



Single Touch Payroll

Presented by | OC Partners



Agenda

Single Touch Payroll

- What is Single Touch Payroll
- When do I need to register?
- Getting started
- Frequently Asked Questions
- Resources



What is Single Touch Payroll

Single Touch Payroll (STP) is a new way of reporting tax and super information to the ATO.

Using payroll software, or another STP solution, you will send your employees' salary and wages, pay as you go (PAYG) withholding and super information to the ATO each time you pay your employees.

Flow of Information



Employer

Processes pay run
and issues payslips
to employees
– then –
files that information
with the ATO

ATO

Gathers payroll records
from all businesses
which can be viewed on
the Business Portal,
Tax Agents Portal or
MyGov.

Employee

Can view their year-to-date
payroll records and Annual
Income Statements on
MyGov. This information
will also be used to pre-fill
their income tax return.



EOFY changes under Single Touch Payroll (STP) to be aware of

Under Single Touch Payroll you will no longer need to provide PAYG Payment Summaries to your employees or lodge a Payment Summary Annual Report.

You will need to make a finalisation declaration within your STP solution.

Once you make the finalisation declaration, the ATO will display the information as Tax ready for your employees in ATO online via myGov.



When do I need to register?

Employers who had 20 or more employees at the 1st of April 2018 were required to begin reporting from 1 July 2018.

Small employers with 19 or less employees will need to report through STP from 1 July 2019 and must opt in before 30 September 2019.

Timeline of Key Dates



Before 30 June

Employers who had 20 or more employees (at 1 April 2018) must have registered for STP and begun filing their 2018/19 payroll information before this date.

31 July

Employers required to be registered for STP, or have voluntarily opted in to STP must lodge their finalisation report.

30 September

All employers are required to be registered for STP and begin filing their 2019/20 payroll information before this date (unless an exemption has been granted).



Getting Started



Important actions

Choose an STP Enabled software solution

Set up payroll and decide who will opt in

Check your organisation settings are correct

Decide when to opt in

Opt in and begin reporting



STP solutions offered by Xero

Single Touch Payroll is available under all Standard and Premium Xero Business Plans.

In addition, Xero has also introduced two additional STP enabled plans for businesses with 4 or fewer employees:

- Standalone Payroll - \$10 p/mth
- Payroll Cashbook - \$29 p/mth

Note that these subscriptions do not include auto-super which is only available under Premium Xero Business Plans.



How to set up STP for your business in Xero

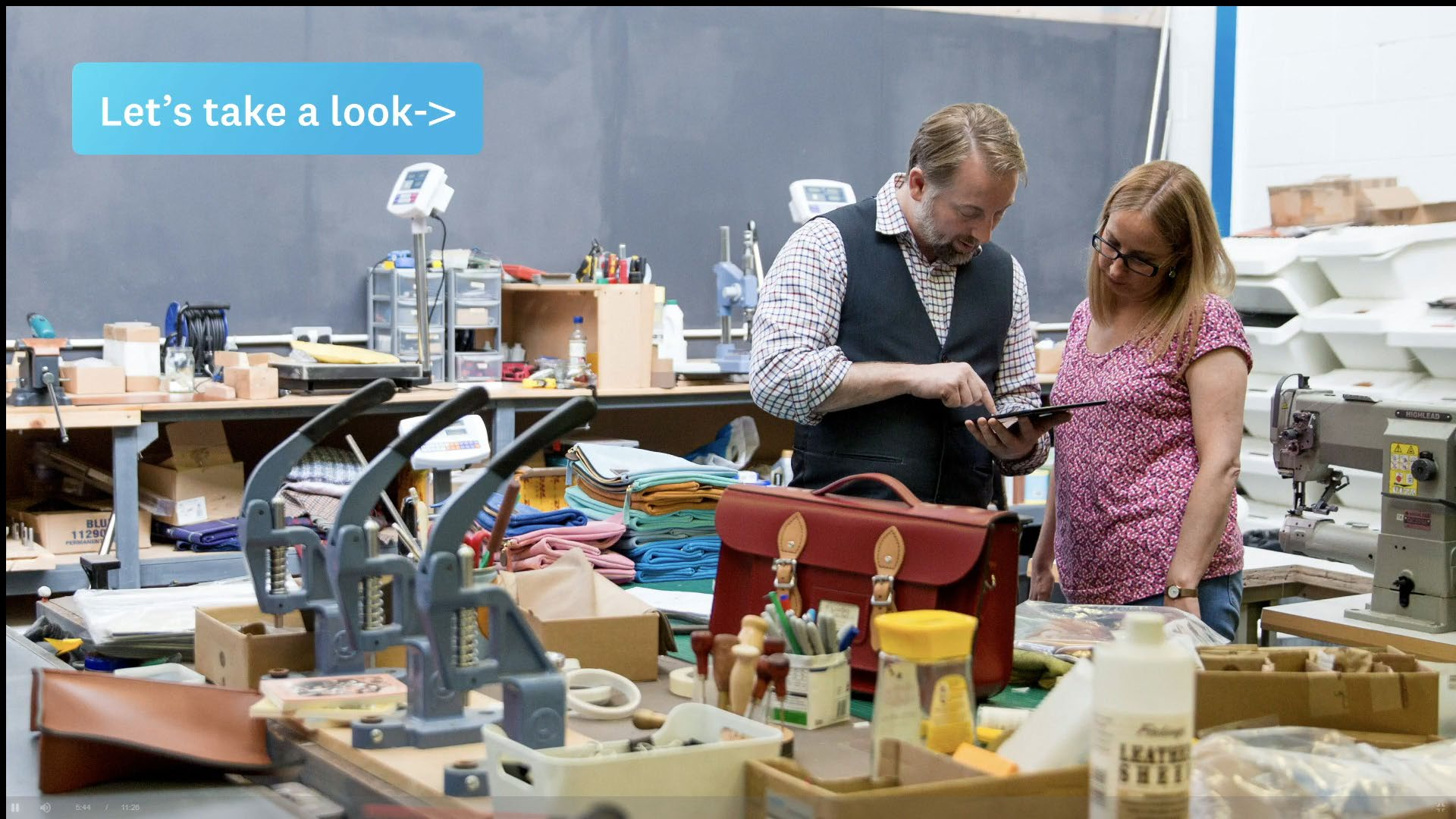
1. In the **Payroll** menu, select **Pay employees**.
2. In the message about **Changes to the way you report payroll information to the ATO**, click **Get started**.
3. If you don't want to opt in right now, close the message by clicking **Remind me later**. To reopen the message, click **Setup Single Touch Payroll**.
4. Click **Opt in** to confirm.
5. Review your organisation details. If necessary, click **Update Organisation details**. Xero will redirect you to the **Organisation details** page. Otherwise, click **Continue**.
6. To connect your Xero account to the ATO, call the ATO on 1300 852 232.
7. Provide the ATO with the proof of ownership listed in Xero's prompt, including your Australian Business Number (ABN) and Software ID (SSID).
8. Select the checkbox to confirm you've contacted the ATO to connect your Xero account.
9. Click **Register**.



STP Finalisation

1. In the Payroll menu, select Employees.
2. Click End of year reports, then select STP Finalisation.
3. Click to the right of an employee's name, then click Edit.
4. Review the employee's year-to-date summary.
5. (Optional) Add a Reportable fringe benefits amount.
6. If you add an RFBA, Xero submits it the next time you file with the ATO. For example, Xero will submit the RFBA if you file a pay run with STP before finalising the data.
7. Click Save and next to repeat this for your next employee.
8. (Optional) Toggle the Show employees terminated this FBT year switch to show more employees.
9. Click the switch at the bottom of the page to show employees who left during the FBT year.
10. To finalise data for individual employees, select the checkbox next to their name. To finalise data for all employees, select the Employees checkbox at the top of the table.
11. Click Finalise and submit to the ATO.
12. Select the checkbox to authorise the file, then click Submit to ATO.

Let's take a look->



Employees

Current

History

Current Employees

End of year reports

Add Employee

Invite to payroll

<input type="checkbox"/>	Name	McName	Employee Group	Calendar	Payment Date
<input type="checkbox"/>	Name	McName	Employee Group	Calendar	Next Payment Date
<input type="checkbox"/>	Name	McName	Employee Group	Calendar	Next Payment Date
Showing 9 Employees					

STP Finalisation

Payment Summaries



0 of 8 finalised for 2018/19

<input type="checkbox"/>	Employees	Status
<input type="checkbox"/>	<div><div>JB</div><div>Justine Baumbach</div></div>	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div><div>VD</div><div>Vicente Dietrich</div></div>	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div><div>IF</div><div>Irwin Fisher</div></div>	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div><div>AH</div><div>Amy Hane</div><div>Lump Sums • Terminated</div></div>	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div><div>KM</div><div>Kaden McCullough</div></div>	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div><div>HM</div><div>Hope Metz</div></div>	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div><div>JR</div><div>Jake Rutherford</div></div>	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div><div>AW</div><div>Alex White</div></div>	<div>Not final</div> <div></div>

☐ Show employees terminated this FBT year
1 April 2018 to 31 March 2019

0 of 10 finalised for 2018/19

<input type="checkbox"/>	Employees	Status
<input type="checkbox"/>	<div>JB</div> Justine Baumbach	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div>VD</div> Vicente Dietrich	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div>IF</div> Irwin Fisher	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div>AH</div> Amy Hane <div>Lump Sums • Terminated</div>	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div>KM</div> Kaden McCullough	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div>HM</div> Hope Metz	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div>VO</div> Vivienne Osinski <div>Terminated</div>	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div>JR</div> Jake Rutherford	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div>GS</div> Georgianna Schmidt <div>Terminated</div>	<div>Not final</div> <div></div>
<input type="checkbox"/>	<div>AW</div> Alex White	<div>Not final</div> <div></div>

Edit

Go to employee

☒ Show employees terminated this FBT year
1 April 2018 to 31 March 2019

0 of 10 finalised for 2018/19

☐

Employees

☐

JB

Justine Baumbach

☐

VD

Vicente Dietrich

☐

IF

Irwin Fisher

☐

AH

Amy Hane

Lump Sums • Terminated

☐

KM

Kaden McCullough

☐

HM

Hope Metz

☐

VO

Vivienne Osinski

Terminated

☐

JR

Jake Rutherford

☐

GS

Georgianna Schmidt

Terminated

☐

AW

Alex White

☒

Show employees terminated
1 April 2018 to 31 March 2019

Employee year to date summary

vo

Vivienne Osinski
Commenced 25 Oct 2016 • Terminated 5 Apr 2018

Tax file number

123-456-782

Data for the period

1 Jul. 2018 to 30 June 2019

Finalised for 2018/19

Not Final

Gross payments

0.00

Total tax withheld

0.00

Total Allowances

0.00

Lump Sum Payments A

0.00

Lump Sum Payments B

0.00

Lump Sum Payments D

0.00

Lump Sum Payments E

0.00

Total super contributions

0.00

Reportable employer super contributions

0.00

Reportable fringe benefits amount

0.00

Reportable fringe benefits amount, exempt

0.00

Exempt from FBT under [section 57A of the FBTAA 1986](#)

Cancel

Save

Save and next

Status
Not final
Not final
Not final
Not final
Not final
Not final
Not final
Not final

7:07 / 11:28

0 of 10 finalised for 2018/19

☐

Employees

☐

JB

Justine Baumbach

☐

VD

Vicente Dietrich

☐

IF

Irwin Fisher

☐

AH

Amy Hane

Lump Sums • Terminated

☐

KM

Kaden McCullough

☐

HM

Hope Metz

☐

VO

Vivienne Osinski

Terminated

☐

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Show employees terminated
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Lump Sum Payments A

0.00

Lump Sum Payments B

0.00

Lump Sum Payments D

0.00

Lump Sum Payments E

0.00

Total super contributions

0.00

Reportable employer super contributions

0.00

Reportable fringe benefits amount

400

Reportable fringe benefits amount, exempt

0.00

Exempt from FBT under [section 57A of the FBTAA 1986](#)

Cancel





















Save

Save and next

Status
Not final
Not final
Not final
Not final
Not final
Not final
Not final
Not final

7:49 / 11:26

0 of 10 finalised for 2018/19

Employees		Status
  Justine Baumbach		Not final ⋮
  Vicente Dietrich		Not final ⋮
  Irwin Fisher		Not final ⋮
  Amy Hane Lump Sums • Terminated		Not final ⋮
  Kaden McCullough		Not final ⋮
  Hope Metz		Not final ⋮
  Vivienne Osinski RFBA • Terminated		Not final ⋮
  Jake Rutherford RFBA		Not final ⋮
  Georgianna Schmidt RFBA • Terminated		Not final ⋮
  Alex White		Not final ⋮

☒ Show employees terminated this FBT year
1 April 2018 to 31 March 2019

Changes saved

These changes will be sent in the next pay run or finalisation.



Authorisation to file

Michael Thomas

- A registered agent has approve this payroll report in accordance with information supplied by the entity.
- A registered agent has received a declaration made by the entity stating that the information provided to me for the preparation of the payroll report is true and correct.
- The registered agent is authorised by the taxpayer or authorised person of the entity to file the information in this payroll report to the commissioner.
- I have read and accept the terms and conditions of the SBR end user agreement.
- I understand that Xero Australia Pty Ltd is not providing and agent service and is not resposible for the accuracy of what I am filing, preparation of any taxation, superannuation or other related documents on behalf of my business/entity.

By clicking 'Submit to ATO' you are signing this declaration and authorising Xero Australia Pty Ltd to file this report with the ATO on your behalf using Xero's AUSKey.



I, Michael Thomas, have read and accept the Authorisation to file.































Submit to ATO

Changes saved

These changes will be sent in the next pay run or finalisation.



✔ 10 of 10 finalised for 2018/19

<input type="checkbox"/>	Employees	Status
	 Justine Baumbach	Finalised 
	 Vicente Dietrich	Finalised 
	 Irwin Fisher	Finalised 
	 Amy Hane Lump Sums • Terminated	Finalised 
	 Kaden McCullough	Finalised 
	 Hope Metz	Finalised 
	 Vivienne Osinski RFBA • Terminated	Finalised 
	 Jake Rutherford RFBA	Finalised 
	 Georgianna Schmidt RFBA • Terminated	Finalised 
	 Alex White	Finalised 

☒ Show employees terminated this FBT year
1 April 2018 to 31 March 2019

Changes saved

These changes will be sent in the next pay run or finalisation.





Frequently Asked Questions



Can I start before it's mandatory?

Yes. If you voluntarily opt in, you need to be aware of the changes to year-end payroll reporting and key dates.

- 1) You will need to file (at minimum) your final pay run (which includes year-to-date balances)
- 2) You must notify employees that they will no longer receive a PAYG Payment Summary
- 3) You will need to finalise your STP declaration before 31 July 2019.



How do I file YTD information if I don't start STP at the beginning of the year

With STP, your payroll software files the financial year-to-date payroll information with your first submission, meaning that you only have to start filing information from when you opted into STP.



What information is sent with STP

Payment, tax and super information will be reported to the ATO each pay run.

Employment Termination Payments (ETPs) and Reportable Employer Super Contributions (RESC) are reported when you process and file your pay runs.

FBT (fringe benefits tax) is reported when you finalise STP.



Does STP change my PAYG Withholding and superannuation payment cycle?

No.

Single Touch Payroll does not change your payment cycle for PAYG and superannuation.

You will continue to report and pay your PAYG withholding as part of your monthly or quarterly activity statements.

Your superannuation payments will continue to be reported through your existing SuperStream complaint superannuation clearing house.



Will I still need to provide payslips?

Yes. You are still required to provide payslips to employees.

Under STP employees will no longer receive a PAYG Payment Summary. They can view their information via MyGov, or refer to the YTD information on their most recent pay slip.

In Xero, if the employee has been invited to My Payroll, they can access and download previous payslips and view their leave balances.



What happens if I make a mistake?

If spot a mistake in a pay run that you've filed with STP, you can make a correction.

For Xero users, you have a few options depending on the nature of the mistake you've found. You can either:

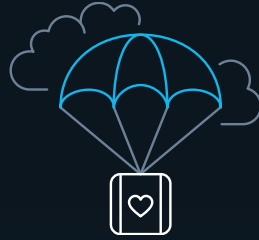
1. revert the pay run, make your required changes, post and file
2. complete an unscheduled pay run
3. fix the mistake in time for your next pay run



Are there any deferrals or exemptions available?

Yes. If you won't be ready to start reporting by 30 September 2019, you may be eligible to apply for a deferred start date.

There are also exemptions available if you live in an area with intermittent or no internet connection and exemptions for closely held payees.



Resources



Resources & Next steps

Factsheet for Employees

The way you get your payment summary is changing

https://www.ato.gov.au/uploadedFiles/Content/MEI/downloads/n75191_employee_factsheet.pdf

It is recommended that this factsheet is supplied to employees after you have opted in to STP. It provides instruction on how they can retrieve their Income Statement.

The way you get your payment summary is changing



Many employers are now required to report your pay, tax and super information direct to us each payday, so you can find all your information in one place when you need it. All employers will eventually report this way.

- An employer who does report to us this way will not have to give you a payment summary. Instead, you will get an end-of-year income statement in ATO online services through myGov.
- An employer who does not report to us this way will still need to give you a payment summary at the end of the financial year (as they do now).

Your payment summary information will be available in the following ways:

- ATO online services via myGov
- your employer
- via your agent.

Through ATO online services via myGov

For most people, their payment summary information will now be available at the end of the financial year in their ATO online services account through myGov and will be called an 'income statement'.

Your year-to-date pay and super information is also available to you throughout the year in your ATO online services account.

It's important to wait until your employer finalises your income statement to make it 'tax ready' before you or your agent lodge your tax return. Most employers have until 31 July 2019 to check their employee's income statement and finalise it for the year.

After 1 July we'll send a message to your myGov inbox when your income statement is tax ready so you or your registered tax agent can then lodge your tax return.

Other information is usually pre-filled in your tax return by mid-August, such as information from health funds, banks, government agencies and more.

If you or your agent lodges your tax return and your income statement is not tax ready, your employer might make changes, and you may need to lodge an amendment. In some cases, additional tax and interest may be payable.

To create a myGov account visit my.gov.au

Through your employer

Your employer will continue to give you a payment summary if they are not yet reporting your tax and super information to us each pay day.

If you have more than one job, your other employers may still need to provide you with a payment summary. Ask your employer if you're not sure and make sure all your income is included when lodging your tax return.

Using a registered tax agent

Your agent will still be able to see your income statement or payment summary information as well as receive a report with all of your information pre-filled in your income tax return.

For more information

Visit ato.gov.au/incomestatement

If you can't access your information through myGov, you can contact us on 13 28 61



Australian Government
Australian Taxation Office

ATO 1000-00-0000-0000



For more information

Australian Taxation Office

<https://www.ato.gov.au/Business/Single-Touch-Payroll/>

Xero Resources

<https://www.xero.com/au/resources/single-touch-payroll/>

Contact us

info@ocpartners.com.au



Questions



Beautiful accounting software



We make the complex simple

