

Single Touch Payroll Checklist

STP Ready

Single Touch Payroll (STP) involves so much more than a standard upgrade to your payroll software. It impacts many parts of your business. The 1 July 2018 deadline is tight. You can prepare your business by following this checklist and ticking the items off as you go.

Getting started

Davidson's recommendation is to put in place an "STP Champion" – someone who becomes the STP subject matter expert within your organisation. Your STP Champion should be able to help take the business on a broader business improvement journey.

Appoint your STP Champion – usually the Payroll Manager

Visit the official ATO STP website: ato.gov.au/singletouchpayroll

Ensure you have in place:

- [ATO AUSKey](#)
- Access to the [ATO Business Portal](#)
- Access to the [ATO Access Manager](#)

Technology

STP involves payroll information being sent electronically to the ATO with every pay run. It is this direct connection to the ATO that is new and requires all payroll systems to be upgraded. If your operating systems are old, they will also require an upgrade.

/ TIP

Be sure to check for any customisations or add-ons that may be impacted by the upgrade.

Ask your existing payroll/software provider:

- When your payroll solution will be ready for STP (remember the headcount date is 1 April 2018 and your company needs time to get ready too)
- If they are rationalising their product offerings and pushing you onto a newer cloud product, make sure the functionality on the accounting side (payroll and accounting software are usually in the same suite) will not go backwards or be inferior to what you could get by having a broader review of your options
- If they have a deferred start date request the deferral reference number. You will need this to apply for your own deferral from the ATO if you choose to stay with this provider

Think about whether you have outgrown your current solution:

- Especially if you have stock and debtors (like wholesalers, distributors and manufacturers)

Decision checkpoint – decide now whether your payroll solution will be upgraded or replaced for STP reporting

If an upgrade is sufficient, get yourself on the latest version of the software now. This will minimise the impact of any final STP updates closer to the 1 July 2018 deadline

If new software is required, you need to use STP-enabled commercial payroll software, visit absia.asn.au/page/ato-stp-products

Regardless of your approach, check your hardware and software specifications are robust enough to meet all STP requirements

Once you have selected your STP solution, in the [ATO Access Manager](#) nominate your hosted SBR software service provider

Data

Inaccurate data can lead to incorrect submissions to the ATO.

Payroll data – check [PAYG withholding](#) is calculating correctly, year-to-date information is being captured accurately, STP-related payments are reported under the correct pay codes and the latest tax scales are installed

Superannuation data – check your [superannuation](#) contributions are calculating correctly, your [SuperStream](#) solution is compliant and you have the correct employee and superannuation fund setups

Employee masterfiles – it's crucial that payroll records match the ATO. Ensure employee data is up to date and correct, i.e. full name, address, tax file number and date of birth

Processes

Understand which payroll processes are impacted and need to be reviewed.

Pay day – you must submit a “pay event” to the ATO on or before pay day for various types of payments including salary or wages

Correcting a pay event report – how will you fix errors sent to the ATO, e.g. over payments or misclassifications?

Commencing employment – start date and TFN declaration can be reported in a pay event

Ceasing employment – cessation date can be reported in a pay event. “Finalisation declaration” can be sent to the ATO at any time during the financial year or at year end

End of year – exemptions from issuing payment summaries and PAYG withholding annual report if you make finalisation declarations via STP reporting

Quarterly business activity statements – labels W1 and W2 are pre-filled when reporting via STP

Transitioning to STP – how you can start STP reporting during a financial year

Visit the ATO website to better understand [your obligations under STP](#)

Employees

STP offers benefits to employers, employees and the community, e.g. eliminating payment summaries and TFN forms, ensuring super is paid and reducing welfare and tax fraud. To unlock some of these benefits, employees need to be registered on myGov and linked to the ATO.

Did you do a head count of number of employees on your payroll on 1 April 2018? The ATO website explains [who to include in your headcount](#)

We suggest that you discuss with your employees the changes and benefits of STP and notify them that they need to be registered on myGov.

Our team are here to help and are able to discuss and review your current Payroll situation, your future requirements and help align you with making the right software choice.

Should you have any questions or require assistance please don't hesitate to contact Belinda Doherty on (03) 5221 6816 or Jodie Campbell on (03) 5244 6845 or by sending an email to belindad@davidsons.com.au

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