

Single Touch Payroll (STP) compulsory for all businesses from 1 July 2019

How will this change affect your business? We've got you covered with all the top questions on STP answered.

What is Single Touch Payroll?

Single Touch Payroll, also called STP or one touch payroll, is an ATO initiative that requires employers to report salaries and wages, PAYG withholding and superannuation to the ATO each time they pay their employees.

Why is STP being introduced?

Legislation made it compulsory for businesses with 20 or more employees to digitally report payroll details to the ATO. However, following an amendment, it is now mandatory for all employers in Australia to adopt a compliant payroll solution, which are often software-based, from 1 July 2019.

What does it mean for your accountant or bookkeeper?

As cloud accounting partners, Collins Hume only needs to follow some simple protocols to get connected and authorised in order to file STP on behalf of your business, depending on which cloud accounting system is used in your business.

If you have not yet implemented a cloud accounting system in your business, talk with us about selecting and onboarding the best solution for your STP needs.

As accountants, we can guide you in the proper set up of your payroll as well as process your pay runs if you need it. We can also do your end-of-year processing (STP Finalisation Declaration). In this instance both Collins Hume and your business would connect to the ATO so that we can both file with STP.

Can a business start filing STP before it is mandatory?

Yes you can – the sooner you start, the easier it will be when July rolls around. For example, STP is available on all Xero plans which include payroll. Just go to the pay runs screen and click the banner to get started. For a full rundown of options, talk with our cloud accounting experts first on 02 6686 3000.

Does a business still need to submit a BAS?

Yes, businesses still need to submit a BAS. If you've set up the W1 and W2 values in Xero Payroll, they will continue to show up in BAS/ IAS as usual.



For Xero users

How does a business install it?

STP is now available to all businesses on Xero. [Follow Xero's steps](#) to set up and opt-in STP now. You can then use STP to file your employee pay and super info with the ATO.

How does a business get a software ID (SSID) and connect to the ATO?

For a full rundown, check out the Xero Central article on [setting up STP](#) or call our Xero team on 02 6686 3000.

What information is sent with STP?

Payment, tax and super information will be reported to the ATO each time you pay your staff. Xero works out what payroll information needs to be filed and sends it to the ATO. For details on what is reported, take a look at the ATO's website on [what you need to report](#).

Do FBT, ETP and RESC need to be reported via STP?

Yes. ETP (employment termination payments) and RESC (reportable employer super contributions) are reported when you process and file your pay runs. And FBT (fringe benefits tax) is reported when you finalise STP.

