Single Touch Payroll (STP)

What is Single Touch Payroll?

Basically, Single Touch Payroll (STP) is a government initiative to streamline business reporting obligations. When an employer pays their employees in every pay period, the payroll information (wages/PAYG withholding and superannuation) will be sent to the ATO from their Payroll software.

Who has to report?

Employers with 20 or more employees must start STP reporting from 1 July 2018. Subject to legislation being passed in Federal Parliament, it is expected STP reporting will expands to include Employers with 19 or less employees from 1 July 2019.

Note – Employers will not be liable for any penalties for a late STP report during the first year of compulsory reporting.

Will PrimeWorks Software Solutions Payroll system be compliant?

The PrimeWorks team have spent the past 6 months researching, liaising with the ATO and various SBR2 gateway operators, in order to understand and make the necessary modifications to our software. We are satisfied and confident that PrimeWorks Software Solutions' Payroll module will be STP enabled by July 1, 2018.

How does it work?

PrimeWorks are building a STP compliant solution within our Payroll module, with the aim to make as minimal changes for the End User (i.e. our clients) as possible.

Put simply, after processing the period/pay cycles wages, bank transfer file and Final Reports from Primeworks Payroll module, users will upload/send a file to the ATO containing the necessary information for STP reporting, whilst still within the PrimeWorks Payroll module. Primeworks will capture all relevant information the ATO requires in the STP reporting file, so there is nothing new or extra that the user needs to worry about. Employers will be required to report a pay event to the ATO on or before the pay day.

Reporting under STP will remove the requirement for employers to issue Payment Summaries (Group Certificates), provide annual reports and TFN declarations to the ATO. Employees will be able to see their YTD and super information through MyGov once the STP upload is accepted by ATO.