATO says businesses without such software will not be forced to purchase it, and different STP reporting options will be available by 1 July 2019 including:

- Exemptions if you have unreliable or no internet connection.
- Micro employers can report quarterly, rather than every time you run your payroll.
- Low-cost STP reporting options will include simple payroll software and mobile phone apps at or below \$10 a month for micro employers.

Adjusting to digital payroll software is a lengthy process, so take the time now to research different cloud-accounting software. However, also consider that the ATO is still finalising low-cost cloud-accounting solutions for micro employees.

Look out for our upcoming STP Special Edition for more detail.

A tailored approach for each business is recommended so call us for assistance and advice on 4927 4588 (Rockhampton) or 4939 1766 (Yeppoon) to see how we can help.

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