

Sample Single Touch Payroll Checklist

Single Touch Payroll (STP) is compliance and the 1 July 2018 for organisations with 20 or more employees a tight deadline is tight.

STP involves more than a standard upgrade to your clients' payroll software, it impacts many parts of their business. You can help them prepare by following this checklist now and ticking the items off as you go.

Getting started

Our recommendation is to put in place an "STP Champion" – someone who becomes the STP subject matter expert within your organisation. The STP Champion should start by assessing which of your clients are impacted the most.

- Appoint your STP Champion – someone who is business-process driven rather than an IT expert
- Visit the official ATO STP website: ato.gov.au/singletouchpayroll
- View the '[MYOB Single Touch Payroll \(STP\) info page](#)
- Raise STP as a management agenda item – play the video so other key staff are aware of what needs to be done
- If you are a software partner, create an STP-readiness spreadsheet
 - listing all your clients who are impacted the most.
 - .Include items such as which clients have 20 or more staff (including casuals), what payroll solution and version they are on and who will be the STP Champion on the client side
- Also include columns to confirm each client has in place:
 - [Australian Business Number \(ABN\)](#)
 - [Registration for PAYG withholding](#) with the ATO
 - [ATO AUSkey](#)
 - Access to the [ATO Business Portal](#)
 - Access to the [ATO Access Manager](#)
- If you're a consultant or advisor, do you have enough time to service all impacted clients before 1 July 2018?
Map out a roadmap and recruit your STP deputies to assist if required. Many businesses will want to start STP because of the benefits of streamlined reporting, even if they have fewer than 20 employees

Now
Follow the STP checklist

1 April 2018
Employee headcount

1 July 2018
STP reporting mandatory
20 or more employees

1 July 2019
STP reporting mandatory
19 or fewer employees

Data

Inaccurate data can lead to incorrect submissions to the ATO.

Processes

Understand which payroll processes are impacted and need to be reviewed. Educate your clients on the same.

- Upgrade to version 2017.2 now, if you haven't already done so. This version contains 2 features which will help you plan for a move to STP payroll in 2018. They are:
 - An ability to verify employee tax file numbers, online, from their card
 - A new field for each Payroll Category – called STP Category
- If your payroll has many Payroll Categories, editing them now, to match the each Category to its STP Category, will save time later.
- Payroll data – verify **PAYG withholding** is calculating correctly on all payment types, e.g. wages and bonuses
- Superannuation data – confirm you have a compliant **SuperStream** solution and are correctly calculating employees' super
- 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
- Pay day** – you must submit a “payroll event” to the ATO on or before pay day for various types of payments, not just salary and wages
- Correcting a payroll event report** – how will you correct errors sent to the ATO, e.g. overpayments or misclassifications?
- Commencing employment** – start date and TFN declaration can be reported in payroll events
- Ceasing employment** – cessation date can be reported in payroll events. Need to send final event indicator to the ATO with final pay or at year end
- End of year** – exemption from issuing payment summaries and PAYG withholding annual report if make a “finalisation declaration” 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

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. Getting your employees correctly set up can take months. We recommend commencing this process now using a cascade approach across your organisation – even before your software is upgraded.

- Ask all employees whether they are registered on [myGov](#)?
If not, do so before you ask any clients to do this.
Step-by-step instructions can be found on the [Department of Human Services website](#). Make notes so you can guide your clients, e.g. need a unique email address and mobile number
- If they have not yet registered on myGov, ask them to get this info first:
- - their tax file number (TFN)
and any two of these:
 - last tax return assessment notice (or from the year prior)
 - PAYG payment summary, super account, dividend statement, Centrelink payment summary, bank account details.More detailed help can again be found on the [Department of Human Services website](#)
- If you are a software partner, ask key staff and client advisers in your organisation to register on myGov - so they can experience what clients will be asked to do – then add their notes to your own
- Now follow a similar approach with your clients – starting with each client-side STP Champion and then their key managers
- Finally, each client should get their employees to register, well before 30 June. (e.g. by 31 May)

The above steps will greatly accelerate staff engagement and reduce unproductive time, e.g. making errors and being locked out of the website for an hour
