

## Single Touch Payroll

### Authorisations and Declaration Scenarios

## VERSION CONTROL

Version	Date	Summary of Changes
1.0	13/12/2017	<b>Version 1.0</b> as supporting reference to BIG version 2.0 Updated throughout to correctly reference section 5.3.1 “Declaration Statements” of the BIG
2.0	09/05/2018	Minor change at Scenario 16a - to include reference to scenario 2.

## ENDORSEMENT

## APPROVAL

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## 1. OVERVIEW

This document is intended to support Section 5 “Authorisations and Declarations” of the STP BIG. A library of scenarios will be presented, identifying the point within the payroll reporting process as well as the type of declaration that must be made by the employer, their authorised employee or their Registered Agent depending on their reporting model. Each scenario references one or more entries in the BIG section Declaration Statements.

Sections 2 and 3 provide the reader with additional context as precursor to the scenarios.

## 2. PAY PRODUCTION BUSINESS PROCESS

Two points have been identified in the Pay Production Process below where the employer may provide a declaration. This may be at the point where the employer is preparing data in readiness for a Payroll Provider/Agent (“Start Pay Production”1) and/or when they are submitting directly to the ATO (Other Payroll Outputs - “Approval”2).

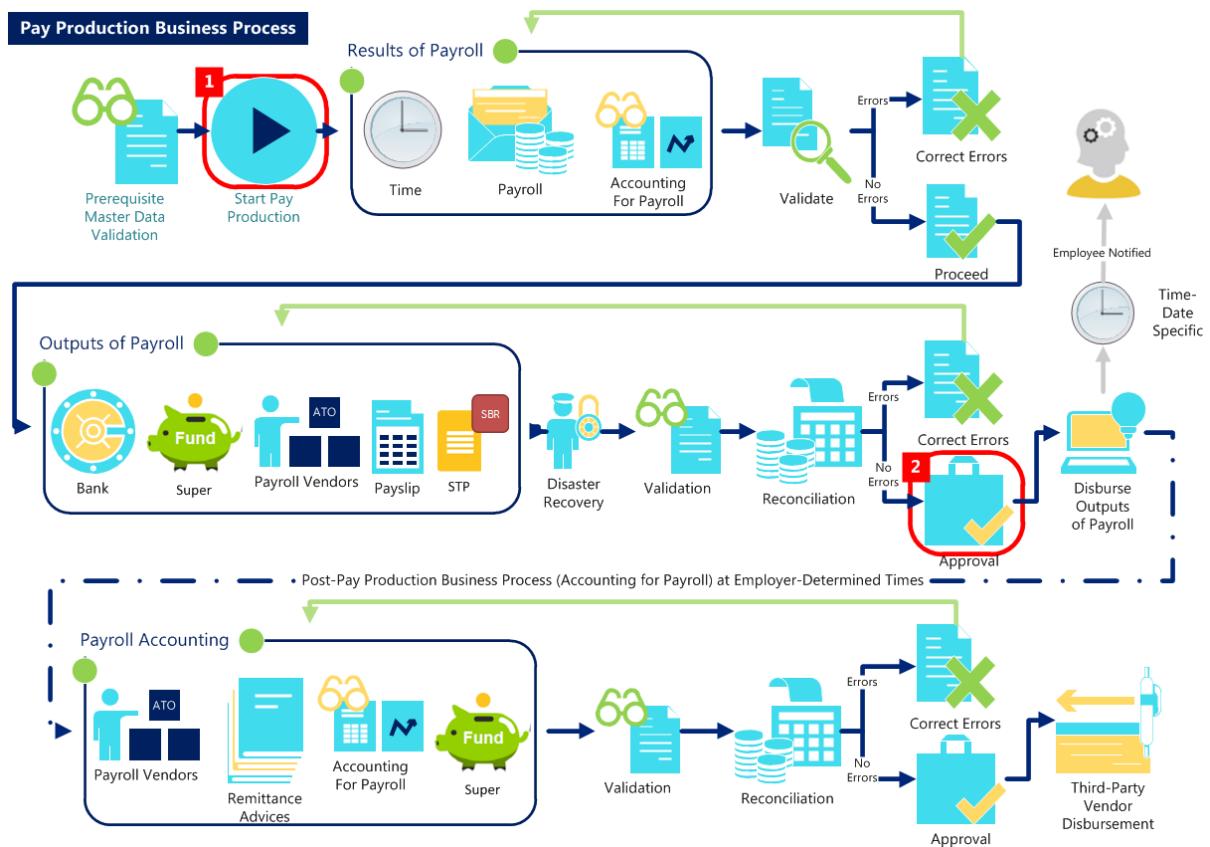
The requirement is that the declaration statement needs to cover off on the “true and correct” information to be sent. That is, there is a conscious decision by the user to choose to submit the final form of the data.

Some examples as to the form of the Declaration provisioned by an employer to Payroll Provider or Agent may be (but not limited to) the following:

- Letter
- Fax
- Email
- Word/Electronic Document

Software Pop-Up/User-Interface screen (provided the signed employer to registered agent declaration is capable of being retained by the client and agent).

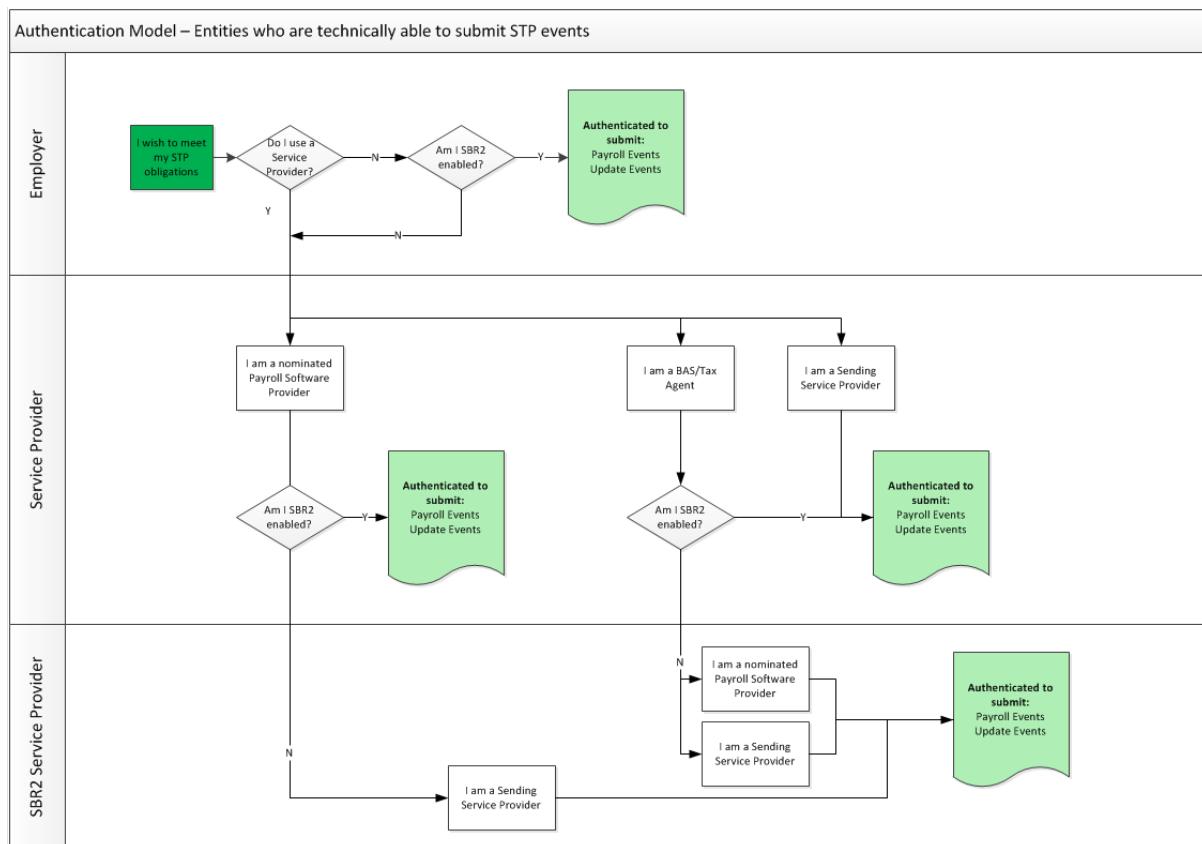
Figure 1: Pay Production Process



### 3. AUTHENTICATION AND THE FINAL 'HOP'

The scenarios to be presented in the following section must be considered within the context of the “final hop” - that is, which entity is the owner of the AUSkey for the actual submission of the payroll report. The AUSkey of the entity directly connected to the ATO must be used to transmit Pay events and Update events to the ATO. The entity sending the message must be authorised to send that message to the ATO by the employer or their registered Tax or BAS Agent.

Figure 2: Authentication Model – Entities who are technically able to submit STP Event



### 3.1 Explanation of Flow

Employer chooses whether to engage a Service Provider;

If the employer is SBR2 enabled;

They will be able to submit all events;

Else, the employer requires the use of a Service Provider;

If the Service Provider is SBR2 enabled;

And they are captured as the appropriately defined type on ATO systems then they are able to submit the corresponding STP events

If the Service Provider is not SBR2 enabled;

They will need to engage an additional SBR2 enabled Service Provider to ensure corresponding events can be submitted.

**Note:** By definition a Sending Service Provider is SBR2 enabled.

## 4. SCENARIOS OVERVIEW

The following scenarios will be presented.

### *A. Employer Self Lodging*

1. Direct with own AUSkey
2. With a Payroll Software Provider
3. Registered Agent provides completed payroll to the employer for submission to ATO
4. Employer lodging on behalf of an economic group
  - a. with own AUSkey
  - b. using a Payroll Software Provider

### *B. Employer to Registered Agent*

5. Declaration by an Employer to authorise a Registered Agent to Prepare Payroll Report

### *C. Registered Agent Lodged*

6. Registered Agent Declaration for submission to the ATO
7. Registered Agent Declaration to process payroll and uses Payroll Software Provider for submission to ATO
8. Registered Agent Declaration to process payroll on behalf of an economic group
  - a. Direct
  - b. Payroll Software Provider
9. Employer provides Declaration for preparation and submission of “Standard” payroll to ATO

### *D. Sending Service Provider (SSP) Submission*

10. Employer self prepares and SSP uses their own AUSkey for submission to ATO
11. Employer engages an Agent to process payroll and SSP uses their own AUSkey for submission to ATO
12. Employer uses Payroll Software Provider to self-prepare and SSP uses their own AUSkey for submission to ATO
13. Employer self prepares on behalf of an economic group
  - a. and SSP uses their own AUSkey for submission to ATO
  - b. using a Payroll Software Provider and SSP uses their own AUSkey for submission to ATO
14. Employer engages a Registered Agent to process payroll, Agent uses Payroll Software Provider to prepare and SSP uses their own AUSkey for submission to ATO
15. Registered Agent lodging on behalf of an economic group using
  - a. and SSP uses their own AUSkey for submission to ATO
  - b. using a Payroll Software Provider and SSP uses their own AUSkey for submission to ATO

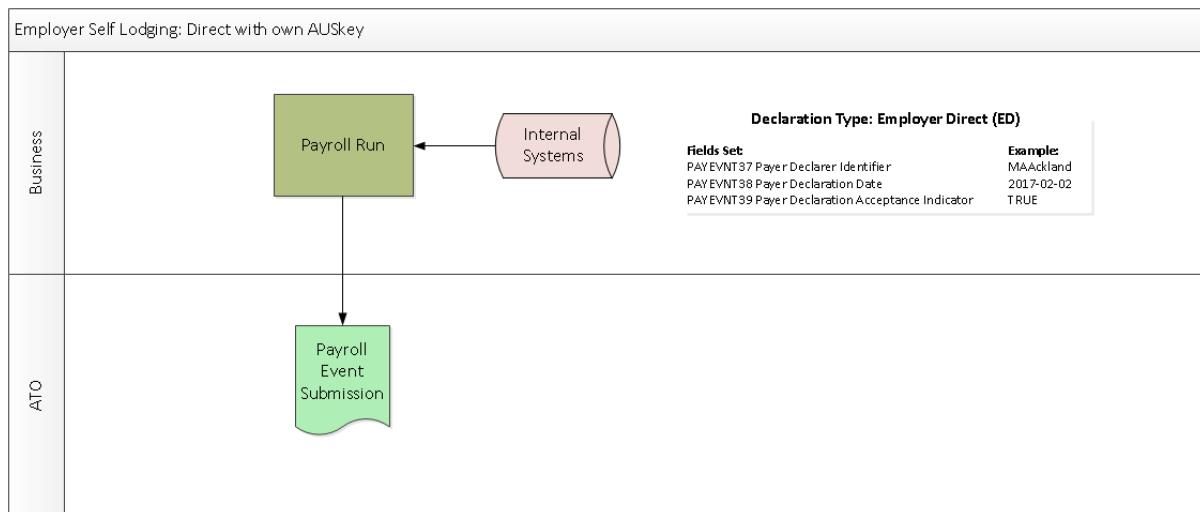
### *E. Finalisations*

16. Finalisation Scenarios (setting the finalisation flag to TRUE)
  - a. Employer (self-lodges/self-prepares) and Finalises payroll
  - b. Employer engages a Registered Agent to Process and Finalise payroll
  - c. Employer engages a Registered Agent to Finalise payroll

## A. EMPLOYER SELF LODGING

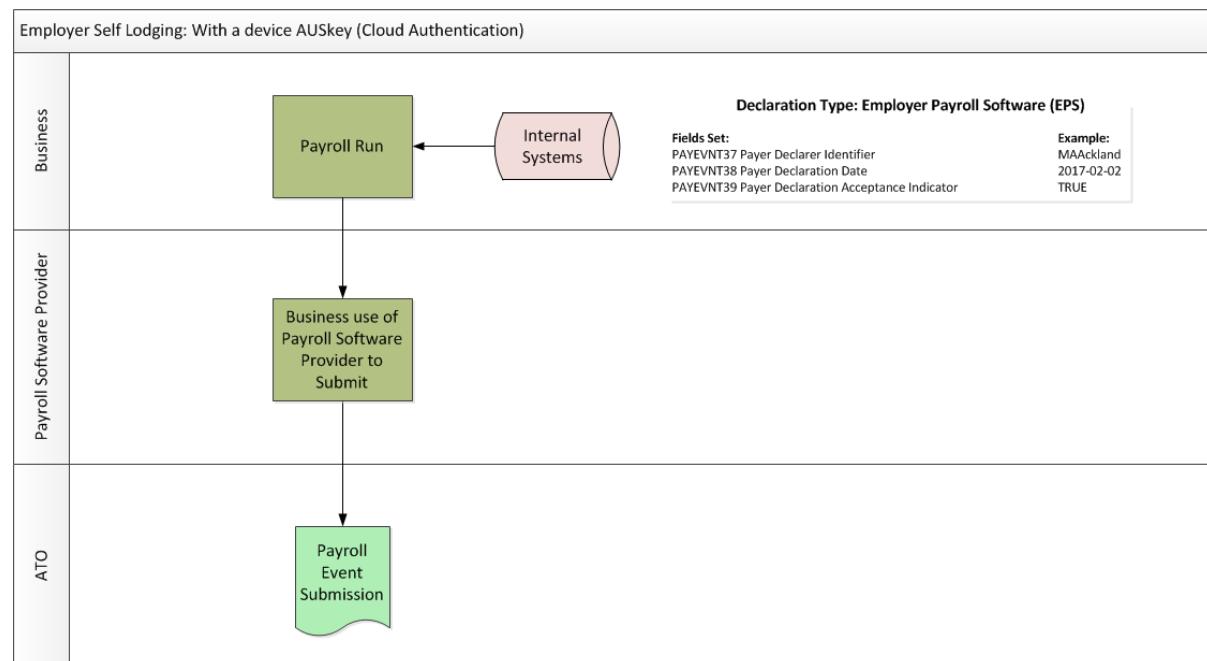
### 1. Employer Self Lodging Declaration (direct with own AUSkey)

Where the payroll report is being sent by the employer or an authorised employee directly a declaration should be made by the authorised person after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



## 2. Employer Self Lodging: with a Payroll Software Provider

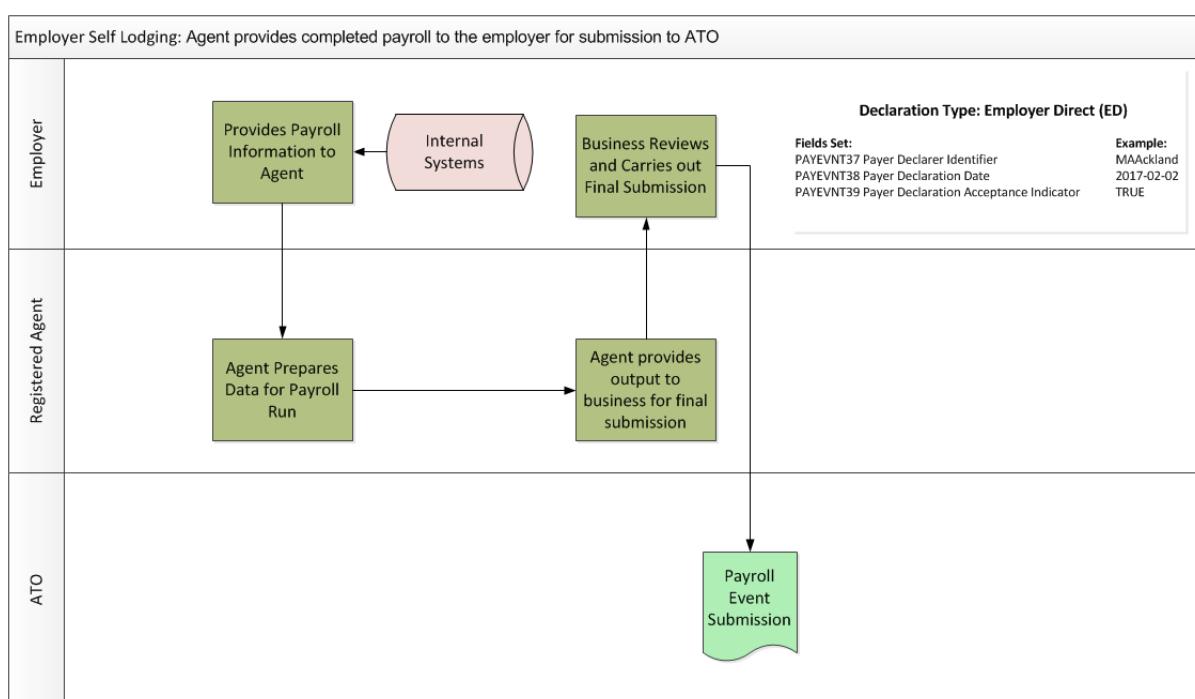
Where the payroll report is being sent by the employer or an authorised employee with a device AUSkey (eg via cloud authentication), a declaration should be made by the authorised person after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



### 3. Registered Agent provides completed payroll to the employer for submission to ATO

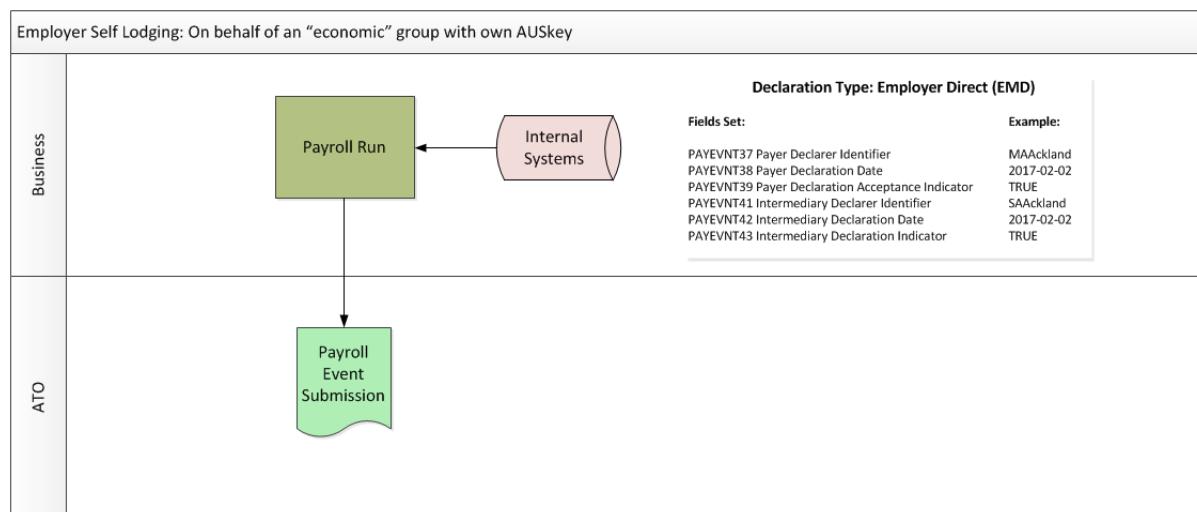
Where a Registered Agent has completed the payroll report and provided it to the employer to lodge, a declaration should be made by the employer or an authorised employee. The Registered Agent's involvement in the completion of the payroll report in this case may be captured through the population - by the employer - of the optional payer/supplier contact detail fields.

The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 "Declaration Statements" of the BIG. An extension of this scenario is to branch into scenario 2 (use of a Payroll Software Provider) once the employer has the payroll report.



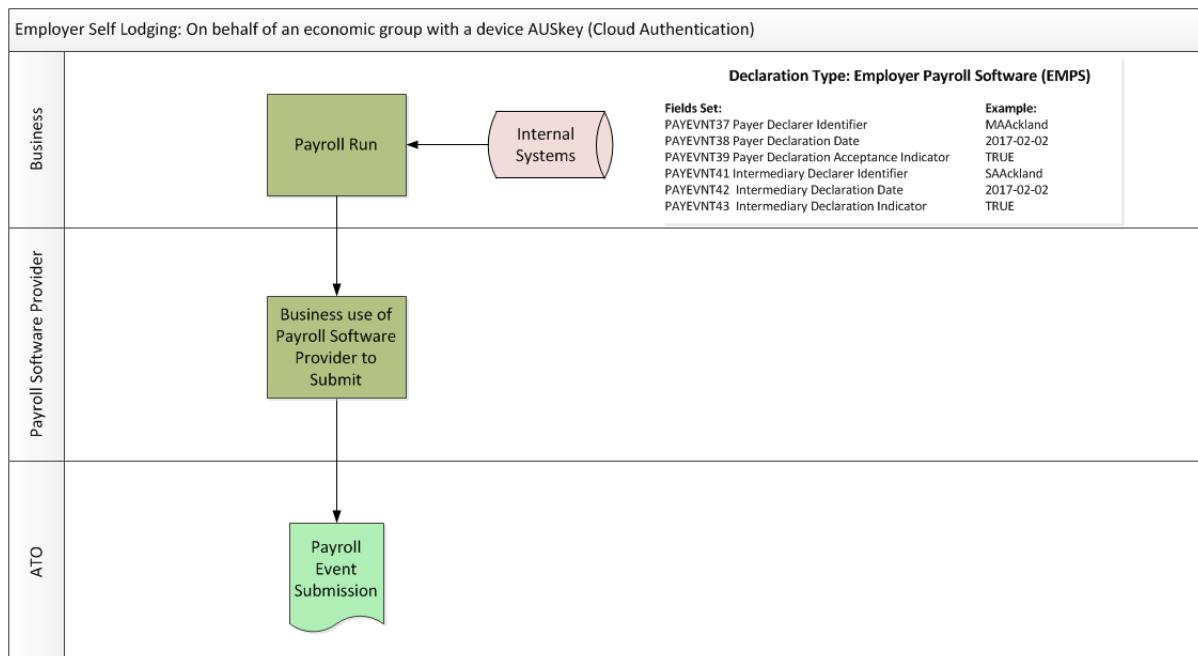
#### 4a. Employer lodging on behalf of an economic group with own AUSkey

Where the payroll report is being sent by an employer an authorised employee on behalf of an economic group directly, a declaration should be made by the authorised person after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



#### 4b. Employer lodging on behalf of an economic group using a Payroll Software Provider

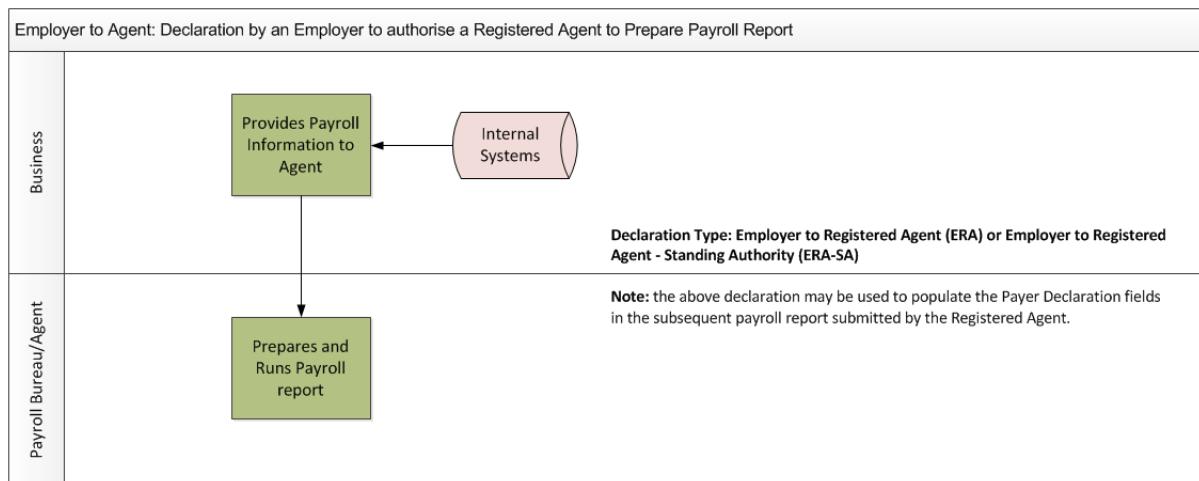
Where the payroll report is being sent by the employer or an authorised employee through a payroll software provider a declaration should be made by the authorised person after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



## B. EMPLOYER TO REGISTERED AGENT

### 5. Declaration by an Employer to authorise a Registered Agent to Prepare Payroll Report

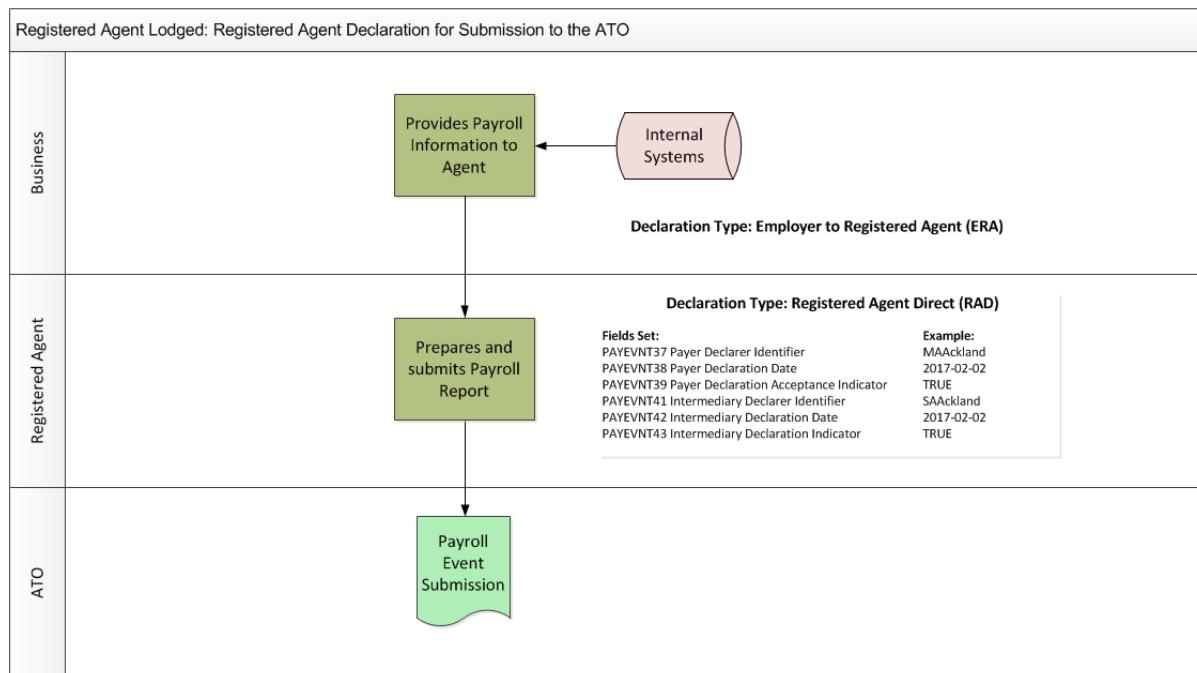
Where the payroll report is being prepared by an authorised registered agent a declaration should be made by the employer or authorised employee at the time of providing the information to the agent and the wording of the declaration should be in accordance with the requirements set out within the [Taxpayer Declaration Guide](#). This declaration represents an employer's legal obligation in regards to the preparation of the payroll output and is not explicitly captured by ATO systems. However the ascertainment of this declaration may be used to populate the Payer Declaration fields in the subsequent payroll report submitted by the registered agent.



## C. REGISTERED AGENT LODGED

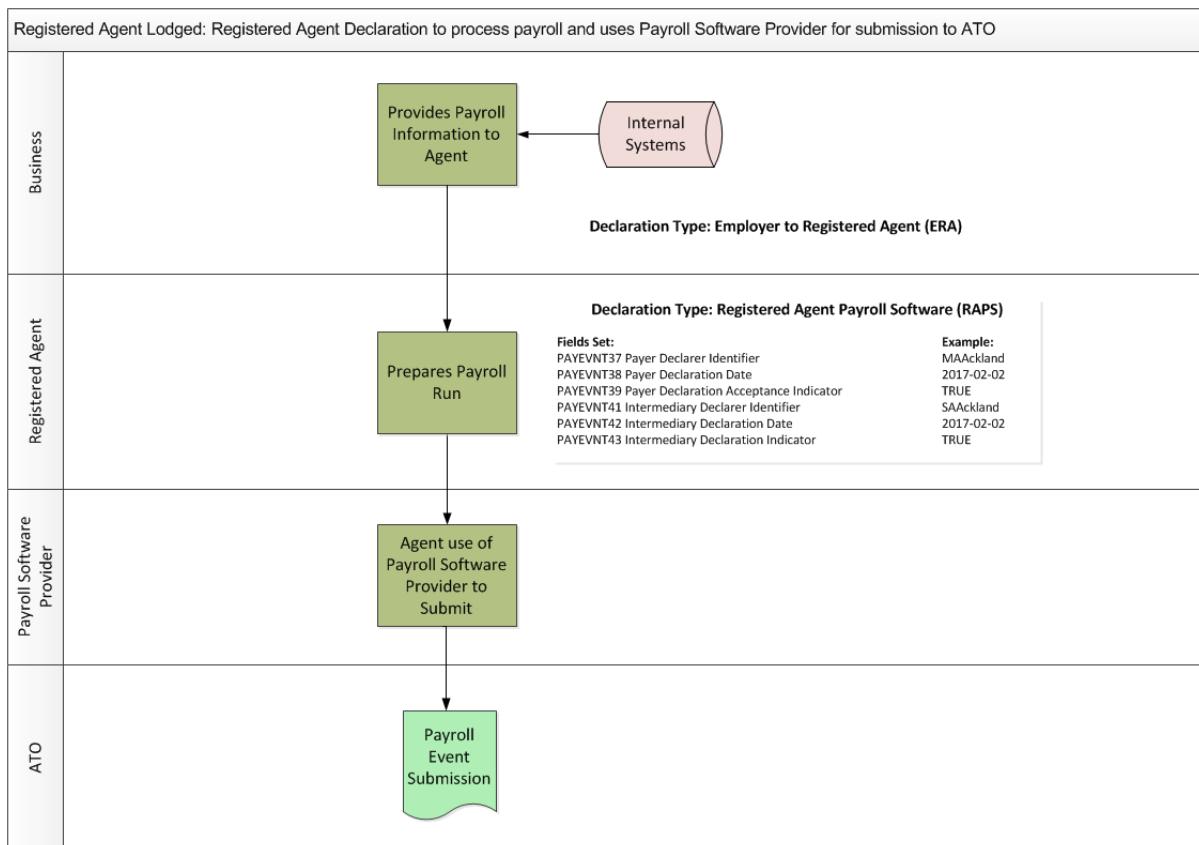
### 6. Registered Agent Declaration for Submission to the ATO

Where the report is being generated and submitted by a registered agent then the agent is required to make a declaration. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



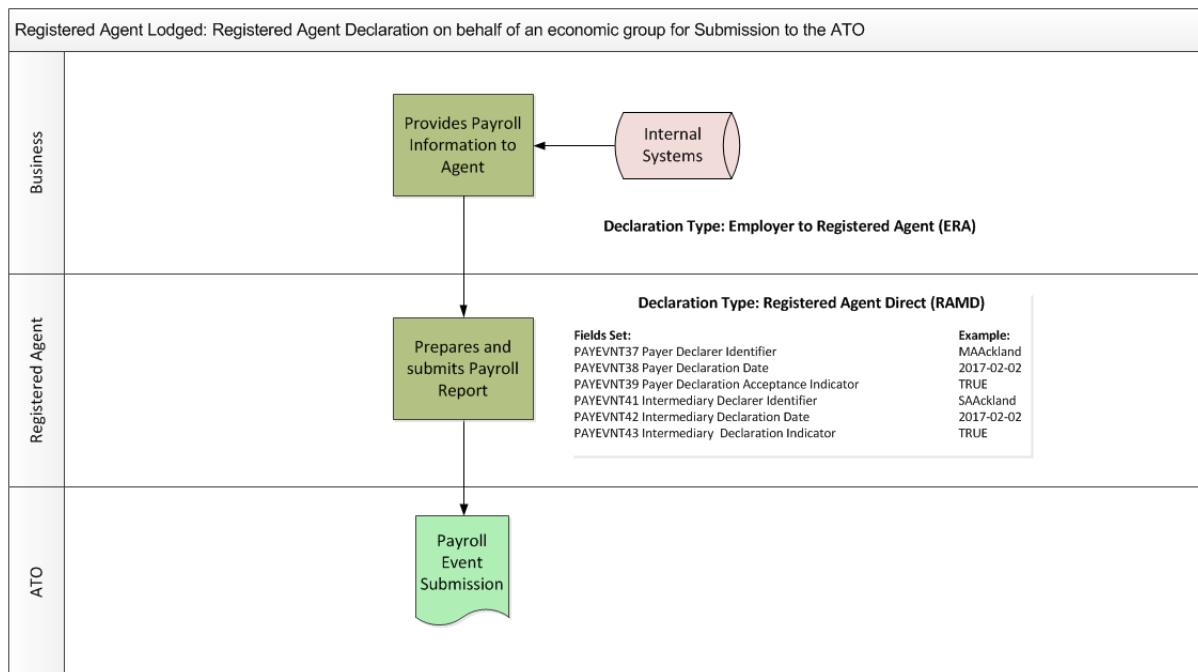
## 7. Registered Agent Declaration to process payroll and uses Payroll Software Provider for submission to ATO

Where the payroll report is being generated by a registered agent and submitted through a cloud provider, the agent is required to make a declaration. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



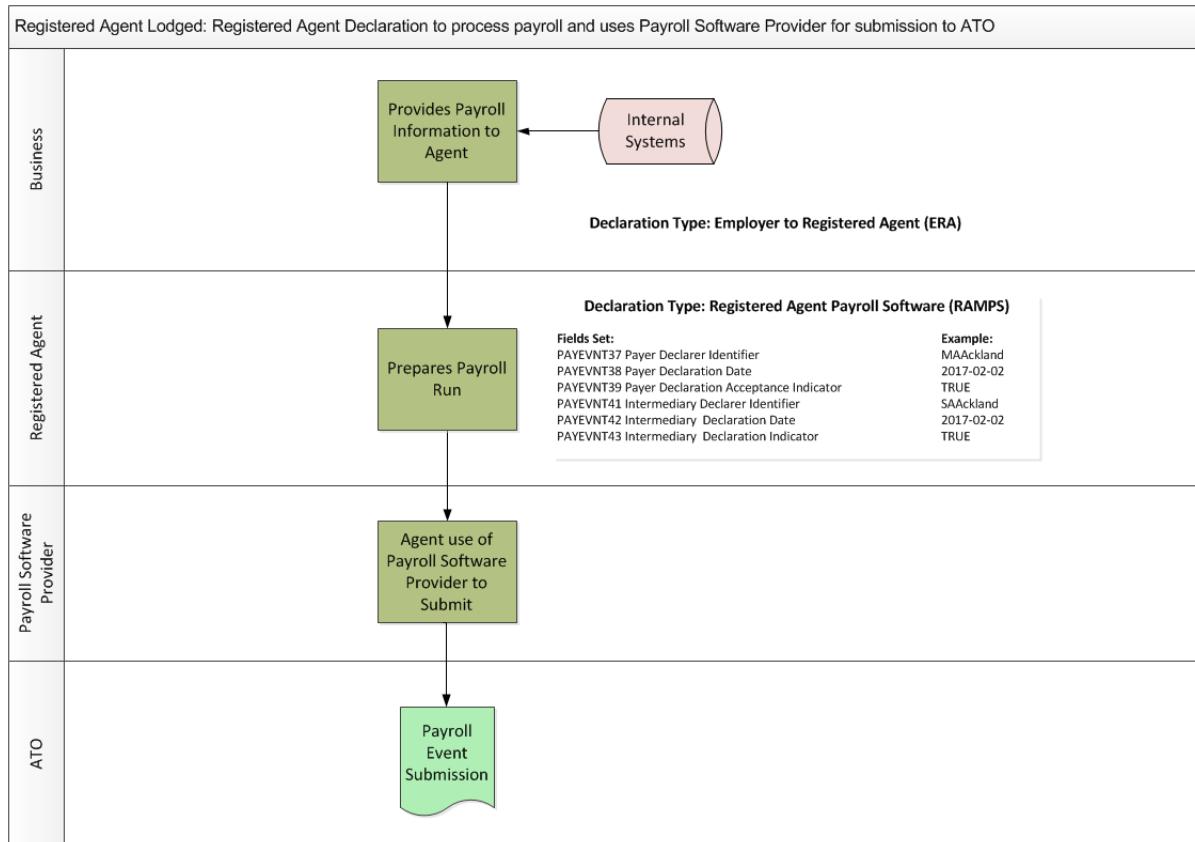
**8a. Registered Agent Declaration to process payroll on behalf of an economic group for submission to ATO**

Where the report is being generated and submitted by a Registered Agent on behalf of an economic group then the agent is required to make a declaration. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



**8b. Registered Agent Declaration to process payroll on behalf of an economic group and uses Payroll Software Provider for submission to ATO**

Where the payroll report is being generated by a registered agent on behalf of an economic group and submitted through a Payroll Service Provider, the agent is required to make a declaration. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.

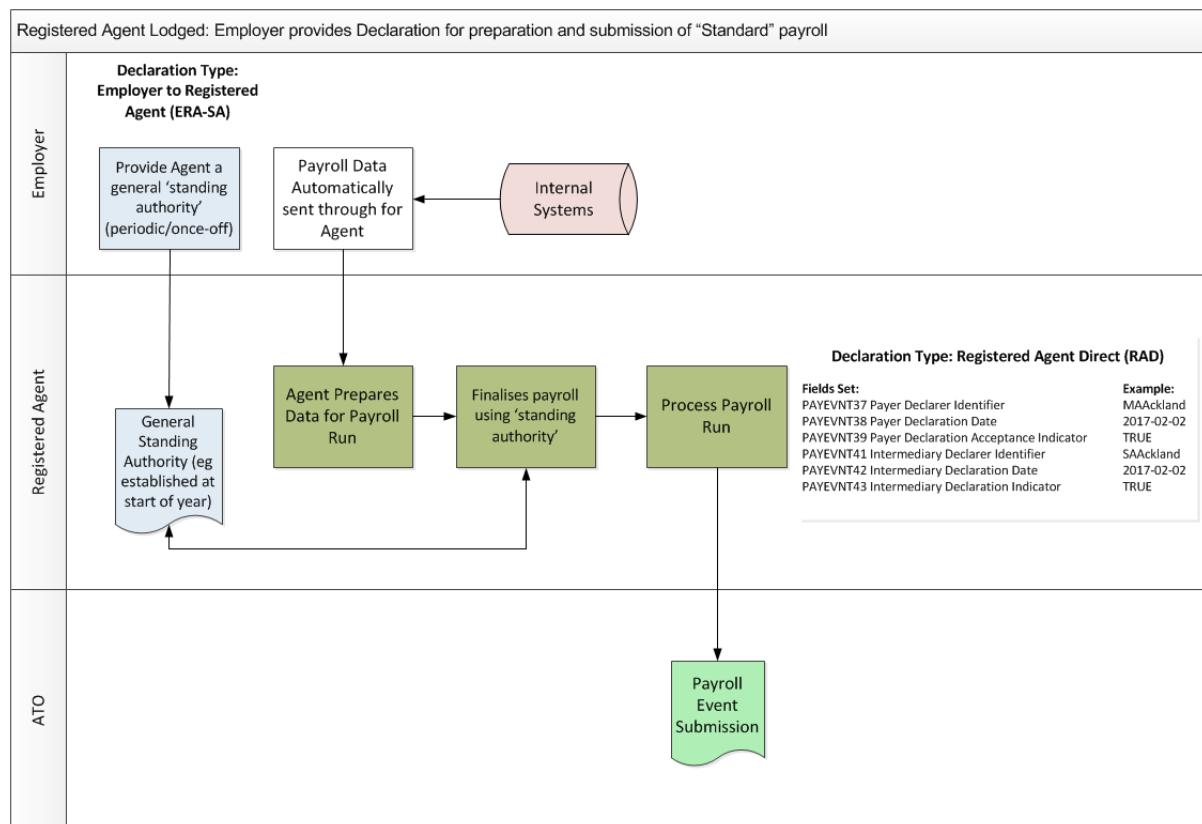


## 9. Employer provides Declaration for preparation and submission of “Standard” payroll

- Where an employer has a payroll that is “consistent” (ie it does not vary from pay period to pay period), the employer may provide their agent with a signed declaration stating both:

- the employer has authorised the agent to lodge the consistent payroll information with the Commissioner on or before each pay day
- the consistent payroll information is true and correct.
- An example declaration is provided below.
- In this circumstance, the agent would be authorised by this declaration to report the consistent payroll information to the Commissioner on or before each pay day, provided the information does not vary from pay period to pay period. The employer would not need to provide their agent with declarations before each pay day to enable their agent to lodge the information with the Commissioner.

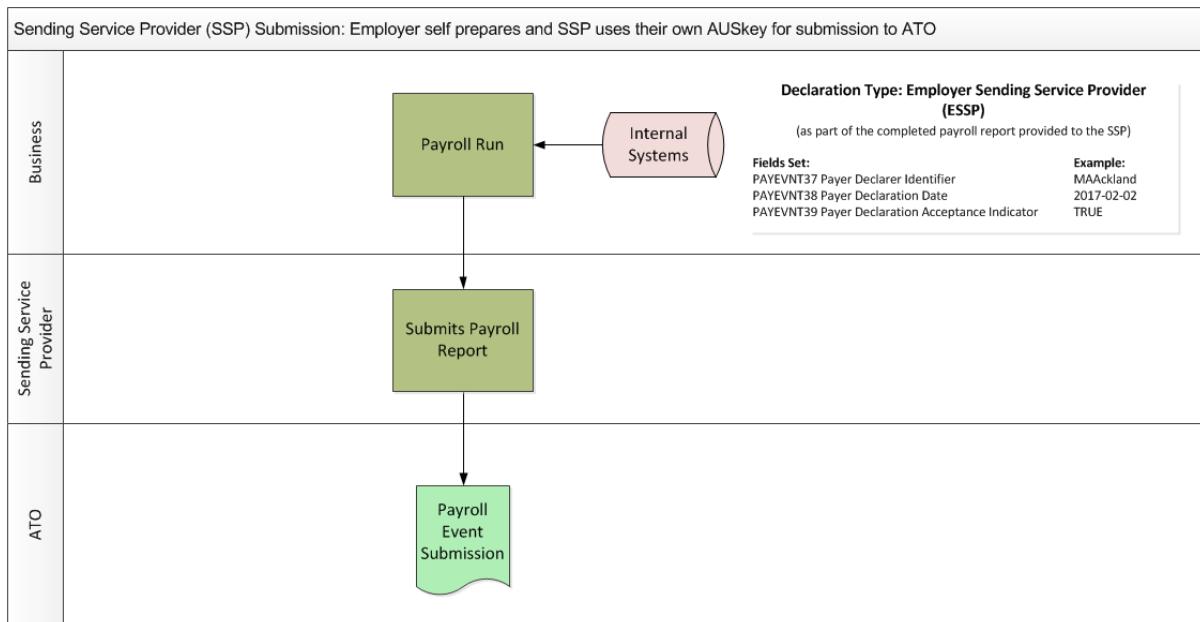
If a pay period differs from the consistent payroll, the employer must provide their agent with another declaration to authorise their agent to report this different information to the Commissioner on or before the relevant pay day. The employer’s declaration in relation to the consistent payroll would not authorise their agent to report the information for this pay period to the Commissioner. In the absence of a declaration in relation to this information, the agent is not authorised to lodge a report about this information with the Commissioner. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG. An extension of this scenario is to branch into scenario 2 (use of a Payroll Software provider) once the employer has the payroll report.



## D. SENDING SERVICE PROVIDER (SSP) SUBMISSION

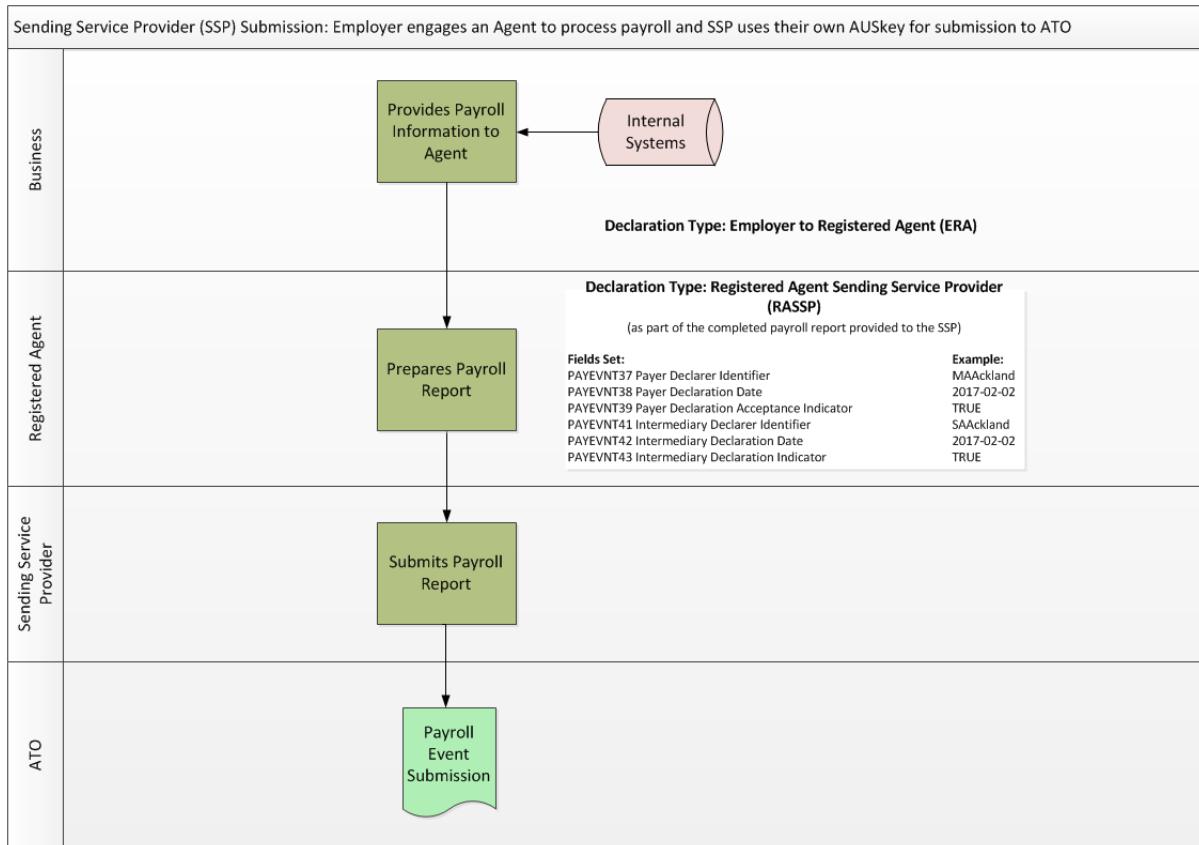
### 10. Employer self prepares and SSP uses their own AUSkey for submission to ATO

Where the payroll report is being prepared by the employer or an authorised employee for the purposes of its provision to a Sending Service Provider, a declaration should be made by the authorised employee after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



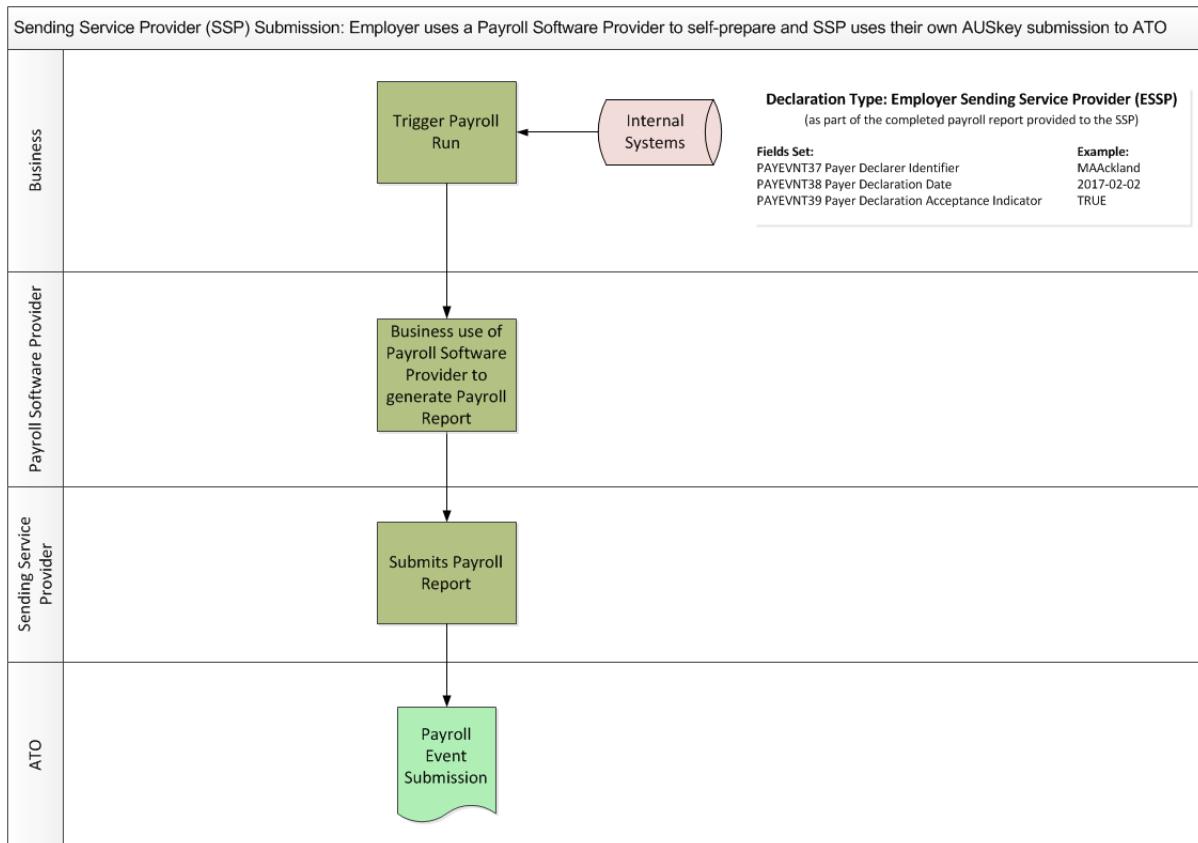
## 11. Employer engages a Registered Agent to process payroll and SSP uses their own auskey submission to ATO

Where the payroll report is created by a registered agent and then provided to a SSP for submission, a declaration should be made by the agent after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 "Declaration Statements" of the BIG.



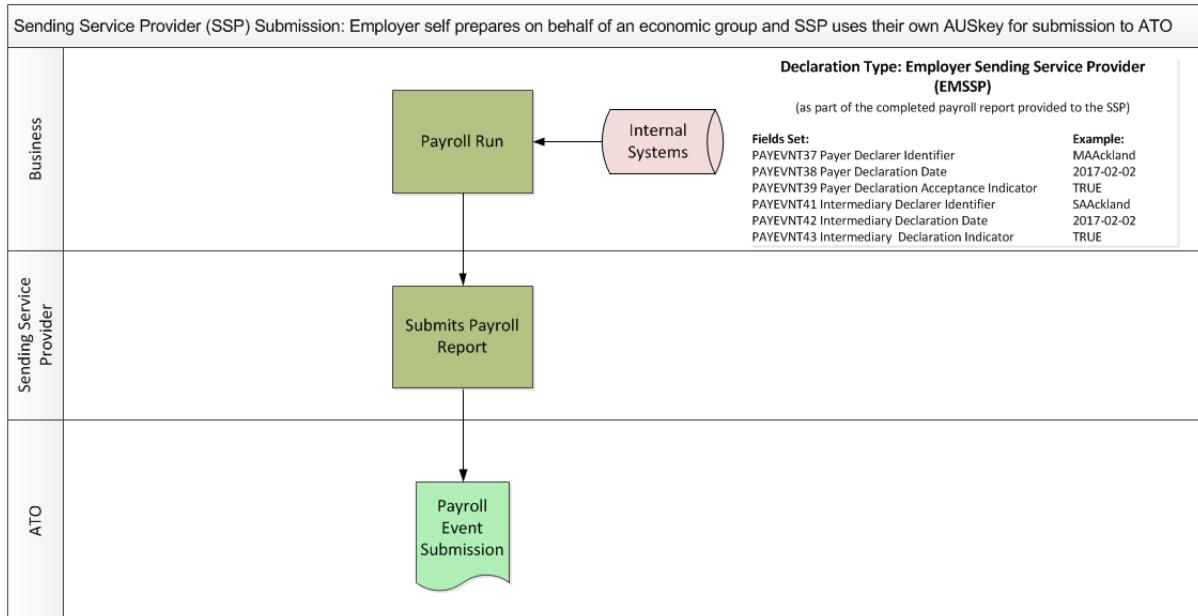
## 12. Employer uses Payroll Software Provider to self-prepare and Sending SSP uses their own AUSkey for submission to ATO

Where the payroll report is created by the employer or an authorised employee through the use of a Payroll Software Provider and then provided to a SSP for submission, a declaration should be made by the authorised employee after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



**13a. Employer self prepares on behalf of an economic group and SSP uses their own AUSkey for submission to ATO**

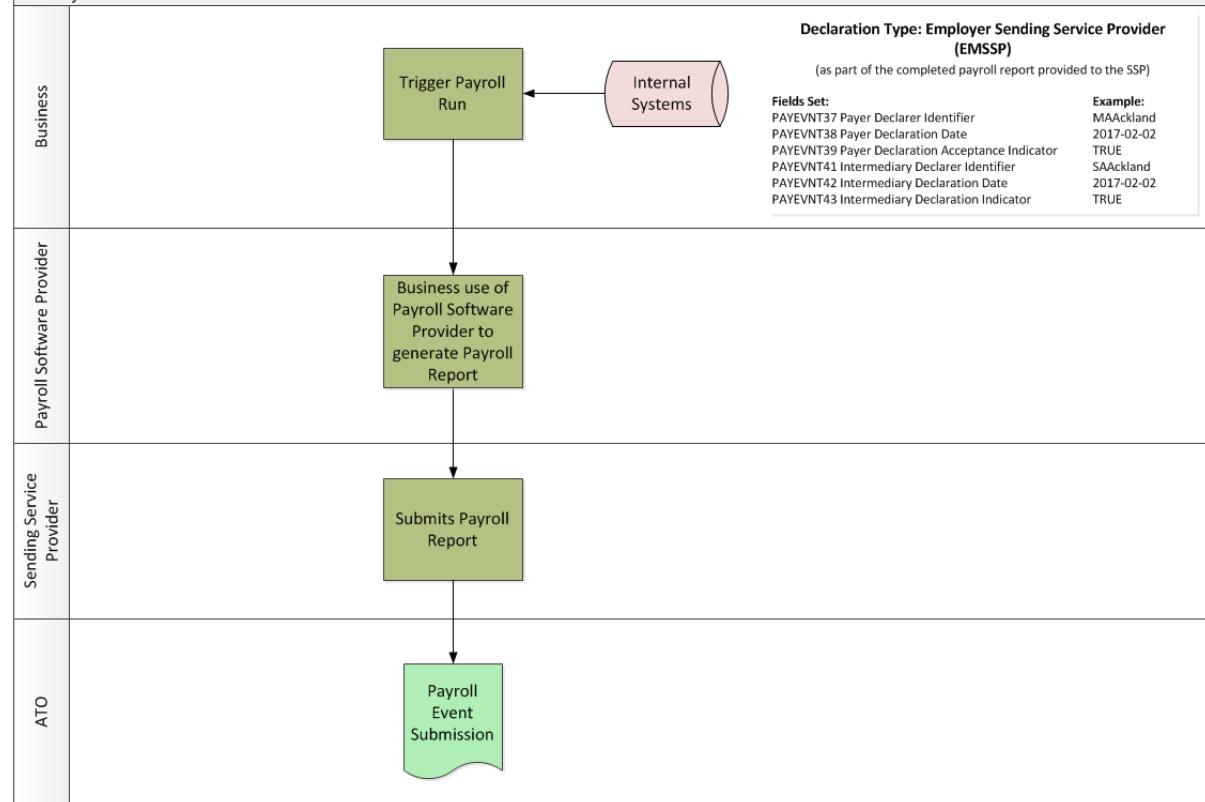
Where the payroll report is being prepared by the employer or an authorised employee on behalf of an economic group for the purposes of its provision to a Sending Service Provider, a declaration should be made by the authorised employee after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 "Declaration Statements" of the BIG.



**13b. Employer self prepares on behalf of an economic group using a Payroll Software Provider and SSP uses their own AUSkey for submission to ATO**

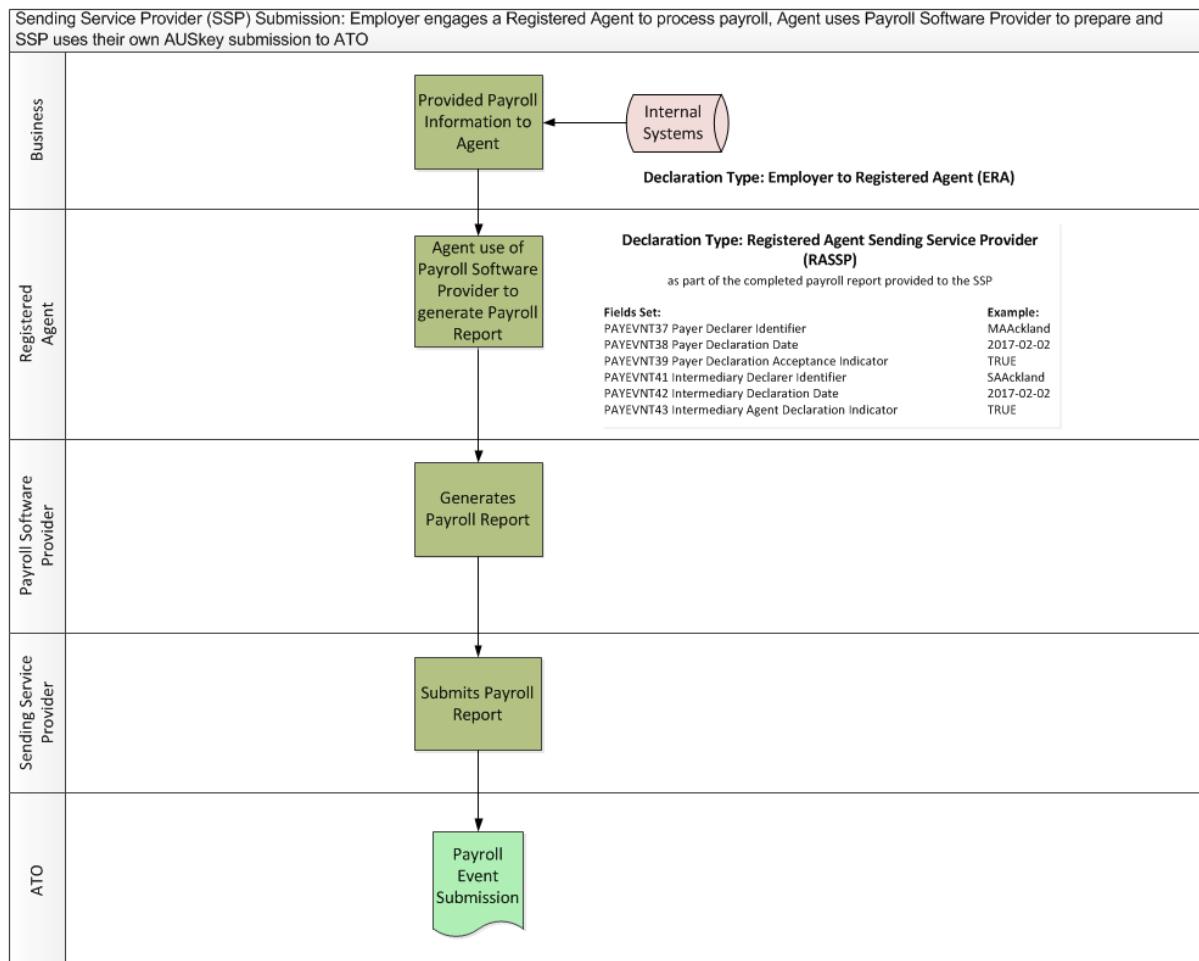
Where the payroll report is created by the employer or an authorised employee on behalf of an economic group through the use of a Payroll Software Provider and then provided to a SSP for submission, a declaration should be made by the authorised employee after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.

Sending Service Provider (SSP) Submission: Employer uses a Payroll Software Provider to self-prepare on behalf of an economic group and SSP uses their own AUSkey submission to ATO



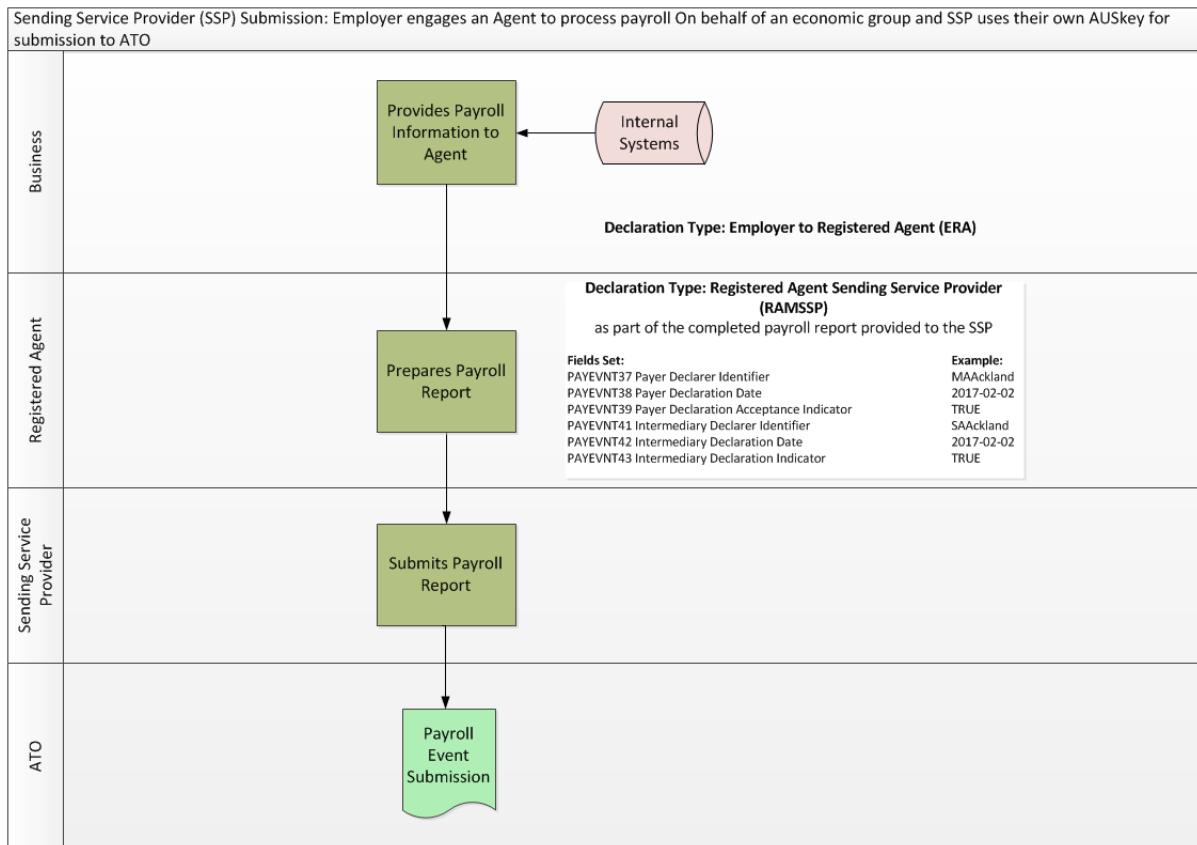
**14. Employer engages a Registered Agent to process payroll, Registered Agent uses Payroll Software Provider to prepare and SSP uses their own AUSkey for submission to ATO**

Where the payroll report is created by a Registered Agent through the use of a Payroll Software Provider and then provided to a SSP for submission, a declaration should be made by the agent after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



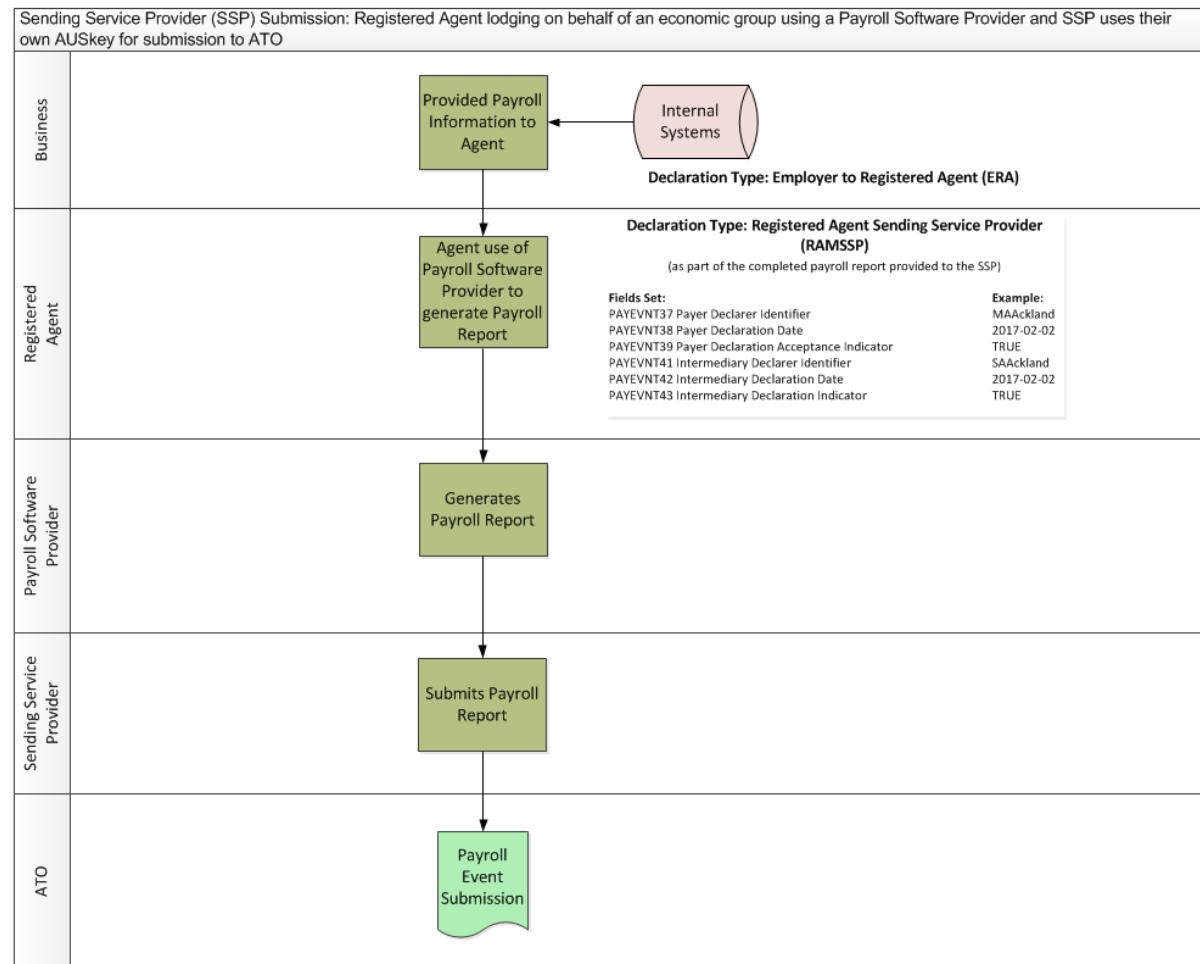
**15a. Registered Agent lodging on behalf of an economic group and SSP uses their own AUSkey for submission to ATO**

Where the payroll report is created by a registered agent on behalf of an economic group and then provided to a SSP for submission, a declaration should be made by the agent after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



**15b. Registered Agent lodging on behalf of an economic group using a Payroll Software Provider and SSP uses their own AUSkey for submission to ATO**

Where the payroll report is created by a Registered Agent on behalf of an economic group through the use of a Payroll Software Provider and then provided to a SSP for submission, a declaration should be made by the agent after the payroll report has been created. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG.



## E. FINALISATIONS (SETTING THE FINALISATION FLAG TO TRUE)

It is important to note in the finalisation scenarios provided below, the Final Event Indicator (PAYEVNT110) is set to “TRUE” for each employee record in the payroll report.

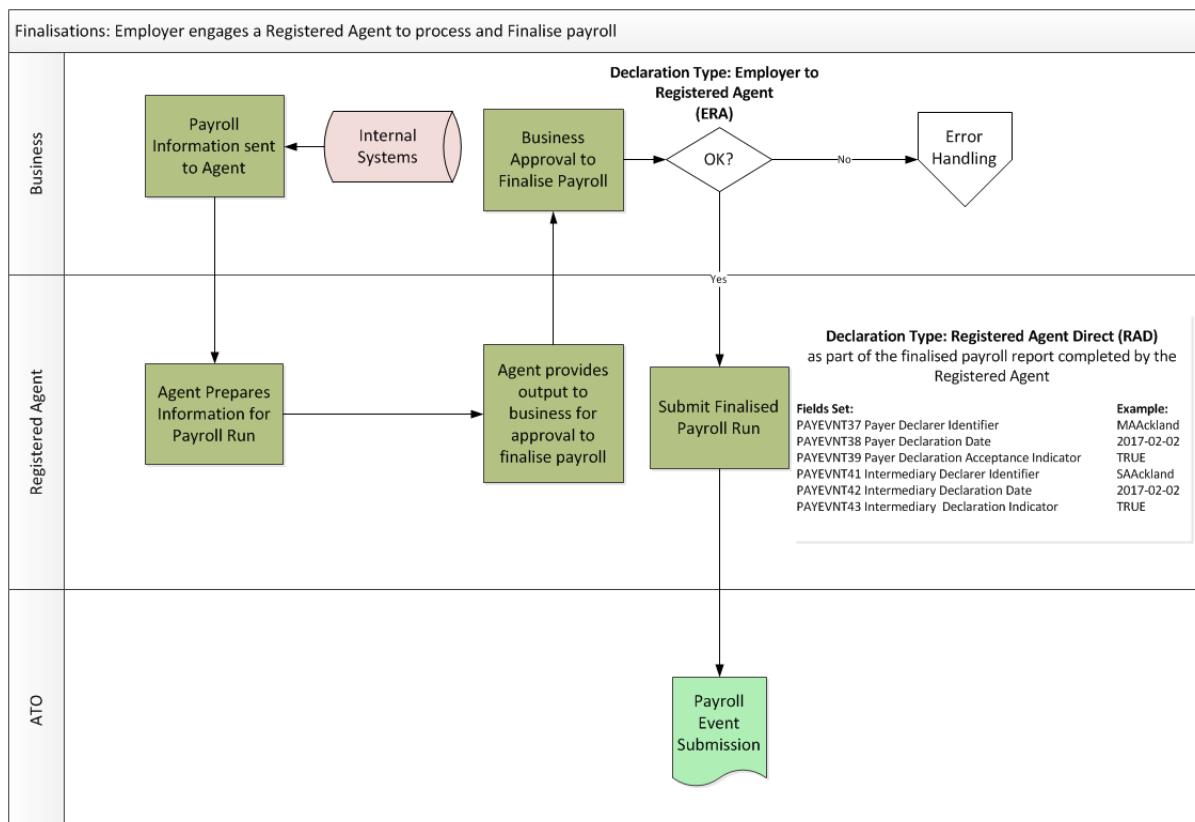
“This indicator is a declaration that the payer has notified under 389-5 or 389-15 all the information that the payer would otherwise be required to give under sections 16-153, 16-155 and 16-165 relating to payments made in the financial year to this payee”

### 16a. Employer Self processes and Finalises payroll

Same as “Employer Self Lodging” scenarios 1, 2, 4a, 4b, 13a and 13b.

### 16b. Employer engages a Registered Agent to process and Finalise payroll

Where a registered agent is generating and finalising payroll reporting it is proposed that the prepared reports should be provided to the employer for their Declaration. This should apply to both partial year and end of year finalisations. The wording of the declaration should be in accordance with the requirements set out within section 5.3.1 “Declaration Statements” of the BIG. An extension of this scenario is to branch into any other scenarios where the registered agent is lodging (eg scenarios 7 or 14), once the Agent has final approval by the employer for the finalisation of payroll.



**16c. Employer engages a Registered Agent to Finalise payroll:**

Subset of the previous scenario 16b, the only difference being that the employer provides actual payroll reports as opposed to the fundamental information (timesheets etc). Therefore, it is treated in the same way from the step where the agent is providing an “output to business for approval”.