Single Touch Payroll – Digital Service Provider Industry Update

Australian Government
Australian Taxation Office

June 2019

Since the legislated introduction of Single Touch payroll (STP) from 1 July 2018, we have seen continued growth in its uptake by employers.

This update provides digital service providers (DSPs) with an overview of the latest STP reporting statistics as well as information on common themes we have identified and recommended actions.

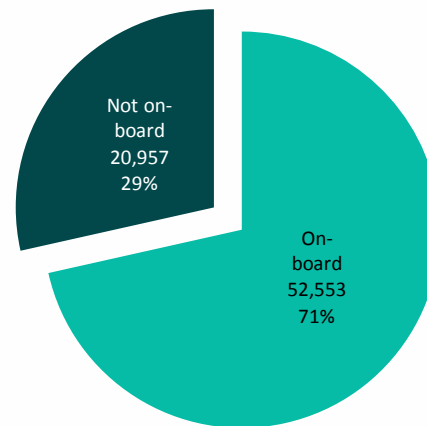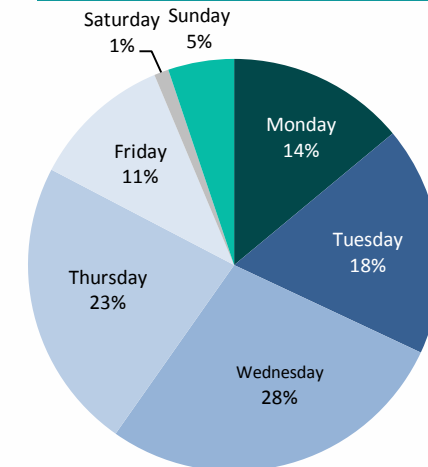|					
111,687 Employers reporting	**6,980,634** Individuals[1]	**3,641,326** Pay events	**117.5 M** Payee events	**235** Payroll solutions	**1,047,941** Income Statement page views

ON-BOARDING

Bar chart values:
- 5 May: Substantial 50,335, Small 44,660
- 12 May: Substantial 50,871, Small 48,286
- 19 May: Substantial 51,554, Small 53,085
- 26 May: Substantial 52,553, Small 59,134

Legend: ■ Substantial[2]   ■ Small[3]

SUBSTANTIAL[2]

- Not on-board 20,957 29%
- On-board 52,553 71%

PAY DAY[4]

- Saturday 1%
- Sunday 5%
- Monday 14%
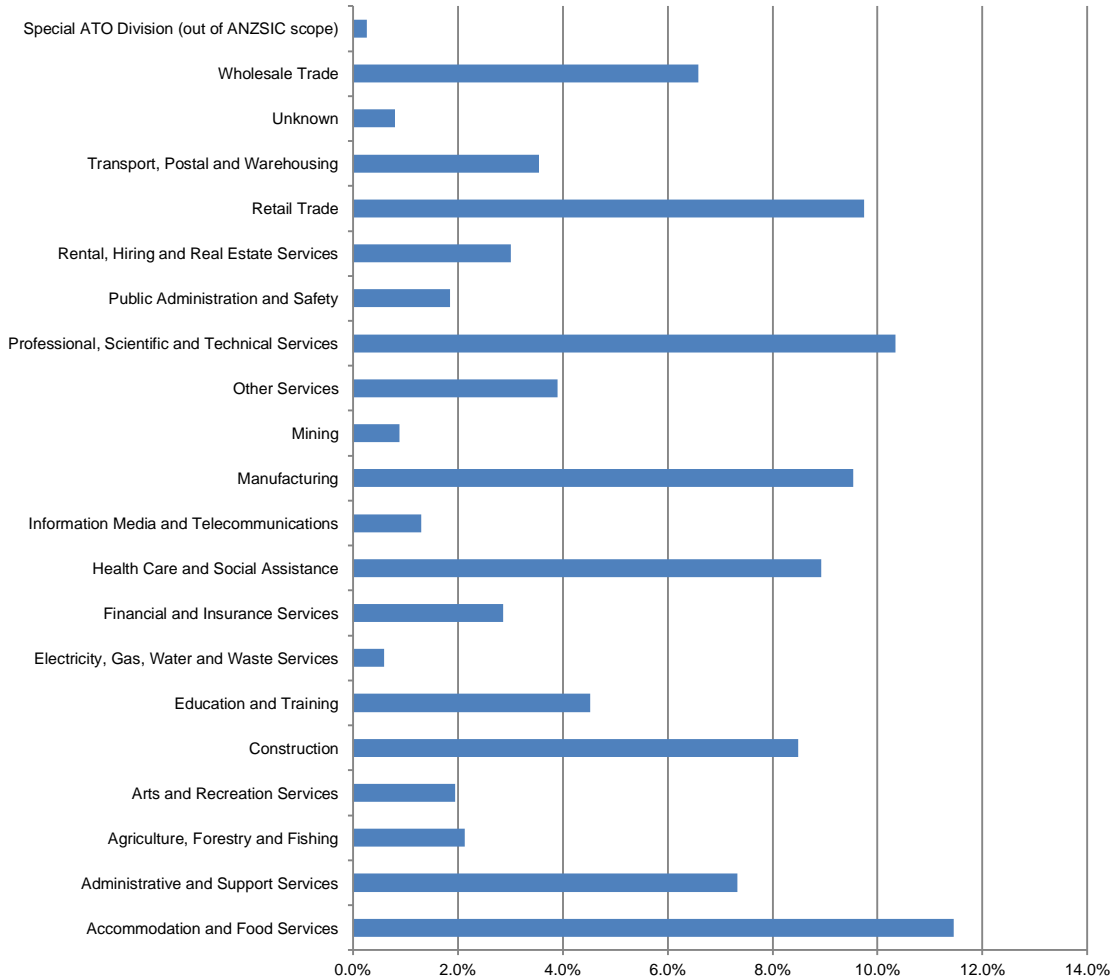- Tuesday 18%
- Wednesday 28%
- Thursday 23%
- Friday 11%
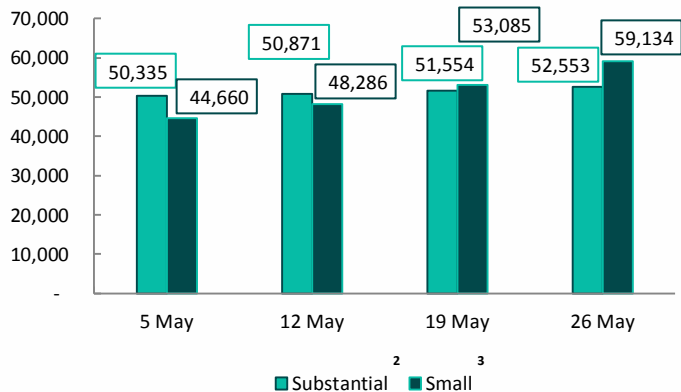
Notes:
1. The number of individuals reported via STP (noting an individual may be reported by more than one employer – e.g. where they have two jobs)
2. "Substantial" is defined as an employer with 20 or more employees. Population estimated to be 73,510
3. "Small" is defined as an employer with 19 or less employees
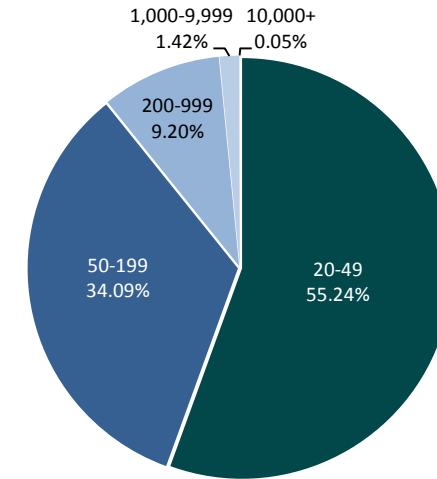4. The Pay Day is the date on which a payment has been made by an employer.

*The figures are a snapshot as at 26 May 2019.

1

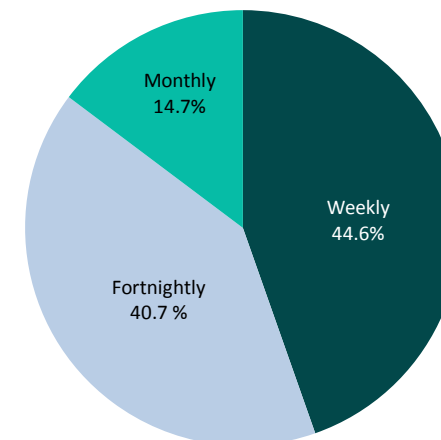# Single Touch Payroll – Digital Service Provider Industry Update

Australian Government
Australian Taxation Office

ON-BOARDED SUBSTANTIAL EMPLOYERS by INDUSTRY SEGMENT

EMPLOYER SIZE SEGMENTS [5] (Substantials)

- 1,000-9,999: 1.42%
- 10,000+: 0.05%
- 200-999: 9.20%
- 50-199: 34.09%
- 20-49: 55.24%

PAY FREQUENCY

- Monthly: 14.7%
- Weekly: 44.6%
- Fortnightly: 40.7%

Note:
5. Substantial employers grouped by employee size segments.

Single Touch Payroll – Digital Service Provider Industry Update

COMMON THEMES

Below are some common STP reporting themes based on current lodgment behaviours. The tips below could assist in minimising some of the issues for you and/or your users. As the first year of STP is a transition, we may contact your users to offer support and guidance.

Common theme	Recommended action
EOFY reporting – STP vs PSAR There may be some confusion around whether an employer needs to lodge a payment summary annual report (PSAR) as part of their EOFY process.	How an employer finalises their EOFY reporting obligations depends on when they lodged their first STP report. If the employer: • lodged their first STP report before 30 June 2019, they need to finalise their end of year obligations via STP. Employers don't need to lodge a PSAR or provide payment summaries to employees for payments reported through STP. • lodges their first STP report after 30 June 2019, they must lodge a 2018-19 PSAR and provide their employees with payments summaries to meet their end of year obligations. For more information, see End-of-year finalisation through STP on ato.gov.au.
EOFY – Tax Ready or Not Tax Ready There may be some confusion around income statement information marked as 'not tax ready' being pre-filled in myTax.	Employees can view their year-to-date tax and super information at any time in ATO online services via myGov. While we encourage employees to wait until their information is marked as 'tax ready', their income will be visible in myTax even if it has not been finalised by their employer. Where information is marked 'not tax ready', employees need to review the pre-filled information before they submit their tax return and acknowledge their employer may finalise their income statement with different amounts. Employers need to finalise their employees' STP data by 31 July 2019. This marks the information as 'tax ready' and ensures their employees have the correct information available to complete their tax return. For more information see Accessing your income statement or payment summary information online on ato.gov.au.

Single Touch Payroll – Digital Service Provider Industry Update

COMMON THEMES

Common theme	Recommended action
Multiple employee records A new employee record is created in ATO systems each time we receive a unique combination of ABN, BRANCH, BMS ID and/or PAYEE PAYROLL ID in an STP report. While some employees require multiple records, we have found some employers have updated one or more of these combinations unaware this results in multiple records being displayed to their employees in ATO online services via myGov.	Capability within your software to manage unintended multiples of the ABN, BRANCH, BMS ID and/or PAYEE PAYROLL ID combination can help to ensure only valid new (additional) records are created. You can find information on the functionality of STP pay event design requirements in: ▪ section 3.1.2 of the Business Implementation Guide ▪ section 6.1.2 of the Business scenarios Soon, we will be contacting employers about incomplete, incorrect or multiple employee records.

Stakeholder resources

Resources are available on the *Software developers website* and ato.gov.au to support you in communicating with your users. This includes:
- Single Touch Payroll employer reporting guidelines
- Reporting through Single Touch Payroll (includes steps to consider before lodgment of a STP report)

ONLINE