

SINGLE TOUCH PAYROLL

WHAT YOU NEED TO KNOW

WHAT	ATO is changing Employers PAYG reporting obligations
WHEN	Employers with >20 employees 1/7/2018 Employers with <20 employees 1/7/2019
HOW	Employers must report more detail and do it after every pay run Employers must use SBR compliant payroll software
WHO	All employers
HELP	Call SLS Accounting – 08 9322 1689 or email admin@slsaccounting.com.au

SINGLE TOUCH PAYROLL SUMMARY

Single Touch Payroll is a reporting change for employers, however, if you require assistance with the new obligations please contact SLS. We have provided a summary below of the changes.

It means employers will report payments such as salaries and wages, pay as you go (PAYG) withholding and super information to us directly from their payroll solution at the same time they pay their employees.

Employers may need to update their payroll solution to report through Single Touch Payroll.

For employers with 20 or more employees, Single Touch Payroll reporting starts from 1 July 2018.

The Australian Government has announced it will expand Single Touch Payroll to include employers with 19 or less employees from 1 July 2019. This will be subject to legislation being passed in parliament.

To find out if you need to be ready by then, you will need to do a headcount of the employees you have on your payroll on 1 April 2018.

HOW TO COUNT YOUR EMPLOYEES

You will need to count the number of employees on your payroll on 1 April 2018 to find out if you are a 'substantial employer'. You need to do a headcount, not a count of your full time equivalent (FTE).

If you have 20 or more employees on 1 April, you will be a 'substantial employer' and will need to report through Single Touch Payroll from 1 July 2018.

Once you are a substantial employer you will be required to continue reporting through Single Touch Payroll even if your employee numbers drop below 20.

SLS ACCOUNTING

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WHO TO INCLUDE IN YOUR HEADCOUNT

You need to include the following employees in your headcount:

- Full-time employees
- Part-time employees
- Casual employees who are on your payroll on 1 April and worked any time during March
- Employees based overseas
- Any employee absent or on leave (paid or unpaid)
- Seasonal employees (staff who are engaged short term to meet a regular peak workload, for example, harvest workers).

Do not include:

- Any employees who ceased work before 1 April
- Casual employees who did not work in March
- Independent contractors
- Staff provided by a third-party labour hire organisation
- Company directors
- Office holders
- Religious practitioners

If you are part of a company group, the total number of employees employed by all member companies of the wholly-owned group must be included.

HOW YOUR REPORTING WILL CHANGE

Your payroll solution will need to be updated for Single Touch Payroll reporting.

When you pay your employees through your Single Touch Payroll-enabled solution you will be reporting payments such as their salaries and wages, allowances, deductions (for example, workplace giving) and other payments, pay as you go (PAYG) withholding and super information to the ATO at the same time.

Your payroll cycle does not need to change. You can continue to pay your employees weekly, fortnightly or monthly. You may have different pay cycles for different employees.

It simply means that when you complete your payroll, the tax and super information for each employee will be reported to the ATO.

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ABOUT PAYROLL SOLUTIONS

If you are a substantial employer on 1 April 2018, you will need to update your payroll solution to report through Single Touch Payroll from 1 July 2018.

As payroll software and service providers update their products, you will be able to check when your solution is ready.

You will be able to see which payroll solutions are Single Touch Payroll-enabled in the product catalogue on the Australian Business Software Industry Association (ABSIA) website. Over time, this catalogue will be updated with information about payroll solutions that are Single Touch Payroll-enabled.

Contact your payroll software or service provider to find out when your payroll solution will be ready for Single Touch Payroll reporting.

If you don't have a payroll solution you will need to choose a payroll solution that is Single Touch Payroll-enabled and suits your business needs.

There are a number of options if you don't have a payroll solution:

- You can speak to us to find out which payroll solution would be best for you.
- You can use a registered agent or payroll service provider to report to us through Single Touch Payroll on your behalf.
- You can check which payroll solutions are Single Touch Payroll-enabled in the product catalogue on the Australian Business Software Industry Association (ABSIA) website and choose one of them. Over time, this catalogue will be updated with payroll solutions that are Single Touch Payroll-enabled.

SLS Accounting are here to help.

If you have any concerns about any aspect of this change, please call us for assistance.

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